

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

The Clark County School District (District) proposes to renew the charter contract between the District and Rainbow Dreams Academy for a period of three years, effective July 1, 2023, through June 30, 2026.

Per Nevada Revised Statutes (NRS) 388A.285, a charter contract may be renewed for a term of not less than three years or more than ten years. It is the recommendation of District staff that Rainbow Dreams Academy is granted a charter contract for a term of three years, effective July 1, 2023, through June 30, 2026.

NRS 388A.285 requires the Board of School Trustees to consider the request for renewal of a charter contract for an additional term as prescribed in NRS 388A.285(4). The determination of the sponsor regarding the renewal of the charter contract must be based upon the criteria of the sponsor for the renewal of a charter contract as set forth in the District's Charter Contract (Attachment 1), and evidence of the performance of the charter school during the term of the charter contract in accordance with the performance framework for the charter school, as set forth in the Charter Contract Renewal Report (Attachment 2).

The charter contract has been reviewed by the Office of the General Counsel and approved as to form. District staff find the request for renewal to be complete.

Should the Board of School Trustees not renew the charter contract, Rainbow Dreams Academy must cease operations, effective July 1, 2023.

Discussion and possible action regarding approval to renew the charter contract between the Clark County School District and Rainbow Dreams Academy for a period of three years, effective July 1, 2023, through June 30, 2026, and for the Superintendent of Schools, Clark County School District, and the President and Clerk, Clark County School District Board of Trustees, to sign the charter contract, is recommended.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Attachment 1

CHARTER CONTRACT

Between

the

Clark County School District

and

Rainbow Dreams Academy

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Charter Contract	5
Recitals	5
I. Continued Operation of the School	6
A. Continued Operation	6
B. Parties	6
C. Term of Charter Contract	6
D. General	6
E. Charter School Governing Body	7
F. Location	8
G. Facilities	8
H. Charter School Independence	9
II. School Operations	9
A. Open Meetings and Public Records	9
B. Records Retention	9
C. Mission Statement	10
D. Age, Grade Range, and Number of Students	10
E. Non-Discrimination	11
F. Student Recruitment, Enrollment, and Attendance	11
G. Tuition, Fees, and Volunteer Requirements	13
H. School Calendar; Hours of Operation	13
I. Student Conduct and Discipline	13
J. Service Agreements, Contracts, Facility Lease or Purchase	14
K. Contracts with a Contractor, Educational Management Organization (EMO), or Charter Management Organization (CMO)	14
L. Operational Manual	16
M. Employment Matters	16
N. Student Health, Welfare, and Safety	16
O. Safe and Respectful Learning Environment	16
P. Transportation	17
Q. Parent Concern Process	17
R. Information Technology and Information Security	17
III. Educational Program	17
A. Design Elements	17
B. Curriculum and Instructional Design	18
C. Student Assessment	18
D. Special Education	18
E. English Language Learners	19
IV. Charter School Finance	19
A. Financial Management	19
B. Budget	20
C. Charter School Funding	21
D. Sponsor Funding	21
E. Purchase of School District Services	21

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

V. Insurance and Legal Liabilities	22
A. Insurance	22
B. Liability	23
C. No Private Cause of Action Against the Sponsor	23
D. No Third Party Rights	23
VI. Transparency and Accountability	23
A. Charter School Reporting	23
B. Additional Reporting	24
C. Sponsor Reporting	24
VII. Oversight	24
A. Sponsor Oversight Duties and Powers	24
B. Inspection of Records	25
C. Site Visits	25
D. Notification	25
E. Intervention	26
VIII. Termination, Restart, or Reconstitution	26
A. Termination or Restart Under NRS 388A.300	26
B. Termination or Reconstitution Under NRS 388A.330	27
C. Other Remedies	28
IX. Closure	28
A. Closure	28
X. Dispute Resolution	28
A. Dispute Resolution	28
XI. School Performance Standards and Review	28
A. Performance Standards	28
B. Review of Charter School Performance and Reports	29
XII. Contract Construction	30
A. Entire Charter Contract	30
B. Authority to Execute Charter Contract	30
C. Request for Amendment of the Charter Contract in General	30
D. Material Amendments	31
E. Non-Material Change – Notification Required	31
F. Other Changes – Determination as Material Amendment or Non-Material Change	31
G. Material Breach	32
H. Notice	32
I. Waiver	32
J. Non-Assignment	32
K. Applicable Law	32
L. Severability	33

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

M. Third Parties	33
N. Counterparts; Signatures	33
SIGNATURE PAGE	34
EXHIBIT 1	
CCSD Charter School Sponsorship Guide	35
EXHIBIT 2	
CCSD Charter School Financial Performance Framework	46
EXHIBIT 3	
Articles of Incorporation, if applicable	65
EXHIBIT 4	
Amendments to Prior Charter Contract, if applicable	66

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

CHARTER CONTRACT

This Agreement constitutes a Charter Contract (the Charter Contract) executed on July 1, 2023 by and between the Clark County School District (referred to as the Sponsor pursuant to NRS Chapter 388A) and the governing body of Rainbow Dreams Academy (the Charter Board) (collectively, the Parties) to establish and operate the Rainbow Dreams Academy (the Charter School) in the State of Nevada.

RECITALS

WHEREAS, the Sponsor is authorized by the Nevada Legislature to sponsor charter schools pursuant to Nevada Revised Statutes (NRS) 388A.220; and

WHEREAS, the Parties currently have a Charter Contract for the operation of the Charter School for a term of six years, beginning on July 1, 2017, and ending on June 30, 2023; and

WHEREAS, on or about October 15, 2022, the Rainbow Dreams Academy submitted an application for renewal of their Charter Contract pursuant to NRS 388A.285; and

WHEREAS, under NRS 388A.015, Charter Contract is defined as the contract executed between the governing body of a charter school and the sponsor of the charter school; and

WHEREAS, this Charter Contract is executed pursuant to NRS 388A.270 which provides that if the sponsor approves the application of a charter school it must negotiate and execute a Charter Contract with the governing body of the charter school; and

WHEREAS, the following exhibits are attached to this Charter Contract and incorporated herein: Exhibit 1, CCSD Charter School Sponsorship Guide; Exhibit 2, CCSD Charter School Financial Performance Framework; Exhibit 3, Articles of Incorporation, if applicable; Exhibit 4, Amendments to Prior Charter Contract, if applicable; and

WHEREAS, under NRS 388A.270 and NRS 388A.273, the Sponsor has adopted a performance framework (Performance Framework) and incorporated the Performance Framework into this Charter Contract as set forth in the CCSD Charter School Sponsorship Guide attached as Exhibit 1; and

WHEREAS, the Parties intend that this Charter Contract serve as a performance contract that supersedes and replaces any initial written agreement, renewal agreement, and/or existing Charter Contract that governs the operation of the Charter School; and

WHEREAS, the Parties now seek to enter into a Charter Contract for a term of three years, beginning on July 1, 2023, and terminating on June 30, 2026, unless earlier terminated as provided herein; and

WHEREAS, the Clark County School District Board of School Trustees is set to approve the Charter Contract at a Board meeting on February 23, 2023, and to grant authority to the Superintendent of Schools to execute the Charter Contract on behalf of the Board of School Trustees;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the Sponsor and Charter Board agree as follows:

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

I. Continued Operation of the School

A. Continued Operation

1. This Charter Contract is entered into between the Sponsor and the Charter Board to establish and operate the Charter School in the State of Nevada.
2. As authorized by NRS 388A.270, the Sponsor hereby authorizes the continued operation of the Charter School for a term of three years with the aforementioned conditions, and in accordance with the terms and conditions set forth in this Charter Contract.
3. On or before June 30 immediately preceding the final school year in which the Charter School is authorized to operate under this Charter Contract, the Sponsor will submit to the Charter Board a written report summarizing the performance of the Charter School. The Charter School shall submit an application for renewal to the Sponsor on or before October 15 of the final school year in which the Charter School is authorized to operate, NRS 388A.285. These dates may be extended upon mutual agreement of the Parties.

B. Parties

1. The person authorized to sign the Charter Contract on behalf of the Charter Board and Charter School is the President of the Charter Board (Charter School Representative).
2. The Charter School Representative affirms as a condition of this Charter Contract, that he/she is the above-described representative of the Charter School and has authority to sign this Charter Contract on behalf of the Charter Board and Charter School.
3. The person authorized to sign the Charter Contract on behalf of the Sponsor is the Superintendent of Schools of the Clark County School District. NRS 388A.270 also requires that before the Charter Contract is executed, the Sponsor must approve the Charter Contract at a meeting of the Board of School Trustees in accordance with Chapter 241 of NRS (Open Meeting Law).

C. Term of Charter Contract

1. The Term of this Charter Contract shall be three years in accordance with NRS 388A.270.
2. This Charter Contract is effective upon execution, and the term of the Charter Contract begins July 1, 2023, and will terminate on June 30, 2026 unless earlier terminated as provided herein.

D. General

1. Pursuant to NRS 388A.095, the Charter School shall not operate for profit and may be incorporated as a nonprofit corporation pursuant to the provisions of Chapter 82 of NRS.
2. The Charter School certifies that all contracts obligating the Charter Board or Charter School have been and will be undertaken by the Charter School in accordance with NRS Chapter 388A and Nevada Administrative Code (NAC) Chapter 388A.
3. The Charter School and its Charter Board shall operate at all times in accordance with all federal laws, NRS, Nevada Administrative Code, local ordinances, and sponsor policies applicable to charter schools.
4. The Charter School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation specifically including, but not limited to, health and safety, civil rights, student assessment and assessment administration, data collection,

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

reporting, grading, and remediation requirements, except to the extent such provisions are expressly inapplicable to charter schools.

E. Charter School Governing Body

1. The Charter School shall be governed by the Charter Board, and deemed a public body, in a manner that is consistent with the terms of this Charter Contract so long as such provisions are in accordance with applicable state, federal, and local law and regulation. (NRS 388A.320)
2. The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the Charter School, and the fulfillment of the Charter Contract, subject to monitoring and oversight by the Sponsor as set forth in this Charter Contract.
3. The Charter Board shall be the final authority in matters affecting the Charter School including, but not limited to, staffing, job titles, employee salary and benefits, financial accountability, curriculum and instructional design, and teacher evaluation and classroom observation, subject to monitoring and oversight by the Sponsor as set forth in this Charter Contract.
4. The Charter Board shall ensure that the Charter School is in compliance with all federal laws, NRS, NAC, local ordinances and Sponsor policies applicable to charter schools including, but not limited to, the requirements set forth in NRS 388A.366.
5. The Charter Board shall act in accordance with and is subject to the Nevada Open Meeting Law (Chapter 241 of NRS), Nevada Public Records Act (Chapter 239 of NRS), and Nevada Local Government Purchasing laws. (NRS 332.039 to 332.148)
6. The Charter Board shall, during each calendar quarter, hold at least one regularly scheduled public meeting in Clark County. (NRS 388A.320)
7. The Charter Board shall have authority for and be responsible for policy and operational decisions of the Charter School, subject to monitoring and oversight by the Sponsor as set forth in this Charter Contract. The Charter Board shall govern the Charter School pursuant to the following terms and conditions:
 - a. Articles and/or Bylaws. The Articles of Incorporation, if applicable, and Bylaws of the Charter Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law, regulation, and this Charter Contract. The Articles of Incorporation, if applicable, are set forth in Exhibit 3 and are incorporated herein by reference. Any modification of the Articles of Incorporation or Bylaws constitutes a non-material amendment of the Charter Contract and shall not become effective until the Charter School provides written notification to Sponsor staff (Director of the Office of School Choice or designee) as set forth in Section XII(E).
 - b. Composition. The composition of the Charter Board shall at all times be determined by and consistent with the Articles of Incorporation and Bylaws of the Charter Board and all applicable law and regulation (including NRS 388A.320, NRS 388A.323, and NAC 388A.525). The complete roster of the Charter Board (Board Roster) as well as each member's affidavit, resume, proof of fingerprint submission, and Request for Information shall be maintained in the Sponsor's established document library. The Charter Board shall notify the Sponsor of any changes to the Board Roster and submit an amended Board Roster to the Sponsor within ten business days of their taking effect.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

- c. Affiliation. Notwithstanding any provision to the contrary in the Charter Contract or the Articles of Incorporation and/or Bylaws of the Charter Board, in no event shall the Charter Board, at any time, include more than two directors, officers, employees, agents or other affiliates of any single entity regardless of whether said entity is affiliated or otherwise partnered with the Charter School unless a waiver is granted under NRS 388A.320 and NRS 388A.243. The membership of the Charter Board may also not include an employee of the Charter Board or Charter School including, without limitation, an administrator or teacher of the Charter School; a person who is related by blood or marriage to an employee of the Charter Board or Charter School; or a person who is related by blood or marriage to another member of the Charter Board. (NRS 388A.320 and NAC 388A.525)
- d. Conflicts of Interest. The Charter Board shall adopt a Conflicts of Interest Policy (the Conflicts of Interest Policy), including provisions related to nepotism and consistent with this section and applicable law. The Charter Board shall, at all times, comply with the provisions of the Conflicts of Interest Policy. The adopted and approved Conflicts of Interest Policy shall be maintained in the Sponsor's established document library. Any modification of the Conflicts of Interest Policy must be submitted to the Sponsor's within five days of approval by the Charter Board.
- e. Non-Commingling. Assets, funds, liabilities, and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Sponsor.

F. Location

1. The Charter School shall provide educational services, including delivery of instruction, at the location:
Rainbow Dreams Academy
950 West Lake Mead Boulevard
Las Vegas, Nevada 89106

G. Facilities

1. The buildings in which the Charter School is to be located, gymnasiums, playgrounds, sports/athletic fields, and parking structure/lots shall be known as the Charter School Facilities (the Facilities).
2. The Sponsor or its designee may, at the Sponsor's discretion, conduct health and safety inspections of the Facilities.
3. The Facilities shall meet all applicable building, health, sanitation, safety, and fire code requirements and shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public charter schools. In addition to the foregoing, the Charter School agrees to pay all costs related to compliance with federal requirements for asbestos management at the Charter School.
4. If the Charter School wishes to amend this Charter Contract, pursuant to NRS 388A.276 and 388A.279, to occupy new or additional Facilities, the Charter Board must submit to the Sponsor a written request for such an amendment, a copy of any proposed agreements, and must comply with applicable legal requirements including NAC 388A.315. The Sponsor may deny the request if the Sponsor determines the request is not compliant or complete, or the Charter School was not rated in the first, second, or third highest tier during the last rating of

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

the charter school pursuant to the statewide system of accountability for public schools. (NAC 388A.315)

5. If the Charter School wishes to amend its Charter Contract, pursuant to NRS 388A.276 and 388A.279, to acquire a new or additional facility, the Charter Board must submit to the Sponsor a written request for approval of the acquisition. The request must be submitted before the Charter Board takes any action to acquire the facility. (NAC 388A.320)
 - a. The Sponsor may deny the request if the Charter School was not rated in the first, second, or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools. (NAC 388A.320)
 - b. Pursuant to NRS 388A.279, the Sponsor must deny a request to amend the Charter Contract to acquire an additional facility to expand enrollment if the Sponsor determines that the Charter School is not meeting the requirements of the performance framework concerning academics, finances, or organization established pursuant to NRS 388A.273 or the Charter Board does not have a comprehensive and feasible plan to operate additional facilities.
6. The actions in Sections I(G)(4) and I(G)(5) shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor.
7. In the event that legally viable Facilities and/or necessary certificates and permits are not in place, the Charter School may not provide instruction at the Facilities or otherwise admit pupils into the Facilities. In such event, the Sponsor reserves the right to enforce any of the consequences for failure to act in accordance with the material terms and conditions of this Charter Contract.

H. Charter School Independence

1. In accordance with NRS 388A.369, the Sponsor may not assign any pupil who is enrolled in a public school or any employee who is employed in a public school to the Charter School. The Sponsor also may not interfere with the operation and management of the Charter School except as authorized by this Charter Contract, NRS Chapter 388A, or any other statute or regulation applicable to the Charter School or its officers or employees.
2. The Charter School will be subject to review of its operations and finances by the Sponsor, including related records, when the Sponsor, in its sole discretion, deems such review necessary.

II. School Operations

A. Open Meetings and Public Records

1. The Charter School shall maintain and implement policies and procedures to ensure that it complies with all applicable laws and regulations relating to the Nevada Open Meeting Law (Chapter 241 of NRS) and the Nevada Public Records Act (Chapter 239 of NRS).

B. Records Retention

1. The Charter School shall maintain and implement policies and procedures to maintain student records in accordance with applicable laws including NAC 388A.550.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

2. The Charter School also must maintain and implement a records retention policy in accordance with the Local Government Records Retention Schedules published by the Nevada State Library and Archives. (NRS 239.125)

C. Mission Statement

1. The Charter School's mission statement (initially or as amended, the Mission Statement) shall be in the approved Charter Contract application on file with the District's Office of School Choice and incorporated by reference herein. Any change to the Mission Statement shall be a material amendment to this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor.

D. Age, Grade Range, and Number of Students

1. The Charter School shall provide instruction to pupils in such grades and numbers in each year of operation under the Charter Contract as identified in the Charter Contract application on file with the District's Office of School Choice.
2. The Charter School may modify the number of students in any particular grade, and number of students within a class, to accommodate staffing exigencies and attrition patterns provided such modifications are consistent with this Charter Contract, and subject to the limitations of Section II(D)(3) below.
3. The following actions related to enrollment shall be a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor: (NRS 388A.279)
 - a. Expanding the Charter School to offer instruction in grade levels for which the Charter School does not already offer instruction; (see also NAC 388A.310 and 388A.330)
 - b. Increasing the total enrollment of the Charter School or the enrollment of pupils in a particular grade level in the Charter School for a school year to more than 120 percent of the maximum enrollment as identified in the Charter Contract application on file with the District's Office of School Choice;
 - c. Eliminating one or more grade levels for which the Charter School provides instruction or other educational services; (see also NAC 388A.325 and 388A.330)
 - d. Reducing the total enrollment of the Charter School or the enrollment of pupils in a particular grade level in the Charter School for a school year to less than 80 percent of the minimum enrollment as identified in the Charter Contract application on file with the District's Office of School Choice;
 - e. Seeking to acquire an additional facility in any county of the State of Nevada to expand the enrollment of the Charter School; or
 - f. Consolidating the operations of multiple charter schools pursuant to NRS 388A.282.
4. Pursuant to NRS Chapter 388A.279, the Sponsor must deny a request to amend the Charter Contract in the manner described in Section II(D)(3)(e) to acquire an additional facility to expand enrollment or Section II(D)(3)(f) to consolidate operations of multiple charter schools if the Sponsor determines that the Charter School is not meeting the requirements of the performance framework concerning academics, finances, or organization established

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

pursuant to NRS 388A.273 or the Charter Board does not have a comprehensive and feasible plan to operate additional facilities. (see also Section I(G)(5))

5. Any authorization to expand may require the Charter School to demonstrate satisfactory academic and financial performance, and organizational compliance.

E. Non-Discrimination

1. The Charter School or Charter Board shall not discriminate against any student, employee or other person on the basis of age, race, color, creed, ethnicity, protective hairstyle, national origin, ancestry, sex, gender identity or expression, sexual orientation, marital status, religion, disability, need for special education services, income level, athletic ability, proficiency in the English language or any other grounds that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.

F. Student Recruitment, Enrollment, and Attendance

1. The Charter School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, protective hairstyle, national origin, ancestry, sex, gender identity or expression, sexual orientation, marital status, religion, disability or need for special education services. In no event may the Charter School limit admission based on race, ethnicity, national origin, protective hairstyle, sex, gender identity or expression, sexual orientation, disability, income level, athletic ability, or proficiency in the English language, except as authorized by NRS 388A.453.
2. The Charter School shall adopt and adhere to a Truancy and Absence Policy pursuant to NAC 388A.160(5).
3. The Charter School shall not limit the enrollment of pupils in the charter school to a specified number of pupils unless allowed under NAC 388A.535 or other applicable law.
4. Except as provided for in NRS 388A.453, 388A.456, 388A.336, and Sections II(F)(5) to II(F)(7) of this Charter Contract, the Charter School must enroll pupils who are eligible for enrollment in the order in which the applications are received. If there are more applications to enroll in the charter school than there are spaces available, the Charter School must determine which applicants to enroll on the basis of a lottery system (random selection process).
5. The Charter School must enroll pupils who are eligible for enrollment who reside in the District before enrolling pupils who reside outside the District (except for a program of distance education). (NRS 388A.453)
6. If the District Board of School Trustees has established zones of attendance pursuant to NRS 388.040, the Charter School shall, if practicable, ensure that the racial composition of pupils enrolled in the Charter School does not differ by more than 10 percent from the racial composition of pupils who attend public schools in the zone in which the Charter School is located. (see also NAC 388A.533)
7. Pursuant to NRS 388A.453 and 388A.456, the Charter School may give enrollment preference based upon criteria established in law and regulation. Should state laws or regulations be amended to alter the nature or application of enrollment preferences, the Charter School shall comply therewith upon the effective date of the changes. Before the

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Charter School enrolls pupils who are eligible for enrollment pursuant to NRS 388A.453, the Charter School may enroll a child who:

- a. Is a sibling of a pupil currently enrolled;
- b. Was enrolled in a tuition-free pre-kindergarten program and on the basis of a lottery system at the Charter School or affiliated program with the Charter School;
- c. Is a child of a person who is:
 - (1) Employed by the Charter School;
 - (2) A member of the Committee to Form the Charter School;
 - (3) A member of the Charter Board; or
 - (4) Who resides on or is employed on the federal military installation, if the charter school is located on a federal military installation.
- d. Is enrolled at a charter school with which the charter school has an articulation agreement, approved by the Sponsor, providing for priority enrollment;
- e. Is in a particular category of at-risk pupils and the child meets the eligibility requirements prescribed by the Charter School for that particular category;
- f. At the time his or her application is submitted, is enrolled in a public school of a school district with an enrollment that is more than 25 percent over the public school's intended capacity (within this category, the Charter School must enroll pupils who reside within two miles of the Charter School before enrolling other pupils);
- g. At the time his or her application is submitted, is enrolled in a public school that received an annual rating established as one of the two lowest ratings possible indicating underperformance of a public school for the immediately preceding school year (within this category, the Charter School must enroll pupils who reside within two miles of the charter school before enrolling other pupils);
- h. Resides within the school district and within two miles of the Charter School if the Charter School is located in an area that the Sponsor determines includes a high percentage of children who are at-risk; or
- i. Pursuant to NAC 388A.536, the Charter School may develop and use a policy for a weighted lottery for admission that gives preference to one or more categories of pupils if the weighting is:
 - (1) Necessary to comply with Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d et seq.; Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681 et seq.; section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Equal Protection Clause of the United States Constitution; any applicable federal or state law; or to address the specific deficiency and category of pupils outlined in a court order issued to the charter school or its sponsor;
 - (2) In favor of one of the following subgroups of educationally disadvantaged pupils:
 - (a) Pupils who are economically disadvantaged;
 - (b) Pupils with disabilities;
 - (c) Migrant pupils;
 - (d) Pupils with limited English proficiency;
 - (e) Pupils who are neglected or delinquent;

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

- (f) Pupils who are homeless; or
- (g) Pupils whose most recent enrollment was in a public school which received an annual rating established as one of the two lowest ratings possible indicating underperformance at the elementary, middle or high school level pursuant to the statewide system of accountability for public schools.
- j. The Charter School must also comply with all enrollment requirements and restrictions set forth in NAC 388A.538.

G. Tuition, Fees, and Volunteer Requirements

1. The Charter School shall not charge tuition or fees of any kind as a condition of enrollment. The Charter School may not impose any fees that a school district would be prohibited by applicable law or regulation from imposing.
2. Nothing in this section shall be interpreted to prohibit the Charter School from imposing tuition or fees that a school district would be permitted to impose. (NRS 388A.366)
3. Any requirement that a parent commit a number of volunteer hours shall be prohibited unless such a requirement considers individual family circumstances and allows for a waiver of volunteer hours.

H. School Calendar; Hours of Operation

1. The Charter School shall adopt a school calendar with an instructional program to provide annually at least as many days of instruction as are required of other public schools located in the same school district as the Charter School is located, unless written approval from the Superintendent of Public Instruction provides for a waiver of this requirement. (NRS 388A.366)

I. Student Conduct and Discipline

1. The Charter School shall adopt and adhere to a student discipline policy (the Discipline Policy) pursuant to NRS 388A.495 and regulation. The Charter School may not remove, withdraw, suspend or expel a pupil against a parent's wishes for reasons other than the reasons for suspension or expulsion stated in NRS 392.4655 – 392.472 or other applicable statute or regulation. Nothing in this provision precludes the Charter School from withdrawing a pupil from the Charter School consistent with applicable law and regulation.
2. The Charter School must comply with all laws related to restorative justice and/or restorative disciplinary practices. The Charter School must develop a plan for restorative justice and process for progressive discipline. The Charter School also must train employees on restorative justice and progressive discipline. (NRS 388A.495; NRS 392.472; NRS 392.466; NRS 385A.250)
3. The withdrawal of any student from the Charter School shall be entered into Infinite Campus and reported to the Sponsor.
4. In the event a student is expelled, the Charter School will provide equivalent services to the student. If the expelled student returns to the District, the placement of the student will be made in consultation with the District's Education Services Division.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

J. Service Agreements, Contracts, Facility Lease or Purchase

1. Nothing in this Charter Contract shall be interpreted to prevent the Charter School from entering into a contract or other agreement related to the operation of the school. The Charter School shall include in any agreement or contract entered into that the provisions of any such agreement are enforceable only to the extent they are compliant with applicable law and regulation. The Charter Board is responsible for ensuring that all contracts or other agreements are compliant with existing law and regulation.
2. The Charter School acknowledges that it has no authority to enter into a contract that would bind the Sponsor. The Charter School agrees that it will not extend the faith and credit of the Sponsor to any third person or entity. The Charter School shall clearly indicate to vendors and other entities and individuals with which or with whom the Charter School enters into an agreement or contract for goods or services that the obligations of the Charter School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the State of Nevada, the Sponsor, or the Nevada Department of Education (NDE).
3. If the Charter School intends to amend an existing Facility lease, enter a new Facility lease, occupy a new or additional Facility, acquire a new or additional Facility, purchase real property or buildings, enter a loan agreement, or enter a bond purchase/loan agreement the Charter School must submit a written request in advance to the Sponsor and provide a copy of the agreement to the Sponsor for its review. These actions shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor. The Charter School is responsible for obtaining its own legal advice regarding any of the aforementioned agreements. See also Section I(G) of this Charter Contract for additional provisions related to Facilities.

K. Contracts with a Contractor, Educational Management Organization (EMO), or Charter Management Organization (CMO)

1. The following provisions apply to a contract or proposed contract between the Charter School and/or Charter Board and a contractor, EMO, or CMO (as defined by NRS 388A.020, NRS 388A.030, and NRS 388A.393):
 - a. Before the Charter Board enters a contract with an EMO or CMO or amends, renews, or terminates any such contract the Charter Board shall hold a public meeting that complies with Chapter 241 of NRS and a majority of the Charter Board must vote at the public meeting to approve the contract or amendment, renewal, or termination thereof. (NAC 388A.575)
 - b. If the Charter Board votes to enter into or terminate a contract with an EMO or CMO, it is considered a material amendment of the Charter Contract, and the Charter Board must obtain written approval from the Sponsor before the Charter Board enters into or terminates the contract. (NAC 388A.575)
 - (1) Should the Charter School propose to enter into a contract with an EMO or CMO, the Charter School agrees to submit all information requested by the Sponsor regarding the management arrangement, including a copy of the proposed contract and a description of the EMO or CMO, with identification of its principals and their backgrounds.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

- c. If the Charter Board votes to amend or renew a contract with an EMO or CMO, the Charter Board must notify the Sponsor before the Charter Board amends or renews the contract. (NAC 388A.575)
- d. Any contract between the Charter School and a proposed contractor or EMO or CMO must comply with state and federal laws, including the provisions of NRS 388A.393, NAC 388A.570, NAC 388A.575, NAC 388A.580, and NAC 388A.585.
- e. At any time during the contract term, the Charter School shall comply with all Sponsor requests for information about the contractor, EMO or CMO, that are reasonably related to the Sponsor's duty to ensure that the Charter School is in compliance with all provisions of this Charter Contract, NRS 388A.393, NAC 388A.570, NAC 388A.575, NAC 388A.580, NAC 388A.585, or other applicable statutes and regulations.
- f. In no event shall the Charter Board of the Charter School delegate or assign its responsibility for fulfilling the terms of this Charter Contract. (NRS 388A.393) The Charter School may not give to the contractor, EMO, or CMO direct control of educational services, financial decisions, the appointment of members of the governing body, or the hiring and dismissal of an administrator or financial officer of the Charter School. (NRS 388A.393)
- g. Any contract between the Charter Board and an EMO or CMO shall include a provision that requires the EMO or CMO to inform each person whom the EMO or CMO employs or hires and who provides a direct service to the Charter School that: (a) the person is not employed by the Charter Board; and (b) the provisions of NRS 388A.530, 388A.533, 388A.535, 388A.538, 388A.541, and 388A.544 do not apply to an employee of the EMO or CMO or any person hired by the EMO or CMO to perform a service to the Charter School including, without limitation, the provision governing the status of employees of a charter school and their collective bargaining rights and benefits. (NAC 388A.570)
- h. The Charter Board must conduct and submit all required reviews and reports related to a contractor, EMO, or CMO. These documents must include the amount paid to the EMO or CMO, expenditures of the EMO or CMO, contracts entered into by the EMO or CMO related to carrying out the contract with the Charter School, and a review of the performance of the EMO or CMO.
- i. Any management contract (including EMO and CMO contracts) entered into by the Charter School shall include an indemnification provision for the Charter School as follows: The management company shall indemnify, save and hold harmless the Charter School against any and all claims, demands, suits, actions, proceedings, losses, costs, judgments, damages, or other forms of liability to third parties, of every kind and description, actual or claimed, including, but not limited to, attorneys' fees and/or litigation expenses, including, but not limited to, injury to property or persons (including, but not limited to, civil rights violations), occurring or allegedly occurring, in connection with the operation of the Charter School, or from conduct committed or alleged to have been committed on the premises of the Charter School or by the Charter School, or from conduct committed by the management, or by its employees, officers, directors, subcontractors, or agents, during the term of this Charter Contract or any renewal thereof. Additionally, the management company shall defend, indemnify, and hold harmless the Sponsor of the Charter School in any such action or proceedings brought thereon. This provision shall survive the termination of this contract.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

L. Operational Manual

1. The Sponsor may request that the Charter School submit an operational manual outlining the key procedures as determined by the Sponsor. The operational manual and procedures must be followed by the Charter School.

M. Employment Matters

1. All employees of the Charter School shall be deemed public employees. (NRS 388A.533) Employees of a contractor, EMO, or CMO, are not employed by the Charter School and are therefore not public employees. (NAC 388A.570)
2. The Charter School agrees to comply with the provisions of NRS 388A.530 to 388A.544 regarding employment status and NRS 388A.518 to NRS 388A.524 regarding teacher licensure.
3. The Charter School, its employees, agents, or contractors are not employees or agents of the Sponsor. The Sponsor, its employees, agents, or contractors are not employees or agents of the Charter School. None of the provisions of this Charter Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Charter Contract.
4. The Charter School shall have ultimate responsibility for employment, management, dismissal and discipline of its employees, including key personnel employed by an EMO or CMO. The Charter School will establish and implement its own dispute resolution process for employment matters.
5. The Charter School may not employ instructional personnel whose certificate or license to teach has been revoked or is currently suspended by the state board of education in this state or another state as per NRS 388A.524.
6. An employee of a charter school is eligible for all benefits for which the employee would be eligible for employment in a public school including, without limitation, participation in the Public Employees Retirement System (PERS) in a manner consistent with NRS 388A.541 and 388A.544. The Charter School agrees to provide documentation to the Sponsor on a quarterly basis evidencing that it has made the required contributions into the PERS system for each eligible employee.
7. The Charter School shall conduct all required fingerprinting and criminal background checks and act in accordance with NRS 388A.505 to NRS 388A.516.
8. The Charter School shall maintain employee files as identified in the law and regulation which are subject to audit by the Sponsor or other appropriate entity.

N. Student Health, Welfare, and Safety

1. The Charter School shall comply with all applicable federal and state laws and regulations concerning student health, welfare, and safety including, but not limited to, state laws regarding the reporting of child abuse, accident prevention, and disaster response, and any applicable state and local regulations governing the operation of school facilities.

O. Safe and Respectful Learning Environment

1. The Charter School shall comply with all laws relating to the provision of a safe and respectful learning environment including, but not limited to, NRS 388.121, through NRS 388.1459.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

P. Transportation

1. If applicable, the Charter School shall be responsible for providing students transportation consistent with the plan proposed in the approved Charter Contract application on file with the District's Office of School Choice and incorporated herein. All federal, state and local requirements regarding transportation of students will be met prior to services being offered.
2. The termination, change, or addition of transportation shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor.

Q. Parent Concern Process

1. The Charter Board shall establish a procedure by which parents, community members and other interested parties may submit letters of concern (for which action is needed/requested) and a timeline by which such action will be taken. The procedures must be submitted to the Sponsor annually.

R. Information Technology and Information Security

1. The Charter School must adhere to applicable Information Technology (IT) and Information Security (IS) policies, standards, guidelines, or requirements related to any and all IT services provided by the Sponsor. The Sponsor will provide the Charter School with applicable documentation defining such requirements.
2. The Charter School may not use any IT system provided by the Sponsor for any purpose or in any way contrary to its intended purpose. The Charter School may not alter, circumvent, or manipulate the IT or IS configuration and controls.
3. Access to Sponsor IT systems is to be strictly controlled. The Charter School will request access to Sponsor IT systems only for employees who require access. The Sponsor has the authority to grant or deny access to an employee at their discretion for reasonable cause as per the Sponsor's written policies. When a Charter School employee who has access to the Sponsor's IT systems departs employment at the Charter School or no longer needs access to the system, the Charter School must inform the Sponsor of the departure or roll change prior to the event occurring, but no later than five business days post departure or roll change.

III. Educational Program

A. Design Elements

1. The Charter School shall have control over and responsibility for delivery of the educational program and for attainment of the performance standards as set forth in the Charter School Performance Framework (CSPF) which is found in the CCSD Charter School Sponsorship Guide attached as Exhibit 1, and which is incorporated herein. The Charter School shall have discretion to modify, amend, adapt, and otherwise change the educational program as it deems necessary to achieve the performance standards so long as such changes are consistent with the Charter Contract application and the Charter Contract.
2. The Charter School may choose to provide a program of distance education as identified in the Charter Contract application on file with the District's Office of School Choice. The distance educational program must align with all federal, state and local laws, regulations and requirements, and be approved by the NDE.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

3. In determining whether or not the Charter School complies with the essential terms of the educational program, the Sponsor will use the Charter Contract application (initial or as amended) as the basis to assess fidelity. The educational program must align with all federal, state and local laws, regulations and requirements.

B. Curriculum and Instructional Design

1. The Charter School will teach courses approved by NDE and the educational program shall meet or exceed Nevada's content standards.
2. Any modification to the curriculum and instructional design, either individually or cumulatively, that are of such a nature or degree as to cause the curriculum and instructional design described within the approved Charter Contract application to cease to be in operation will be considered a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor.
3. Pursuant to NRS 388A.487, the governing body of a charter school that operates as an elementary school shall adopt rules for the provision of intervention services and intensive instruction to pupils who are enrolled in the charter school that are consistent with NRS 392.750, 392.760, and 392.765.

C. Student Assessment

1. The Charter School shall be subject to and comply with all requirements related to the state assessment and accountability system for public schools.
2. Nothing in this section prohibits the Charter School from assessing student learning outside of or in addition to the state's testing program.
3. Educational program matters not specifically identified in this Charter Contract shall remain within the Charter School's authority and discretion.

D. Special Education

1. The Charter School shall provide services and accommodations to students with disabilities as set forth in the Charter Contract application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the IDEA), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the ADA), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (Section 504), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to enrolled students with disabilities in accordance with the individualized education program (IEP) prescribed by a student's IEP team. The Charter School shall comply with all applicable requirements of state law and regulation concerning the provision of services to students with disabilities. The Charter School is responsible, both financially and programmatically, for the response and resolution of special education administrative issues and proceedings including, but not limited to, due process complaints and state complaints filed against them. The Charter School will also be responsible for producing and maintaining a detailed special education procedure manual.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

E. English Language Learners

1. The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall adhere to policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable laws and regulations. The Charter School will comply with any and all requirements of the state and federal law regarding services to English language learners. The Sponsor will monitor the Charter School with regard to the provision of services to English language learners by the school.

IV. Charter School Finance

A. Financial Management

1. The Charter School shall control and be responsible for financial management and performance of the Charter School including budgeting and expenditures. The Charter School shall operate on a fiscal year that begins July 1 and ends June 30.
2. The Charter School shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services.
3. At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls including, without limitation: (1) commonly accepted accounting practices and the capacity to implement them; (2) a bank account maintained within this State; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements, and purchases; (7) internal control procedures to ensure that no expenditures from an account will exceed the balance of that account; and (8) maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law. (NAC 387.600 to 387.780)
4. The Charter School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB 34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Sponsor in written form in accordance with the date established by law and regulation. The Charter School shall pay for the audit. (NAC 387.600 to 387.780) Among other things, the audit must include an analysis of and findings on compliance with the performance indicators for finances set forth in the performance framework of the Charter School. (NAC 387.775)
5. The Charter School shall prepare quarterly financial reports for the Sponsor in compliance with this Charter Contract. Such reports shall be submitted to the Sponsor no later than 15 days following the end of each quarter, and as defined in the law and regulation, with the ability of the Sponsor to grant an extension to 45 days if requested by the Charter School. Financial reports will encompass all elements of the financial performance framework as required by the Sponsor.
6. The Charter School agrees to maintain financial records in accordance with the governmental accounting method required by the NDE and/or Sponsor and to make such records available upon request.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

7. The Charter School shall use and follow the chart of accounts and any grant codes as defined by the Department in the Nevada Common Elements for Accounting and Reporting K–12 Educational Finances.
8. The Charter School shall assure that all financial records for the school are maintained, posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.
9. The Charter School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School's budget.
10. Pursuant to NAC 387.770, the Charter School shall maintain a complete and current inventory of all school property and shall update the physical inventory annually. The Sponsor may conduct an annual audit of the charter school's inventory. Any asset acquired by the Charter School is the property of the Charter School for the duration of the Charter Contract and any subsequent renewals. The Charter School shall take reasonable precautions to safeguard assets acquired with public funds. The Charter School shall manage all assets consistent with the requirements of applicable law and regulation including, without limitation, NRS 388A.306, NAC 388A.515, and NAC 387.600 to 387.780. Pursuant to NRS 388A.087, if the Charter School acquires property and then relocates, closes, or otherwise ceases operations the ownership of all such property must be transferred to the State of Nevada or a political subdivision of the State of Nevada.
11. Pursuant to NAC 387.770, records must identify the source of the money used to purchase the property, equipment, or inventory or must identify the person who donated the property, equipment or inventory. If the Charter School's records fail to establish clearly whether an asset was acquired with the use of public funds, the assets shall be deemed to be public assets.
12. The Charter School shall comply with other requirements as may be imposed through state law or regulation, from time to time, on charter school finances, budgeting, accounting, and expenditures, provided that the Sponsor shall provide reasonable technical assistance regarding material changes to state law and regulation, and the Parties will collaborate to assure that they each remain reasonably current on the impact of any modifications on charter schools. The Parties agree that the Charter School retains primary responsibility for compliance with state law and regulation.
13. The Charter School is solely responsible for all debt it incurs. The Sponsor is not responsible for any debts incurred by the Charter School including, but not limited to, any debts remaining upon the closure of the Charter School. The Sponsor shall not be contractually bound on the Charter School's account to any third party. The above statement shall be a provision of any and all contracts entered into by the Charter Board or the Charter School.

B. Budget

1. In accordance with law and regulation, each year, the Charter School shall submit to the Department and the Sponsor the school's tentative budget for the upcoming fiscal year and the Charter School shall submit to the NDE and the Sponsor the school's final budget for the upcoming fiscal year. (NRS 388A.366; NRS 388A.345; NAC 387.600 to 387.780) The budget shall:
 - a. Be presented on forms prescribed by the Nevada Department of Taxation; and

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

- b. Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues plus beginning fund balances.

C. Charter School Funding

- 1. The Charter School shall receive, directly from the NDE, state and local aid based on applicable laws and regulations.
- 2. The Charter School shall maintain and transmit all necessary student information in the format prescribed by the NDE to evidence enrollment and attendance of students for purposes of receiving state aid. The Charter School will receive state payment from the Distributive School Account directly from the NDE, based on applicable laws and regulations. (NRS 388A.411)

D. Sponsor Funding

- 1. The yearly sponsorship fee to be paid by the Charter School to the Sponsor must be in an amount of money not to exceed two percent but at least one percent of the total amount of money apportioned to the Charter School during the school year pursuant to NRS 387.124 and NRS 387.1241. (NRS 388A.414)
- 2. The Sponsor shall notify the Charter School in February of the fee anticipated to be charged pursuant to NRS 388A.414 in the following fiscal year.

E. Purchase of School District Services

- 1. Except as may be expressly provided in this Charter Contract, as set forth in any subsequent written agreement between the Charter School and the Sponsor pursuant to NRS 388A.378, 388A.381, 388A.384, or as may be required by law, neither the Charter School nor the Sponsor shall be entitled to the use of or access to the services, supplies, or facilities of the other.
- 2. Any service agreements between the Sponsor and the Charter School shall be subject to all terms and conditions of this Charter Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this Charter Contract or set forth in any subsequent written agreement between the Charter School and the Sponsor or required by law, shall not be a condition of the approval or continuation of this Charter Contract.
- 3. Through separate agreement, at the Sponsor's discretion, the Charter School may negotiate for the purchase, at cost, of available services (NRS 388A.378, 388A.381, 388A.384):
 - a. Transportation. In the event transportation services are requested by the Charter School, an agreement may be negotiated which requires, among other things, the payment of the costs associated with obtaining such services. The Charter School agrees that it will indemnify the Sponsor for liability resulting from the provision of the transportation services.
 - b. Food Services. In the event food services are requested by the Charter School, an agreement may be negotiated which requires, among other things, the payment of the costs associated with obtaining such services. The Charter School agrees that it will indemnify the Sponsor for liability resulting from the provision of food services.
 - c. Other Services which may be mutually agreed upon.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

4. Through separate agreement, the Charter School may request that the Sponsor provide school police officers pursuant to NRS 388A.378 and 388A.384. The agreement will provide for payment by the Charter School for police officers by the Sponsor in an amount not to exceed the actual cost of providing the officers including, without limitation, any other costs associate with providing the officers. Such an agreement must be entered into between the Charter School and the Sponsor no later than March 15 for the next school year and must provide for the provision of school police officers for not less than three school years. As provided by the NRS, the Sponsor is immune from civil and criminal liability for any act or omission of a school police officer that provides services to the Charter School pursuant to the agreement.

V. Insurance and Legal Liabilities

A. Insurance

1. The Charter School shall provide and maintain, at its sole expense without reimbursement, adequate insurance, pursuant to NRS 388A.366 and NAC 388A.190, necessary for the operation of the Charter School including, but not limited to:
 - a. Property insurance.
 - b. Industrial insurance coverage (Workers Compensation) in accordance with the applicable provisions of the Nevada Industrial Insurance Act, NRS Chapters 616A to 616D, inclusive.
 - c. Except as otherwise provided in subsection 3, general liability insurance with a minimum coverage of \$1,000,000.00. The general liability insurance policy must include coverage for molestation and sexual abuse, and have a broad form policy, with the named insureds as follows:
 - (1) The Sponsor of the Charter School;
 - (2) All employees of the Charter School, including, without limitation, former, present, and future employees;
 - (3) Volunteers at the Charter School; and
 - (4) Directors of the Charter School, including, without limitation, executive directors.
 - d. Umbrella liability insurance with a minimum coverage of \$3,000,000.00.
 - e. Educators' legal liability insurance with a minimum coverage of \$1,000,000.00.
 - f. Employment practices liability insurance with a minimum coverage of \$1,000,000.00.
 - g. Employment benefits liability insurance with a minimum coverage of \$1,000,000.00 (including PERS contributions).
 - h. Insurance covering errors and omissions of the Sponsor and governing body of the Charter School with a minimum coverage of \$1,000,000.00.
 - i. If applicable, motor vehicle liability insurance with a minimum coverage of \$1,000,000.00.
 - j. If applicable, liability insurance for sports and athletic participation with a minimum coverage of \$1,000,000.00.
2. The cost of insurance required by this section must be provided to the Sponsor by the authorized insurer and included in each budget submitted pursuant to subsection 4 of NAC 388A.160 and NAC 387.725.
3. Pursuant to NAC 388A.195, the Charter School shall also maintain one of the following:
 - a. Insurance that includes coverage for the payment of, or a reserve fund that must be used exclusively for the payment of:

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

- (1) Any compensatory damages and fees and costs for legal services that the Charter School may be required to pay the parent of a pupil who files a due process complaint pursuant to NAC 388.306; and
 - (2) The expenses of the hearing officer and any other expenses relating to a hearing described in NAC 388.306.
4. The Sponsor shall be named as additional insured under all insurance policies identified under NAC 388A.190 and NAC 388A.195.
 5. Should the State Legislature or State Board of Education change the amount and/or type of insurance coverage required, the Charter School shall take necessary steps to ensure compliance with the law or regulation within 30 days of receiving notice by the Sponsor of such change.
 6. The Charter School agrees to provide proof of insurance to the Sponsor on an annual basis.

B. Liability

1. As required by NRS 388A.366, the Charter School agrees that the Sponsor is not liable for the acts or omissions of the Charter School, its officers, agents, or employees. The Charter School agrees to defend, indemnify, and hold the Sponsor, its Board of School Trustees, its agents and employees, harmless from all liability, claims and demands on account of contract, injury, loss or damage including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, employment practices or benefits, or any other losses of any kind whatsoever which arise out of or are in any manner connected with the Charter School's operations.
2. The Charter School agrees it is solely responsible for all debts incurred in the operation of the Charter School as set forth in Section IV(A)(13) of the finance provisions of this Charter Contract.
3. If the Charter School files a voluntary petition for bankruptcy or is declared bankrupt during a school year, neither the State of Nevada nor the Sponsor may be held liable for any claims resulting from the bankruptcy pursuant to NRS 388A.423.

C. No Private Cause of Action Against the Sponsor

1. The Charter School agrees that the powers and duties of the Sponsor do not create a private cause of action against the Sponsor including, but not limited to, claims related to the renewal of the Charter School, reconstitution, restart, or termination of the Charter Contract, or actions related to the monitoring of the Charter School. (NRS 388A.223)

D. No Third Party Rights

1. This Charter Contract is made for the benefit of the Sponsor and the Charter School, and not for the benefit of any outside party or for persons who are not parties to this Charter Contract. (see also Section XII(M)(1))

VI. Transparency and Accountability

A. Charter School Reporting

1. The Sponsor shall provide the Charter School with a reporting calendar on or before the commencement of the contract year and updated at least annually. The Sponsor shall endeavor to make the reporting calendar as complete as possible. The Charter School shall

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT AND RAINBOW DREAMS ACADEMY

be responsible for submitting timely and complete reports in accordance with the District's Office of School Choice reporting calendar.

B. Additional Reporting

1. The Charter School shall be responsible for additional reporting as required for compliance with state law and regulation, federal requirements, and other applicable external reporting requirements. In addition, the school will be required to use the data and reporting system used by the Sponsor.
2. The Charter School shall provide a copy of any and all correspondence with NDE to the Sponsor.
3. The Charter School shall inform the Sponsor of any gifts, donations, grants, etc. received for the Charter School.

C. Sponsor Reporting

1. The Sponsor shall produce and make available reports to the Charter School in a manner consistent with the law and regulation.

VII. Oversight

A. Sponsor Oversight Duties and Powers

1. Pursuant to NRS 388A.223 and 388A.226, the Sponsor shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in compliance with this Charter Contract, the Charter Contract application, and applicable law and regulation. As set forth in NRS 388A.223(4), the powers and duties of the Sponsor do not establish a private right of action against the Sponsor. The Sponsor's oversight of the Charter School shall include, but not be limited to, the following activities:
 - a. Oversight, intervention, renewal, restart, reconstitution, termination, and closure processes and procedures for the Charter School;
 - b. Establishing procedures for amending the Charter Contract and whether a request for such an amendment will be approved;
 - c. Reviewing the performance and compliance of the Charter School within the terms of this Charter Contract and applicable federal laws, NRS, and NAC;
 - d. Ensuring the Charter School's compliance with reporting requirements;
 - e. Monitoring the academic, legal, fiscal, and organizational condition of the Charter School;
 - f. Providing reasonable assistance and reasonable technical support to the Charter School on compliance and other operational matters, including the areas of academic, fiscal, and organizational performance;
 - g. Assessing the needs of the Charter School, with input from the Charter Board;
 - h. Determining whether the Charter Contract should be renewed or whether the renewal should be denied or whether the Charter Contract should be terminated or restarted, as applicable, in accordance with NRS 388A.285, 388A.300 or 388A.330, as applicable;
 - i. Determining whether the Charter Board should be reconstituted in accordance with NRS 388A.330;
 - j. Conducting site evaluations of the Charter School pursuant to NRS 388A.223. Such evaluations will include, without limitation, evaluating pupil achievement and school

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

performance at each campus of the Charter School and identifying any deficiencies relating to pupil achievement and school performance. The Sponsor will develop a plan with the Charter School to correct any such deficiencies. The Sponsor may conduct a brief evaluation of the Charter School in the third year if the Charter School receives, in the immediately preceding year, one of the two highest ratings of performance pursuant to the statewide system of accountability for public schools.

- k. Providing information to the Charter Board concerning the availability of money for the Charter School;
- l. Providing access to the electronic data concerning pupils enrolled in the Charter School that is maintained pursuant to NRS 385A.800;
- m. Providing appropriate information, education, and training concerning the applicable provisions of the charter school laws;
- n. Providing training on the governance of charter schools to the Charter Board or identify an organization approved by the Sponsor to providing such training;
- o. Providing the Charter School with an updated list of available substitute teachers within the school district;
- p. Providing access to school buses for field trips, subject to appropriate fees as set forth in NRS 388A.378; and
- q. The Sponsor may allow pupils enrolled in the Charter School to participate in summer school or Internet-based credit recovery classes if space is available (the Sponsor will apply the same fees, if any, for participation of the pupils enrolled in the Charter School that it applies to pupils enrolled in the District).

B. Inspection of Records

- 1. All records established and maintained in accordance with the provisions of this Charter Contract, applicable policies and/or regulations, and federal and state law shall be open to inspection by the Sponsor and other authorized agencies, entities, or individuals within a reasonable period of time after a request is made.

C. Site Visits

- 1. The Sponsor may, at its discretion, conduct school site visits at any time through coordination with the school's administration. Such site visits may include any activities reasonably related to fulfillment of its oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the Charter School; and, with the Charter School's administrative oversight, interviews of school and other stakeholders.

D. Notification

- 1. The Charter School shall notify the Sponsor immediately of any conditions that it knows are likely to cause it to violate the terms of this Charter Contract or the Charter Contract application. Such notification shall not be construed as relief from the Charter School's responsibility to correct such conditions.
- 2. The Charter School shall notify the Sponsor immediately of any circumstances requiring the closure of the Charter School including, but not limited to, natural disaster, other extraordinary emergency, or destruction of or damage to the school facility.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

3. The Charter School shall immediately notify the Sponsor of the arrest or charge of any members of the Charter Board or any Charter School employee for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, any crime or misdemeanor constituting an act against a minor child or student, or of the investigation of a member of the Charter Board or any Charter School employee for child abuse.
4. The Charter School shall notify the Sponsor immediately of any change to its corporate legal status.
5. The Charter School shall notify the Sponsor immediately of any default on any obligation, which shall include debts for which payments are past due by 60 days or more.
6. The Charter School shall notify the Sponsor immediately if at any time the Charter School receives notice or is informed that the Charter School or the Sponsor are parties to a legal suit.

E. Intervention

1. Consistent with any oversight practices set out in this Charter Contract or the CSPF, the Sponsor shall follow a progressive system of notification and calls for corrective action on the part of the Charter School.
2. The Charter School agrees that it is responsible, both financially and programmatically, for the response and resolution of any complaints, concerns, or grievances filed against them including, but not limited to, complaints filed with the Office for Civil Rights, the Nevada Attorney General's Office, and Equal Employment Opportunity Commission. This also includes special education complaints, concerns, or grievances as set forth in Section III(D) of this Charter Contract. The Sponsor is not liable for any such complaints, concerns, or grievances filed against the Charter School.
3. The Charter School shall promptly forward to the Sponsor any formal complaints or concerns received by the Charter School filed with or from the Office for Civil Rights, the Nevada Attorney General's Office, Equal Employment Opportunity Commission, and/or formal grievances filed by any party with the Charter Board. Such forwarding of complaints or concerns shall not relieve Charter School of the responsibility of resolving the complaints or concerns.
4. The Charter School shall indemnify the Sponsor for any costs, attorney fees, and/or financial penalties imposed on the Sponsor by state and/or federal authorities due to actions or omissions of the Charter School relative to legal or regulatory compliance.
5. To the extent that concerns or complaints received by the Sponsor about the Charter School may trigger Sponsor intervention, including restart, reconstitution, termination, or non-renewal of the Charter Contract, the Sponsor may monitor the Charter School's handling of such concerns or complaints. In such cases, the Sponsor may request and the Charter School shall provide information regarding the Charter School's actions in responding to those concerns or complaints.

VIII. Termination, Restart, or Reconstitution

A. Termination or Restart Under NRS 388A.300

1. In accordance with NRS 388A.300 and NRS 388A.303, the Sponsor shall terminate this Charter Contract or restart the Charter School under a new charter contract if the Charter School receives, in any period of five consecutive school years, three annual ratings,

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

- established as the lowest rating possible indicating underperformance of a public school, as determined by NDE pursuant to the statewide system of accountability for public schools.
2. The Charter School's annual rating pursuant to the statewide system of accountability based upon the performance of the Charter School for any school year before the 2015–2016 school year will not be included in the count of annual ratings for the purposes of Section VIII(A)(1).
 3. If the Sponsor terminates or restarts this Charter Contract under NRS 388A.300, the Sponsor shall submit a written report to the NDE and the Charter Board setting forth the reasons for terminating or restarting the Charter School not later than ten days after terminating or restarting the Charter School.
 4. The provisions of NRS 388A.330 do not apply to the termination or restart of the Charter School pursuant to Section VIII(A)(1).

B. Termination or Reconstitution Under NRS 388A.330

1. In accordance with NRS 388A.330, the Sponsor may reconstitute the Charter Board or terminate this Charter Contract before its expiration if the Sponsor determines that:
 - a. The Charter Board, Charter School, its officers or its employees:
 - (1) Committed a material breach of the terms and conditions of the Charter Contract;
 - (2) Failed to comply with generally accepted standards of fiscal management;
 - (3) Failed to comply with the provisions of NRS Chapter 388A or any other statute or regulation applicable to charter schools; or
 - (4) Persistently underperformed, as measured by the performance indicators, measures, and metrics set forth in the CSPF for the Charter School. (see also NAC 388A.350)
 - b. The Charter School has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Charter School cannot continue to operate;
 - c. There is reasonable cause to believe that reconstitution or termination is necessary to protect the health and safety of the pupils who are enrolled in the Charter School or persons who are employed by the Charter School from jeopardy, or to prevent damage to or loss of property of the school district or the community in which the Charter School is located;
 - d. The committee to form the Charter School, charter management organization, or Charter Board has at any time made a material misrepresentation or omission concerning any information disclosed to the Sponsor;
 - e. The Charter School is a high school that has a graduation rate for the immediately preceding school year that is less than 60 percent;
 - f. The Charter School is an elementary school, middle school, or junior high school that is rated in the lowest five percent of elementary schools, middle schools, or junior high schools in the State in pupil achievement and school performance, as determined by the Department pursuant to the statewide system of accountability for public schools; or
 - g. The Charter School has persistently underperformed including, without limitation, underperformance in pupil achievement and school performance, as determined by the Department pursuant to criteria prescribed by regulation by the Department to measure the performance of any public school (see also NAC 388A.350).

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

2. Before the Sponsor reconstitutes the Charter Board or terminates this Charter Contract, the Sponsor shall provide to the Charter School written notice of reconstitution or termination, which notice shall include a statement of the deficiencies or reasons upon which the action is based, and adhere to the process outlined in NRS 388A.330.

C. Other Remedies

1. The Sponsor may impose other appropriate remedies for breach including, but not limited to, a required corrective action plan.

IX. Closure

A. Closure

1. In accordance with NRS 388A.306, if the Charter School ceases to operate voluntarily or if the Charter Contract is not renewed or is terminated and the Sponsor does not recruit a governing body of another charter school to operate another campus of the other charter school to replace the Charter School, the Charter Board shall cooperate fully with the Sponsor to ensure the orderly closure of the Charter School in a manner consistent with state law and regulation NRS 388A.306 and NAC 388A.355 including, but not limited to:
 - a. Providing appropriate notices, securing student records, assisting students with their enrollment in other schools, administrative responsibilities, financial responsibilities, and preserving financial records.

X. Dispute Resolution

A. Dispute Resolution

1. The Parties agree to implement the following dispute resolution plan in good faith:

For purposes of this section, a dispute is a disagreement over a material or non-material matter concerning the operation of the Charter School. In the event a dispute arises between the Charter School and the Sponsor or its staff, the Charter School shall submit, in writing, a statement outlining its complaint and proposed resolution to the Director of the Office of School Choice of the Sponsor or designee for review. The Director will respond to the complaint and proposed resolution, in writing, within 30 calendar days (which may be extended at the discretion of the Director) outlining whether or not the Director agrees with the complaint and whether the Director accepts the proposed resolution or offers an alternative resolution to the complaint. If the Charter School is not satisfied with the response from the Director, it may request that the Director and the Charter School hold a meeting and attempt in good faith to negotiate a resolution of the dispute. In the event these representatives are unable to resolve the dispute informally, pursuant to this procedure, the complaint and proposed resolution will be submitted to the District Board of School Trustees for consideration and final decision at a public meeting. Any decision by the District Board of School Trustees is final.

XI. School Performance Standards and Review

A. Performance Standards

1. The CSPF is composed of indicators, measures, metrics, targets, and ratings to measure the academic, financial, organizational, and mission specific (if applicable), performance of the Charter School. Pursuant to NRS 388A.270 and 388A.273, the Performance Framework is

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

incorporated into this Charter Contract and is found in the Clark County School District Charter School Sponsorship Guide, which is attached as Exhibit 1.

2. The Sponsor may, upon request of the Charter Board, include additional rigorous, valid, and reliable performance indicators, measures and metrics in the performance framework that are specific to the mission of the Charter School and that are consistent with NRS Chapter 388A. (NRS 388A.273)
3. If an application for renewal of a Charter Contract is approved, the Sponsor may review and revise the performance framework. Such revised performance framework shall be incorporated into the renewed Charter Contract. (NRS 388A.273)
4. The CSPF shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in any initial written agreement, renewal agreement, and/or other contract, and not explicitly incorporated into the CSPF. The specific terms, form and requirements of the CSPF including any required indicators, measures, metrics, and targets, are determined by the Sponsor and will be binding on the Charter School.
5. The Charter Board shall, in consultation with the Sponsor, establish annual performance goals to ensure that the Charter School is meeting the performance indicators, measures, and metrics set forth in the performance framework in the Charter Contract. (NRS 388A.273)
6. According to the CSPF, the Charter School shall annually:
 - a. Meet or exceed standards on the academic indicators;
 - b. Demonstrate financial sustainability through meeting standards on the financial indicators;
 - c. Meet organizational performance standards;
 - d. Operate in compliance with the terms and conditions of this Charter Contract, state and federal laws and regulations, and meet standards on annual performance audits; and
 - e. If applicable, demonstrate sound performance on mission specific indicators.

B. Review of Charter School Performance and Reports

1. On or before August 31 of each year, the Charter Board shall submit the information concerning the Charter School that is required pursuant to NRS 385A.070 to the Sponsor for inclusion in the accountability report required by the section. (NRS 388A.348)
2. On or before November 1 of each year, the Charter Board shall submit to the Sponsor, the Superintendent of Public Instruction, and the Director of the Legislative Counsel Bureau a report as set forth in NRS 388A.345.
3. On or before February 15 of each year, the Sponsor must submit a written report to NDE as set forth in NRS 388A.351.
4. Pursuant to NAC 388A.595, the Sponsor must submit to the NDE a performance audit that reports the compliance of the Charter School with the Charter Contract and with the applicable statutes and regulations. The report of compliance must be submitted annually unless the Charter School satisfies the requirements of NRS 388A.405 to submit the performance audit every three years.
5. As part of the requirements of NRS Chapter 388A, NAC 388A.595, and to fulfill its other Sponsorship duties, the Sponsor shall monitor, audit, and periodically report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

CSPF. Such monitoring, auditing, and reporting shall take place at least annually (but may occur more frequently if a compliance concern arises).

6. The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the CSPF shall be used in the Sponsor's decisions regarding the Charter School including whether to renew the Charter Contract at the end of the term, amend the Charter Contract, reconstitute the Charter Board, restart the Charter, or terminate this Charter Contract.
7. The Parties intend that, where this Charter Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the CSPF, may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Sponsor will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the CSPF as initially established in the Charter Contract.
8. While both Parties acknowledge the importance of the CSPF, and the Sponsor's obligation to consider the Charter School's performance under the CSPF in any decision that results in reconstitution, restart, or termination of a Charter Contract, the Parties also acknowledge that the Sponsor may reconstitute the Charter Board, restart the charter, or terminate the Charter Contract prior to its expiration of a school with acceptable performance under the CSPF if allowed by NRS 388A.330.

XII. Contract Construction

A. Entire Charter Contract

1. The Parties intend this Charter Contract, including all exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Charter Contract. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Charter Contract may be approved from time to time hereafter. If there is a conflict of terms between a prior amendment attached in Exhibit 4 and the main Charter Contract, the terms of the attached amendment will control. The Parties further agree that existing facility lease contracts or other existing contracts between the Charter School and outside entities that were previously approved by the Sponsor will be recognized under this Charter Contract.

B. Authority to Execute Charter Contract

1. The individual officers, agents, and employees of the Parties do hereby individually represent and warrant that they have full power and lawful authority to execute this Charter Contract.

C. Request for Amendment of the Charter Contract in General

1. The Charter Board shall hold a public meeting that complies with the provisions of Chapter 241 of NRS before the Charter Board submits to the Sponsor a written request for an amendment to the Charter Contract. The Charter Board may not request an amendment unless a majority of members of the Charter Board vote to approve making the request. (NAC 388A.305)

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

D. Material Amendments

1. Material amendments, as determined by the Sponsor, require Sponsor approval. Any material amendment to this Charter Contract will be effective only if approved in writing by the Sponsor. The proposed amendment must be submitted in a manner consistent with applicable law and regulation. A material amendment shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Sponsor. Changes in operation that are considered material and require the Charter School to obtain an amendment to this Charter Contract include, but are not limited to, the following (NRS 388A.223(2)(d); NRS 388A.276; NRS 388A.279; and NAC 388A.305 to NAC 388A.335):
 - a. Changes to the name of the Charter School;
 - b. Change in the Charter School's location (change of site and/or adding or deleting sites);
 - c. Changes to the Mission Statement;
 - d. Changes to the Mission Specific performance indicators as set forth in Section XI(A)(2);
 - e. Changes to the enrollment of the Charter School as set forth in Section II(D)(3);
 - f. Changes to the curriculum or instructional design that are of such a nature to cause the curriculum or instructional design within the Charter Contract application to cease to be in operation as set forth in Section III(B)(2);
 - g. Termination or change of transportation as set forth in Section II(P)(2);
 - h. Proposal to enter into a contract with an Educational Management Organization or Charter Management Organization or termination of a contract with an Educational Management Organization or Charter Management Organization;
 - i. Entering or amending a Facility lease, occupying a new or additional Facility, acquiring a new or additional Facility, purchasing real property or buildings, entering a loan agreement, or entering a bond purchase/loan agreement as set forth in Section I(G) and Section II(J)(3); and
 - j. Consolidating the operations of multiple charter schools pursuant to NRS Chapter 388A.

E. Non-Material Change – Notification Required

1. Changes to this Charter Contract listed below do not require amendment as described in NRS 388A.276 and 388A.279; rather, such changes shall be accomplished through written notification to Sponsor staff (Director of the Office of School Choice or designee). Changes requiring notification include, but are not limited to:
 - a. Mailing address, phone, or fax number of the Charter School;
 - b. Changes in the lead administrator of the Charter School;
 - c. Changes in the composition of the Charter Board;
 - d. Changes to the Bylaws and/or Articles of Incorporation; and
 - e. Renewal of an existing Facility lease if there are no material changes to the lease.

F. Other Changes – Determination as Material Amendment or Non-Material Change

1. The Charter School may, from time to time, contemplate a change to the Charter School that is not identified within this Charter Contract as a Material Amendment or as a Non-Material Change. In such an event, the Charter School is obligated to request, in writing, the determination of the Sponsor as to whether or not such a change is a Material Amendment that requires Sponsor approval (Section XII(D)) or is a Non-Material Change that only requires

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

notification to the Sponsor (Section XII(E)). (NAC 388A.335) An amendment may not authorize an extension of the duration of the term of the Charter Contract.

G. Material Breach

1. A material breach is defined as a violation of this Charter Contract, or a violation of federal and state laws or regulations applicable to charter schools, which is substantial and significant as determined by the Sponsor.

H. Notice

1. Any notice required, or permitted, under this Charter Contract shall be in writing and shall be effective upon personal delivery, subject to verification of service or acknowledgment of receipt, or three days after mailing when sent by certified mail, postage prepaid to the following:

In the case of Clark County School District:

Director
Office of School Choice
3050 East Flamingo Road
Las Vegas, Nevada 89121

In the case of Charter School:

Charter Board President
Rainbow Dreams Academy
950 West Lake Mead Boulevard
Las Vegas, Nevada 89106

I. Waiver

1. The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or taken to constitute a waiver of any succeeding or other breach.

J. Non-Assignment

1. Neither Party to this Charter Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the Party under this Charter Contract unless the other Party agrees in writing to any such assignment.

K. Applicable Law

1. This Charter Contract shall be governed by and construed in accordance with the laws of the State of Nevada, including all requirements imposed by regulation, and all applicable federal laws of the United States. The Parties consent to the jurisdiction of the Nevada district courts for enforcement of this Charter Contract and that the venue shall be in Clark County.
2. The Parties intend that, where this Charter Contract references federal or state laws, they be bound by any amendments to such laws upon the effective date of such amendments.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

L. Severability

1. The provisions of this Charter Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Charter Contract shall remain in effect unless otherwise terminated by one or both of the Parties.

M. Third Parties

1. This Charter Contract shall not create any rights in any third parties who have not entered into this Charter Contract; nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either Party to this Charter Contract.

N. Counterparts; Signatures

1. The Charter Contract may be signed in counterparts, which shall together constitute the original Charter Contract. Signatures received by facsimile or email by either of the Parties shall have the same effect as original signatures.

[Signatures on Next Page]

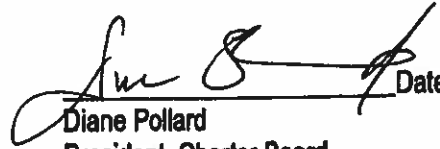
CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY


IN WITNESS WHEREOF, the Parties have executed this Charter Contract.

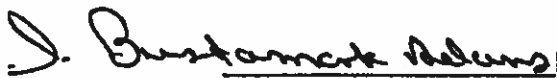
CLARK COUNTY SCHOOL DISTRICT

RAINBOW DREAMS ACADEMY

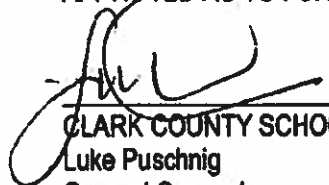

Date 2-27-23
Jesus F. Jara
Superintendent of Schools


Date 2/28/23
Diane Pollard
President, Charter Board


Date 2/23/23
Evelyn Garcia Morales
President, Board of Trustees


Date 2/23/23
Irene Bustamante Adams
Clerk, Board of Trustees

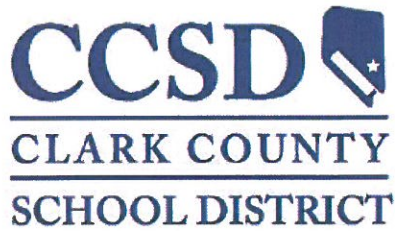
APPROVED AS TO FORM:


Date 2-13-23
CLARK COUNTY SCHOOL DISTRICT
Luke Puschnig
General Counsel

Reviewed by
Jeannette Marie Hanna, Esq. (OGC)

EXHIBIT 1

CCSD Charter School Sponsorship Guide



Charter School Sponsorship Guide

Contents

Introduction	2
Sponsor's Goal, Objectives, and Obligations	3
Overarching Sponsoring Process	4
Charter School Performance Framework	5
Performance Framework Rating Metric	6
Process Outline	7
Process Timeline	7
Intervention Process	7
High-Stakes Decisions	8
Example Charter School Performance Matrix	10

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT AND RAINBOW DREAMS ACADEMY

Introduction

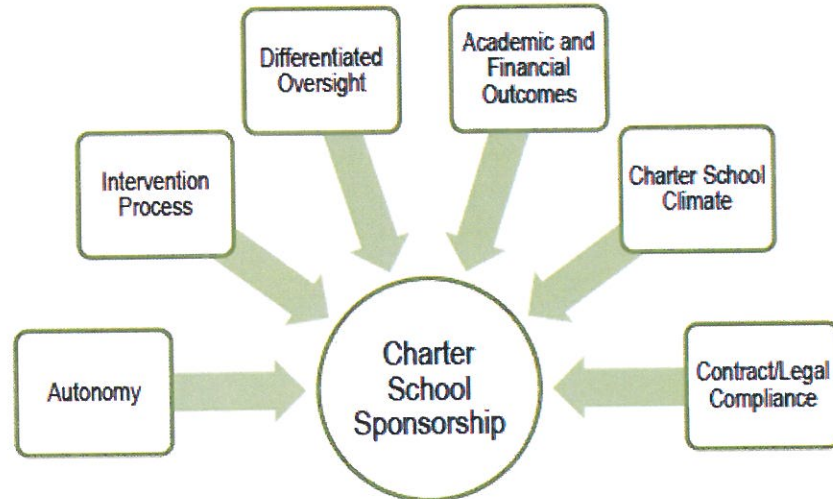
Nevada Revised Statutes (NRS) 388A.273 states that a sponsor of a charter school must develop a charter contract which includes a performance framework for the charter school. This document describes charter school sponsorship elements and the accountability mechanism for all charter schools sponsored by the Clark County School District (District).

This document outlines the following:

- Goal, objectives, and obligations
- Charter School Performance Framework
- Intervention process
- High-stakes decisions

In addition to establishing performance criteria for charter schools, this document also ensures that the District is accountable in its monitoring and compliance practices.

The District is accountable for implementing a rigorous and fair oversight process that respects the autonomy that is vital to charter school success. This mutual obligation drives the charter school oversight process. This is a collaborative effort with the common goal of improving and influencing public education in Nevada by sponsoring public charter schools that ensure all students are college and career ready.



Sponsor's Goal, Objectives, and Obligations

Goal:

To provide charter school governing bodies and charter school leaders with clear expectations, fact-based oversight, and timely feedback while ensuring charter autonomy.

Objectives:

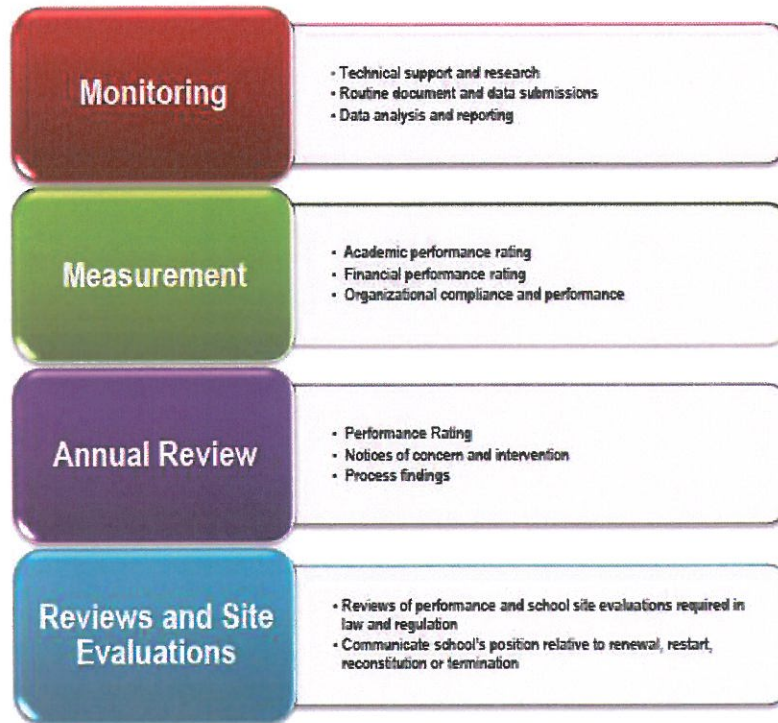
- Comply with NRS 388A.010 – 388A.740 and the Nevada Administrative Code (NAC) 388A.010 – 388A.750 and all other laws and regulations pertaining to charter schools
- Develop and maintain a charter contract
- Develop and maintain a charter performance framework
- Clearly define standards
- Provide timely feedback
- Ensure transparency
- Provide objective information to schools, students, and families
- Provide differentiated oversight
- Ensure comprehensive information to guide charter renewal, restart, reconstitution or termination decisions

Obligations:

- Clearly communicate standards and expectations to charter schools
- Conduct a transparent and consistent oversight process
- Conduct an oversight process that is respectful of school autonomy
- Emphasize student outcomes
- Oversee compliance and processes
- Provide fact-based feedback to all involved stakeholders

Overarching Sponsoring Process

Charter school sponsorship is a dynamic process subject to continuous review and improvement. Below is a description of the overarching process that will be used.



Charter School Performance Framework

Acknowledging that charter schools require autonomy in order to develop and apply the policies and educational strategies that maximize their effectiveness, the Charter School Performance Framework (CSPF) required by NRS 388A.273, provides the conditions to balance both accountability and autonomy. It provides charter school governing boards and leaders with clear expectations, fact-based oversight, and timely feedback.

In addition to achieving this objective, the CSPF should deliver important secondary benefits:

- Comprehensive information for data-driven decisions for charter renewal, restart, reconstitution or termination
- Differentiated oversight based on each school's performance and progress
- Transparent communication with stakeholders regarding performance standards
- Objective information for students and families who want to learn more about the charter schools in their community
- The opportunity for charter schools to seek continuous improvement opportunities

Metric Components

The CSPF is a metric to assess schools based on their ability to operate as sound, independent entities that successfully serve all students. The components strike the balance between submitted documents and data that provides fact-based insight on school performance.

Academic – Academic achievement determinations for all schools will be based on the performance indicators as stated in the Nevada School Performance Framework (NSPF), or other criteria as required by the Nevada Department of Education (NDE). Academic achievement determinations for all schools placed on the Nevada Alternative Performance Framework (NAPF) will be based on the NAPF Continuum of Performance indicators and NSPF performance indicators. The Academics category is further defined in NRS 388A.273(1)(a). Schools not rated on the NSPF or the NAPF will meet academic achievement targets as measured on assessments required by the sponsor.

Financial – The near term fiscal status of schools is assessed through four measures: 1) current ratio; 2) unrestricted days cash on hand; 3) enrollment forecast accuracy; and 4) debt default. The fiscal sustainability of schools is assessed through four different measures: 1) total margin; 2) debt to asset ratio; 3) cash flow; and 4) debt service coverage ratio. These measures will be evaluated quarterly and a profile published annually based on each school's audited financial statements. The Charter School Financial Performance Framework Workbook details the financial performance indicators. The Financial category is further defined in NRS 388A.273(1)(b).

Organizational – This area defines the operational standards to which a charter school should be accountable to its sponsor and the public. It is designed to assess schools relative to legal and ethical requirements outlined in the NRS and applicable federal regulations. The charter school annual performance audit details performance indicators. In addition, student re-enrollment and attendance rate reporting will be analyzed. The Organizational category is further defined in NRS 388A.273(1)(c).

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Performance Framework Rating Metric

Rating	Academics	Financial	Organizational
Meets standards	<p><u>NSPF rated schools:</u> 3-stars or above on the NSPF.</p> <p><u>NAPF rated schools:</u> The school has a rating of Improving or Maintaining in 70 percent or more of applicable Continuum of Performance areas on the NAPF <u>and</u> the school improved or maintained its NSPF index score from year to year.</p> <p><u>Schools not rated on NSPF or NAPF:</u> At the end of each academic year, 50 percent or more of students are meeting their individual growth targets in math and reading on the required assessment.</p> <p><u>Pre-Kindergarten:</u> At the end of each academic year, 80 percent or more of students are meeting or exceeding age level objectives on each domain of the required assessment.</p>	Meets standards in all areas.	<p>The school's governing body materially meets the expectations outlined in state and federal law, the annual performance audit, and the Charter Contract.</p> <p>The school has reported annual re-enrollment.</p> <p>The school has reported the rate of attendance.</p>
Does not meet standards	<p><u>NSPF rated schools:</u> 2-stars on the NSPF.</p> <p><u>NAPF rated schools:</u> The school has a rating of Improving or Maintaining in 50 to 69 percent of applicable Continuum of Performance areas on the NAPF <u>or</u> two years of declining NSPF index scores.</p> <p><u>Schools not rated on NSPF or NAPF:</u> At the end of each academic year, 30 to 49 percent of students are meeting their individual growth targets in math and reading on the required assessment.</p> <p><u>Pre-Kindergarten:</u> At the end of each academic year, 50 to 79 percent of students are meeting or exceeding age level objectives on each domain of the required assessment.</p>	Does not meet standards in more than one area.	<p>The school failed to implement the program in the manner described in the state or federal law, the annual performance audit, and the Charter Contract; the failure(s) were material, but the governing body has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the sponsor. If the governing body has instituted remedies that have resulted in satisfactory compliance, the sponsor may choose to upgrade the rating to "meets standards."</p>
Fails below standards	<p><u>NSPF rated schools:</u> Any combination of 1-star at any school level.</p> <p><u>NAPF rated schools:</u> The school has a rating of Improving or Maintaining in less than 50 percent of applicable Continuum of Performance areas on the NAPF <u>or</u> three years or more of declining NSPF index scores.</p> <p><u>Schools not rated on NSPF or NAPF:</u> At the end of each academic year, less than 30 percent of students are meeting their individual growth targets in math and reading on the required assessment.</p> <p><u>Pre-Kindergarten:</u> At the end of each academic year, less than 50 percent of students are meeting or exceeding age level objectives on each domain of the required assessment.</p>	Fails below standards in more than one area.	<p>The school failed to implement the program in the manner described in state or federal law, the annual performance audit, and the Charter Contract; the failure(s) were material to the viability of the school or regardless of the severity of the failure(s), the governing body has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the sponsor.</p>

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT AND RAINBOW DREAMS ACADEMY

Process Outline

Collect and Monitor – During the year, schools are required to submit a variety of documents and reports to the District and the NDE. It is vital that this information is submitted by the given due date. These required submissions are often linked to funding allotments or state and federal reporting requirements.

Analyze – The annual review is a process that compiles data from the routine year-round submissions, NSPF, financial reports, annual compliance audit, and enrollment reports to provide an evaluation of school performance. In the annual review, each school will receive an academic, financial and organizational performance rating indicating status.

Annual Report – Per NRS 388A.351, annual reviews will be provided to charter school boards and charter school administrators prior to February 15th. Additionally, reports will be provided to the State prior to February 15th of each year. Status indicators and reviews may be posted on the District Office of School Choice (OSC) website.

Site Evaluations – Per NRS 388A.223, site evaluations are conducted by the sponsor.

Process Timeline

The CSPF is implemented according to an annual timeline. The goal of the timeline is to set clear expectations for CSPF interactions with schools while standardizing the oversight process.

Beginning of school year:

- Schools receive the Reporting Calendar from the OCS
- Charter school board members and leaders contact the OSC with any questions

During the school year:

- Schools submit the required documents listed in the Reporting Calendar
- The District tracks submissions and school framework indicators
- Site visits from subject matter experts are conducted throughout the year at the sponsor's discretion
- Site evaluations are conducted pursuant to NRS 388A.223
- If issues arise or deficiencies are observed, schools enter into the intervention process

End of the school year:

- The District summarizes all collected school performance data which include academic, financial, and organizational performance ratings
- The District provides an annual review that combines performance ratings, site visit information, and compliance data
- The District shares annual reviews with stakeholders

Intervention Process

In the event a charter school is noncompliant regarding legal or contractual requirements, the school will enter into the intervention process. Typically, the intervention levels are entered in a progressive manner; however, depending on the severity of the violation, a charter school can enter directly into Level 2 or Level 3 of the intervention process.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT AND RAINBOW DREAMS ACADEMY

Level 1 Notice of Concern – The charter school will enter Level 1 of the intervention process if the District receives a verified concern or complaint regarding a violation of state or federal laws or the terms or conditions of the contract, or if regular oversight generates significant questions or concerns. The District may communicate with charter school leaders, parents, and any other necessary stakeholders to verify complaints or concerns. The District will contact the governing board president and school leaders to issue a formal notice of concern. The notice of concern will contain specific actions and due dates required to remedy the concern. If the concern is not remedied in the time allotted, the school progresses to Level 2 of the intervention process.

Level 2 Notice of Breach – At Level 2, the charter school is issued a notice of breach. The notice of breach outlines the actions necessary to address the concern. The District monitors the school's implementation of the steps required to resolve the concern. Once the school has met the notice of breach requirements, they exit from Level 2 of the intervention process. If the concern is not remedied in the time allotted, the school progresses to Level 3 of the intervention process.

Level 3 Intent to Restart, Reconstitute or Terminate the Charter Contract Recommendation – If the District determines that the charter school has failed to meet the requirements specified in federal law, NRS or the agreed upon charter contract, or if the school has not remedied prior notices to the satisfaction of the sponsor, the District may restart a charter school, reconstitute the governing body of a charter school or terminate a charter contract with a charter school before the expiration of the charter contract.

Failure to meet the requirements specified in Level 2 will result in the progression into Level 3. The sponsor may also enter a charter school directly into Level 3 depending on the severity of the violation.

When a charter school is issued a Level 3 notice, a Level 3 review will be conducted. The Level 3 review may include additional visits to the school and/or an in-depth audit to assess the academic, financial, and organizational health of the charter school. Findings from the Level 3 review will determine whether the school will be restarted, reconstituted, or terminated. If the school remedies the deficiencies to the satisfaction of the sponsor, the school may be granted a revised notice. If the charter school does not remedy the deficiencies to the satisfaction of the sponsor, the District will issue an official written notice to the governing body of the charter school of its intent to restart the school, reconstitute the governing body or terminate the charter contract (see NRS 388A.300 and NRS 388A.330).

High-Stakes Decisions

The District will consider the collective record of a school's academic, financial and organizational performance when making high-stakes decisions, including but not limited to, renewal, contract amendments, restart, reconstitution, or termination.

Contract Renewal

The Performance Framework provides information necessary for the charter renewal recommendation. Decisions will be made in accordance with statutes and regulations, and approved by the Board of School Trustees. The charter contract may be renewed for a term of not less than three years or more than 10 years per NRS 388A.285.

Performance Expectations

The charter school shall annually maintain a "meet standards" rating in the areas of academics, finance, and organizational performance as indicated below.

Academic: Schools shall meet or exceed standards on the NSPF.

Financial: Schools shall meet standards on the sponsor's financial performance framework.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Organization: Schools shall meet standards in all the areas of state and federal laws and regulations, the annual performance audit, and the charter contract. In addition, the school will ensure it reports student re-enrollment and attendance information.

Reconstitution, Restart or Termination

The following performance outcomes may be cause for recommended reconstitution, restart or termination of a school's charter contract:

- **Auto-Termination Per NRS 388A.300** – As defined by NRS 388A.300, the sponsor of a charter school shall terminate the charter contract of the charter school or restart the charter school under a new charter contract if the charter school receives, in any period of five consecutive school years, three annual ratings established as the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools.
- **Schools Rated on the Alternative Performance Framework** – A charter school that is rated using the NAPF pursuant to NRS 385A.730 is exempt from the provisions of NRS 388A.279(3)(a) and NRS 388A.300(1).
- **Reconstitution or Termination Per NRS 388A.330** – The sponsor may reconstitute the governing body of a charter school or terminate a charter contract before the expiration of the charter if the sponsor determines that the school has failed to comply with the terms and conditions of the required charter contract, federal laws, state laws, and/or regulations.
- **The Schools Ability to Operate a Portion of the School** – If the sponsor of a charter school determines that not all of the grade levels in the charter school meet the criteria described in NRS 388A.330(1)(a) to (g), and that the charter school can remain financially viable if the charter school continues to operate and serve only the grade levels which do not meet the criteria described in those paragraphs, the sponsor may amend the charter contract to eliminate the grade levels that meet the criteria described in NRS 388A.330(1)(a) to (g), and limit the enrollment in all other grade levels in the charter school.

**CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY**

Example Charter School Performance Matrix

For the 2017–2018 school year, the ABC Charter School was found to have deficiencies in the academic component, and did not meet the standards per the agreed upon Charter School Performance Framework. The District issued the school a Notice of Concern. The school was placed on a corrective action plan, which included monitoring by the District staff.

In the 2018–2019 school year, the school improved the academic component, but fell below the standard in the financial component. The District issued the school a Notice of Breach. The school was placed on a corrective action plan, which included monitoring, by the District staff.

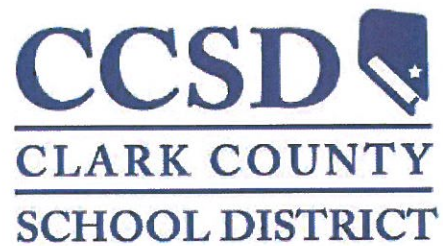
In the 2019–2020 school year, the school improved in the financial component in which they moved from falls below standards, to does not meet standards. The District issued a Notice of Concern, and continued to support and monitor the school's corrective action plan.

In the 2020–2021 school year, the school improved in the financial component moving from does not meet standards to meets standards. However, the school did not meet the standard in the organizational component of the framework. This resulted in the District issuing a notice of concern. The District staff worked with the school to support and monitor the school's corrective action plan. On a monthly basis, the District staff worked with the school to maintain and improve student achievement.

ABC Charter Schools Performance Matrix Example				
Grades Served	Star Rating	Academic	Financial	Organizational
2020–2021 Charter School Performance				
K–5	4-Star	Meets Standards	Meets Standards	Does Not Meet Standards
6–8	4-Star			
9–12	3-Star			
2019–2020 Charter School Performance				
K–5	4-Star	Meets Standards	Does Not Meet Standards	Meets Standards
6–8	4-Star			
9–12	3-Star			
2018–2019 Charter School Performance				
K–5	4-Star	Meets Standards	Falls Below Standards	Meets Standards
6–8	4-Star			
9–12	3-Star			
2017–2018 Charter School Performance				
K–5	2-Star	Does Not Meet Standards	Meets Standards	Meets Standards
6–8	5-Star			
9–12	2-Star			

EXHIBIT 2

CCSD Charter School
Financial Performance Framework



**Charter School Financial
Framework Workbook**

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Table of Contents

Financial Performance Framework Guidance	4
Section 1: Near-Term Measures	5
Near-Term Measure 1 – Current Ratio	6
Near-Term Measure 2 – Unrestricted Days Cash-on-Hand Ratio	7
Near-Term Measure 3 – Enrollment Forecast Accuracy.....	8
Near-Term Measure 4 – Debt Default	9
Section 2: Sustainability Measures	10
Sustainability Measure 1 – Total Margin.....	11
Sustainability Measure 2 – Debt to Asset Ratio.....	12
Sustainability Measure 3 – Cash Flow Measure.....	13
Sustainability Measure 4 – Debt Service Coverage Ratio	14
Glossary: Terms Used in the Financial Performance Framework	15

Financial Performance Framework Guidance

The Financial Performance Framework (FPF) is intended as a starting point for charter school sponsors to evaluate a charter school's financial performance as part of ongoing monitoring, the renewal decision making process, to satisfy the requirements of NRS 388A.273, and to ensure compliance with other applicable charter school laws and regulations. Charter schools have the autonomy to manage their finances consistent with state and federal law; however, sponsors must ensure that the schools they sponsor are financially stable. In the process of renewing or not renewing a charter school, sponsors must determine whether the school is not only academically and organizationally sound, but also financially viable. Financial stability is a factor in renewal, amendment, restart, reconstitution, and termination decisions.

The FPF provides sponsors a tool to identify schools currently in or trending towards, financial difficulty and to proactively evaluate and address the problem. The guidance aligns with the National Association of Charter School Authorizers (NACSA) Principles & Standards for Quality Charter School Authorizing (2012), which states that sponsors should, through a performance framework, set clear expectations for "financial performance and sustainability." The FPF was created after a review of model sponsor practices, charter school lender guidance, and expertise in the field. While the framework does not specifically mirror any single source, it was created to provide a clear picture of a school's past financial performance, current financial health, and potential financial trajectory.

Framework Structure

The FPF gauges both near-term financial health and longer-term financial sustainability. The framework includes indicators, measures and metrics. Targets and ratings are established by the individual sponsors.

Indicators

The FPF includes two indicators, or general categories, used to evaluate a schools' financial performance.

1. Near-Term

The portion of the framework that tests a school's near-term financial health is designed to predict the school's financial position and viability in the upcoming year. Schools meeting the desired standards demonstrate a low risk of financial distress for the coming year. Schools that fail to meet the standards may currently be experiencing financial difficulties and/or are at risk for financial hardship in the near-term. These schools may require additional review and immediate corrective action on the part of the sponsor.

2. Sustainability

The framework also includes longer-term financial sustainability measures and is designed to predict a school's financial position and viability over time. Schools that meet the desired standards demonstrate a low risk of financial distress in the future. Schools that fail to meet the standards may be at risk for financial hardship in the future.

SECTION 1
NEAR-TERM MEASURES

11/1/2022

5 | Page

Near-Term Measure 1 – Current Ratio

Purpose – The current ratio depicts the relationship between a school’s current assets and current liabilities. In addition, the current ratio is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares a school’s current assets to its current liabilities.

Formula

$$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}} = \text{Current Ratio}$$

Data source for the formula

Audited Balance Sheet

Example

Total Current Assets = \$197,115.00, Total Current Liabilities = \$95,382.00

$$\frac{\$197,115.00}{\$95,382.00} = 2.07 \text{ Current Ratio}$$

Current ratio is 1.1 or greater.

- **Meets Standard**

Metric used to determine school status

Near-Term Measure 1 – Current Ratio
Current Assets / Current Liabilities
<p><i>Meets Standard:</i></p> <input type="checkbox"/> Current ratio is 1.1 or greater. or <input type="checkbox"/> Current ratio is between 1.0 and 1.1 and one-year trend is positive. Note: For schools in their first or second year of operation, the current ratio must be greater than 1.1.
<p><i>Does Not Meet Standard:</i></p> <input type="checkbox"/> Current ratio is between 0.9 and .99. or <input type="checkbox"/> Current ratio is between 1.0 and 1.1 and one-year trend is negative.
<p><i>Falls Below Standard:</i></p> <input type="checkbox"/> Current ratio is less than 0.9

Near-Term Measure 2 – Unrestricted Days of Cash-On-Hand Ratio

Purpose – The unrestricted days cash-on-hand ratio indicates how many days a school can pay its operating expenses without an inflow of cash. National standards state 60–120 days cash-on-hand is considered a model practice.

Formula

$$\frac{\text{Annual Expense} - \text{Annual Depreciation}}{365 \text{ Days}} = \text{Average Daily Expenses}$$

$$\frac{\text{Unrestricted Cash and Equivalents}}{\text{Average Daily Expense}} = \text{Unrestricted Days Cash-On-Hand}$$

Data source for the formula

Audited Balance Sheet
Income Statement and Changes in Net Position

Example

Annual Expense = \$1,173,620.00, Annual Depreciation = \$10,000.00
Unrestricted Cash and Equivalents = \$245,528.00

$$\frac{\$1,173,620.00 - \$10,000.00}{365 \text{ Days}} = \frac{\$1,163,620.00}{365 \text{ Days}} = \$3,188.00 \text{ Average Daily Expense}$$

$$\frac{\$245,528.00}{\$3,188.00} = 77 \text{ Unrestricted Days of Cash-On-Hand}$$

60 days of cash or more
• Meets Standard

Metric used to determine school status

Near-Term Measure 2 – Unrestricted Days of Cash-On-Hand
Average Daily Expenses: (Total Annual Expenses – Annual Depreciation) / 365 Unrestricted Days Cash-On-Hand: Unrestricted Cash and Equivalents / Average Daily Expense
Meets Standard: <input type="checkbox"/> 60 days of cash or more or <input type="checkbox"/> Between 30 and 60 days of cash and one-year trend is positive
Does Not Meet Standard: <input type="checkbox"/> Days of cash is between 15 and 29 days or <input type="checkbox"/> Days of cash is between 30 and 60 days and one-year trend is negative
Falls Below Standard: <input type="checkbox"/> Less than 15 days of cash

Near-Term Measure 3 – Enrollment Forecast Accuracy

Purpose – Enrollment forecast accuracy tells sponsors whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations.

Formula

$$\frac{\text{Actual Enrollment}}{\text{Projected Enrollment}} = \text{Percent of Forecast Accuracy}$$

Data source for the formula

Actual Enrollment = certified count day numbers

Projected Enrollment = charter school board-approved budgeted enrollment

Example

Actual Enrollment = 225, Projected Enrollment = 210

$$\frac{225}{210} = 107 \text{ percent Forecast Accuracy}$$

Enrollment forecast accuracy equals or exceeds 95 percent in the most recent year and equals or exceeds 95 percent each of the last three years.

- **Meets Standard**

Metric used to determine school status

Near-Term Measure 3 – Enrollment Forecast Accuracy

Actual Enrollment / Projected Enrollment

Meets Standard:

Enrollment forecast accuracy equals or exceeds 95 percent in the most recent year and equals or exceeds 95 percent each of the last three years.

Note: For schools in their first or second year of operation, enrollment forecast accuracy must be equal to or exceed 95 percent for each year of operation.

Does Not Meet Standard:

Enrollment forecast accuracy is between 85 percent and 94 percent in the most recent year.

or

Enrollment forecast accuracy is 95 percent or greater in the most recent year but does not equal or exceed 95 percent or greater each of the last three years.

Falls Below Standard:

Enrollment forecast accuracy is less than 85 percent in the most recent year.

Near-Term Measure 4 – Debt Default

Purpose – The debt default indicator addresses whether or not a school is meeting its loan obligations and/or is delinquent with its debt service payments. Notes from the audited financial statements are used as the source of data. *In most cases, this will not be applicable for charter schools that do not have an outstanding loan.*

Indicator

Sponsors may consider a school in default only when the charter school is not making payments on its debt, or when it is out of compliance with other requirements in its debt covenants.

Data source for the formula

Notes to the audited financial statements.

Example

ABC Academy's notes to the audited financial statements indicate that the school is not making payments on its debt, or it is out of compliance with other requirements in its debt covenants.

- Does not meet standard

Metric used to determine school status

Near-Term Measure 4 – Debt Default

Notes to the audited financial statements.

Meets Standard:

School is not in default of loan covenant(s) and is not delinquent with debt service payments.

Does Not Meet Standard:

Not Applicable

Falls Below Standard:

School is in default of loan covenant(s) or is delinquent with debt service payments.

SECTION 2
SUSTAINABILITY MEASURES

Sustainability Measure 1 – Total Margin

Purpose – Total margin measures the deficit or surplus a school yields out of its total revenues, which indicates whether or not the school is operating within its available resources. The measurement looks at the most recent three years. Year one is considered the audited financial statement from three years ago. Year three is considered the most recent audited financial statement.

Formula

Total Three-year Revenue - Total Three-year Expenditures = **Three-year Net Surplus**

$$\frac{\text{Total Three-year Net Surplus}}{\text{Total Three-year Revenue}} = \text{Aggregated Total Margin}$$

Year Revenue - Year Expenditures = **Year Net Surplus**

$$\frac{\text{Year Net Surplus}}{\text{Year Total Revenue}} = \text{Year Total Margin}$$

Data source for the formula

Three years of audited income statements

Example

Revenue: Year One = \$700,000.00, Year two = \$750,000.00, Year Three = \$775,000.00
Expenditures: Year One = \$704,000.00, Year Two = \$746,000.00, Year Three = \$770,000.00

\$700,000.00 + \$750,000.00 + \$775,000.00 = **\$2,225,000.00 Three-year Revenue**
\$704,000.00 + \$746,000.00 + \$770,000.00 = **\$2,220,000.00 Three-year Expenditures**
\$2,225,000.00 - \$2,220,000.00 = **\$5,000.00 Three-year Net Surplus**

$\frac{\$5,000.00}{\$2,225,000.00} = .225$ percent **Aggregated Total Margin**

\$700,000.00 - \$704,000.00 = **-\$4,000.00/\$700,000.00 = -.57 percent Year 1 Total Margin**
\$750,000.00 - \$746,000.00 = **\$4,000.00/\$750,000.00 = .53 percent Year 2 Total Margin**
\$775,000.00 - \$770,000.00 = **\$5,000.00/\$775,000.00 = .65 percent Year 3 (Current) Total Margin**

Aggregated three-year total margin is greater than -1.5 percent, but the trend is positive for the last two years, and the most recent year total margin is positive.

- **Meets Standard**

Metric used to determine school status

Sustainability Measure 1 – Total Margin

Current Year Total Margin: Current Year Net Surplus / Current Year Total Revenue
Aggregated Total Margin: Total Three-Year Net Surplus / Total Three-Year Revenues

Meets Standard:

Aggregated three-year total margin is positive and the most recent year total margin is positive, or
 Aggregated three-year total margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year total margin is positive.

Note: For schools in their first or second year of operation, the aggregate total margin must be positive.

Does Not Meet Standard:

Aggregated three-year total margin is greater than -1.5 percent, but the trend is negative.

Falls Below Standard:

Aggregated three-year total margin is less than -1.5 percent, or
 Current year total margin is less than -10 percent.

Sustainability Measure 2 – Debt to Asset Ratio

Purpose – The debt to asset ratio measures the amount of debt a school owes versus the assets they own; in other words, it measures the extent to which the school relies on borrowed funds to finance its operations. A debt to asset ratio greater than 1.0 is a generally accepted indicator of potential long-term financial issues, as the organization owes more than it owns, reflecting a risky financial position. A ratio less than 0.9 indicates a financially healthy balance sheet, both in the assets and liabilities, and the implied balance in the equity account.
NOTE – Public Employees' Retirement System of Nevada (PERS) pension liability is excluded from "total liabilities".

Formula

$$\frac{\text{Total Liabilities}}{\text{Total Assets}} = \text{Debt to Asset Ratio}$$

Data source for the formula

Audited Balance Sheet

Example

Total Liabilities \$12,000.00, Total Assets \$20,000.00

$$\frac{\$12,000.00}{\$20,000.00} = 0.60 \text{ Asset Ratio}$$

Debt to asset ratio is less than 0.90.

- Meets Standard

Metric used to determine school status

Sustainability Measure 2 – Debt to Asset Ratio
Total Liabilities / Total Assets
Meets Standard:
<input type="checkbox"/> Debt to asset ratio is less than 0.90.
Does Not Meet Standard:
<input type="checkbox"/> Debt to asset ratio is between 0.90 and 1.0.
Falls Below Standard:
<input type="checkbox"/> Debt to asset ratio is greater than 1.0.

Sustainability Measure 3 – Cash Flow Measure

Purpose – The cash flow measure indicates a school’s change in cash balance from one period to another. This measure includes restricted and unrestricted funds. The measurement looks at the most recent three years.

Formula

Year 3** Total Cash - Year 1* Total Cash = **Multi-Year Cash Flow**
Year 2 Total Cash - Year 1 Total Cash = **One-Year Cash Flow**

* Year one is considered the audited financial statement from three years ago.
** Year three is considered the most recent audited financial statement.

Data source for the formula

Three most current years of audited balance sheets. (Assets: cash)

Example

Year One = \$40,000.00, Year Two = \$38,000.00, Year Three = \$42,000.00

\$42,000.00 - \$40,000.00 = \$ 2,000.00 **Multi-Year Cash Flow**
\$38,000.00 - \$40,000.00 = \$-2,000.00 **One-Year Cash Flow**

Multi-year cumulative cash flow is positive, cash flow is positive in two of three years, and cash flow in the most recent year is positive.

- **Meets Standard**

Metric used to determine school status

Sustainability Measure 3 – Cash Flow Measure
Multi-Year Cash Flow = Year 3 Total Cash - Year 1 Total Cash One-Year Cash Flow = Year 2 Total Cash - Year 1 Total Cash
Meets Standard: <input type="checkbox"/> Multi-year cumulative cash flow is positive <i>and</i> cash flow is positive each year. or <input type="checkbox"/> Multi-year cumulative cash flow is positive, cash flow is positive in two of three years, <i>and</i> cash flow in the most recent year is positive. Note: For schools in their first or second year of operation, they must have positive cash flow.
Does Not Meet Standard: <input type="checkbox"/> Multi-year cumulative cash flow is positive, but the trend is negative.
Falls Below Standard: <input type="checkbox"/> Multi-year cumulative cash flow is negative.
Note – The overall rating in the financial component of the CCSD Charter School Performance Framework may be adjusted to take into account the following scenario in Sustainability Measure 1 and/or 3: The charter school governing body approved expenditures resulting in a rating other than Meets Standard. The school has provided a governing body approved spending plan and associated supporting documentation as required by the sponsor.

Sustainability Measure 4 – Debt Service Coverage Ratio

Purpose – The debt service coverage ratio indicates a school’s ability to cover its debt obligations in the current year. *In most cases this will not be applicable for charter schools that do not have an outstanding loan.* This ratio measures whether or not a school can pay the principal and interest due on its debt based on the current year’s net income. Depreciation expense is added back to the net income because it is a non-cash transaction and does not actually cost the school money. The interest expense is added back to the net income because it is one of the expenses an entity is trying to pay, which is why it is included in the denominator.

Formula

$$\frac{\text{Net Income} + \text{Depreciation Expense} + \text{Interest Expense}}{\text{Annual Principal} + \text{Interest Payments}} = \text{Debt Service Coverage Ratio}$$

Data source for the formula

- Audited income statement
- Audited cash flow statement
- Audited cash flow statement and/or income statement
- Annual principal and interest obligations provided from the school

Example

The school obtains a two-year loan of \$175,000 for facility renovations. The interest expense is \$5,439.00.
Net Income = \$100,000.00, Depreciation Expense = \$2,000.00

$$\begin{aligned} \$100,000.00 + \$2,000.00 + \$5,439.00 &= \$107,439.00 \\ \$85,753.00 + \$5,439.00 &= \$91,192.00 \end{aligned}$$

$$\frac{\$107,439.00}{\$91,192.00} = 1.18 \text{ Debt Service Coverage Ratio}$$

Debt service coverage ratio is equal to or exceeds 1.10.
• Meets Standard

What is the metric used to determine school status?

Sustainability Measure 4 – Debt Service Coverage Ratio
(Net Income + Depreciation Expense + Interest Expense)/(Annual Principal + Interest Payments)
Meets Standard:
<input type="checkbox"/> Debt service coverage ratio is equal to or exceeds 1.10.
Does Not Meet Standard:
<input type="checkbox"/> Debt service coverage ratio is less than 1.10.
Falls Below Standard:
<input type="checkbox"/> Not Applicable

Glossary: Terms Used in the Financial Performance Framework

Annual Expenses: The yearly total of payments of cash or incurrence of a liability for the purpose of acquiring assets, or services or settling losses.

Assets: A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. These economic resources can be tangible or intangible. Assets might be financial in nature (like cash and accounts receivable) or nonfinancial (like buildings and equipment).

Audit: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties. Refer to Compliance Audit, Corrective Action Plan, Financial Audit, Performance Audit, and Single Audit. Audits must be in compliance with all state and federal laws and regulations.

Balance Sheet: A financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with Generally Accepted Accounting Principles (GAAP). Also, referred to as the Statement of Financial Position or Statement of Net Assets.

Basis of Accounting: The methodology and timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Refer to Accrual Basis, Modified Accrual Basis, and Cash Basis.

Cash Basis: A basis for accounting whereby revenues are recorded only when received and expenses are recorded only when paid, without regard to the period in which they were earned or incurred.

Cash Flow: Cash receipts minus cash disbursements from a given operation or fund for a given period of time.

Changes in Net Position: The difference between the net balances from one accounting period to the next.

Consultant: An independent individual or entity contracting with an agency to perform a personal service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

Current Assets: Resources that are available, or can readily be made available, to meet the cost of operations or to pay current liabilities.

Current Liabilities: Obligations that are payable within one year from current assets or current resources.

Current Ratio: A financial ratio that measures whether or not an organization has enough resources to pay its debts over the next 12 months. It compares a firm's current assets to its current liabilities and is expressed as follows: current ratio = current assets divided by current liabilities.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts include bonds, accounts payable, and other liabilities. Refer to Bonds Payable, Accounts Payable, Liabilities, Long-Term Obligations, and General Long-Term Obligations.

Debt Service: The cash that is required for a particular time period to cover the repayment of interest and principal on a debt. Debt service is often calculated on a yearly basis.

Debt Service Coverage Ratio: Also known as "debt coverage ratio," is the ratio of cash available for debt servicing to interest, principal, and lease payments.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Debt Service Default: Occurs when the borrower has not made a scheduled payment of interest or principal.

Debt to Asset Ratio: A financial ratio that measures the proportion of an organization's assets that are financed through debt. It compares an organization's total assets to its total liabilities and is measured by dividing the total liabilities by the total assets. If the ratio is less than one, most of the organization's assets are financed through equity. If the ratio is greater than one, most of the organization's assets are financed through debt.

Depreciation: The systematic and rational allocation of the cost of an asset over its useful life.

Financial Audit: An audit made by an independent external auditor for the purpose of issuing an audit opinion on the fair presentation of the financial statements of the school in conformity with Generally Accepted Accounting Principles. Refer to Audit. Financial audits must be in compliance with all state and federal laws and regulations.

Fiscal Period: Any period at the end of which a charter school determines its financial position and the results of its operations. Refer to Accounting Period.

GAAP: Refer to Generally Accepted Accounting Principles.

General Fund: The general fund is used to account for the financial activities of the charter schools not required to be accounted for in another account.

Generally Accepted Accounting Principles (GAAP): These are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative body on the application of Generally Accepted Accounting Principles (GAAP) to state and local governments is the Governmental Accounting Standards Board.

Governmental Accounting: The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of a governmental entity.

Income Statement: A financial statement that shows revenues and expenditures of an entity at a specified date in conformity with Generally Accepted Accounting Principles (GAAP). Also referred to as the Statement of Activities and Changes in Net Assets or the Statement of Activities.

Indicator: General categories of financial performance.

Interest Expense: The money the school pays out in interest on loans.

Interest Payable: A liability account reflecting the amount of interest owed by the school. In governmental funds, interest is to be recognized as an expenditure in the accounting period in which it becomes due and payable, and the liability is to be recorded as interest payable at that time. In proprietary and trust funds, interest payable is recorded as it accrues, regardless of when payment is actually due.

Interest Payment: The amount of interest that a school pays to a lender on a loan each month.

Interim Financial Statement: A financial statement prepared before the end of the current fiscal period and covering only financial transactions during the period to date.

Liabilities: Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. These are economic obligations. The term does not include encumbrances.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Margin: The difference between revenues and expenses. The margin can refer to the gross margin (operating revenues less operating expenses) or the total margin (see Total Margin).

Measure: General means to evaluate an aspect of an indicator.

Metric: Method of quantifying a measure.

Net Assets: The difference between assets and liabilities. Refer to Fund Equity.

Net Income: A term used in accounting for proprietary funds to designate the excess of total revenues and operating transfers in divided by total expenses and operating transfers out for an accounting period.

Net Surplus: The amount of revenue recognized after certain operating expenses have been deducted.

Principal: The amount of the loan excluding any interest.

Statement of Activities: A government-wide financial statement that reports the net (expense) revenue of its individual functions. An objective of using the net (expense) revenue format is to report the relative financial burden of each of the reporting government's functions on its taxpayers.

Statement of Cash Flows: A GAAP financial statement for proprietary funds that provides relevant information about the cash receipts and cash payments of a government during a period. It categorizes cash activity as resulting from operating, noncapital financing, capital financing, and investing activities.

Statement of Activities and Changes in Net Assets: The financial statement that is the GAAP operating statement for pension and investment trust funds. It presents additions and deductions in net assets held for pension benefits and investment pool participants. It reconciles net assets held at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

Statement of Net Assets: A government-wide financial statement that reports the difference between assets and liabilities as net assets, not fund balances or equity. Assets are reported in order of liquidity, or how readily they are expected to be converted to cash and whether restrictions limit the government's ability to use the resources. Liabilities are reported based on their maturity, or when cash is expected to be used to liquidate them. Net assets are displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Target: Threshold that signifies success for a specific measure.

Total Assets: The sum of all cash, investments, furniture, fixtures, equipment, receivables, intangibles, and any other items of value owned by a school.

Total Expenditure: The total costs of doing business; that is, the costs that must be incurred in order for a school to generate revenue or provide services.

Total Liability: The aggregate of all debts a school is responsible for.

Total Margin: Total revenues less total expenses.

Total Revenue: The total amount of a schools' sources of income (gross receipts and receivables).

Unrestricted Cash: Monetary reserves that are not tied to a particular use; General funds are considered unrestricted cash, subject to legal restrictions for a public educational entity.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

Back Page

11/1/2022

19 | Page

EXHIBIT 3

Articles of Incorporation

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

EXHIBIT 4

Amendments to Prior Charter Contract

Attachment 2

2022–2023 Charter Contract Renewal Report Rainbow Dreams Academy

2022–2023



**Clark County School District
Office of School Choice**

2022–2023 Charter Contract Renewal Report

Table of Contents

- 3 | Introduction
- 3 | Charter Contract Renewal Requirements and Criteria
- 5 | Charter Contract Renewal Report Performance Summary
- 6 | Renewal Recommendation

2022–2023 Charter Contract Renewal Report

Introduction

The Governing Body of Rainbow Dreams Academy has submitted a request for renewal of their charter contract for an additional term, which would commence July 1, 2023. Per Nevada Revised Statutes (NRS) 388A.285(6), the Clark County School District (District) Board of Trustees may renew a charter contract for a term of not less than 3 years or more than 10 years.

NRS 388A.285(4) requires the sponsor of a charter school to consider the request for renewal of a charter contract during the final school year in which the charter school is authorized to operate pursuant to its charter contract. The purpose of this report is to provide the District Board of School Trustees with the following information: the District's charter contract renewal requirements and criteria, the Rainbow Dreams Academy charter contract performance summary for the 2017–2023 charter contract term, and a charter contract renewal recommendation.

Charter Contract Renewal Requirements and Criteria

NRS 388A.285(4)(a) and (b) requires the sponsor of a charter school to develop performance criteria standards by which it will determine a charter contract renewal decision. The performance criteria standards used by the District in the determination for renewing a charter contract is based upon the academic, financial, and organizational performance of the charter school as measured by the performance indicators, measures, and metrics set forth in the Charter School Performance Framework (CSPF).

Charter School Performance Framework Metric Components

The following section of this report outlines the CSPF metric components that are used in determining a renewal decision recommendation.

The CSPF is a metric used to assess schools based on their ability to operate as sound, independent entities that successfully serve all students. The components strike the balance between submitted documents and data that provides fact-based insight on school performance.

Academic

Academic achievement determinations for all schools will be based on the performance indicators as stated in the Nevada School Performance Framework (NSPF), or other criteria as required by the Nevada Department of Education (NDE). Academic achievement determinations for all schools placed on the Nevada Alternative Performance Framework (NAPF) will be based on the performance indicators as stated by the NAPF criteria. The Academic category is further defined in NRS 388A.273(1)(a).

Financial

The near-term fiscal status of schools is assessed through four measures: 1) current ratio; 2) unrestricted day's cash on hand; 3) enrollment forecast accuracy; and 4) debt default. The fiscal sustainability of schools is assessed through four different measures: 1) total margin; 2) debt to asset ratio; 3) cash flow; and 4) debt service coverage ratio. These measures will be evaluated and a profile published annually based on each school's audited financial statements. The Charter School Financial Performance Framework Workbook details the financial performance indicators. The Financial category is further defined in NRS 388A.273(1)(b).

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

2022–2023 Charter Contract Renewal Report

Organizational

This component defines the operational standards to which a charter school should be accountable to its sponsor and the public. It is designed to assess schools relative to legal and ethical requirements outlined in the NRS and applicable federal regulations. The charter school annual performance audit details performance indicators. In addition, student re-enrollment and attendance rate reporting is analyzed. The Organizational category is further defined in NRS 388A.273(1)(c).

CSPF

Rating	Academic	Financial	Organizational
Meets standards	3-stars or above	Meets standards in all areas	<p>The school's governing body materially meets the expectations outlined in state and federal law, the annual performance audit, and the Charter Contract.</p> <p>The school has reported annual re-enrollment.</p> <p>The school has reported the rate of attendance.</p>
Does not meet standards	2-stars	Does not meet standards in more than one area	<p>The school failed to implement the program in the manner described in the state or federal law, the annual performance audit, and the Charter Contract; the failure(s) were material, but the governing body has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the sponsor. If the governing body has instituted remedies that have resulted in satisfactory compliance, the sponsor may choose to upgrade the rating to "meets standards."</p>
Falls below standards	Any combination of 1-star at any school level	Falls below standards in more than one area	<p>The school failed to implement the program in the manner described in state or federal law, the annual performance audit, and the Charter Contract; the failure(s) were material to the viability of the school, or regardless of the severity of the failure(s), the governing body has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the sponsor.</p>

2022–2023 Charter Contract Renewal Report

Charter Contract Renewal Report Performance Summary

The following section provides the Rainbow Dreams Academy charter contract performance summary for the 2017–2023 charter contract term.

Rainbow Dreams Academy was found to have deficiencies in the Academic component, as per the agreed upon CSPF, during the 2017–2018, 2018–2019 and the 2019–2020 school years. Rainbow Dreams Academy was found to have deficiencies in the Financial component as per the agreed upon CSPF, during the 2019–2020, 2020–2021, and the 2021–2022 school years. Rainbow Dreams Academy was found to have deficiencies in the Organizational component as per the agreed upon CSPF, during the 2019–2020, and the 2020–2021 school years.

Academic Performance

Due to the school's academic performance during the 2017–2018 school year, the Board of School Trustees, in 2019, placed the school on a mandated remediation plan. The plan stipulated that the school would improve its academic performance during the remainder of the Charter Contract. In 2020, Rainbow Dreams Academy requested to eliminate service to Grades 1 through 8, and to change the mission of Rainbow Dreams Academy to only serve pre-kindergarten and kindergarten students. The school will use industry standard evaluation tools, as required by the sponsor, to measure student growth and achievement since they are no longer rated on the NSPF.

Financial Performance

Rainbow Dreams Academy was found to have deficiencies in their financial performance for the 2019–2020, 2020–2021, and the 2021–2022 school years. The school was issued a Notice of Concern, a Notice of Breach and a Notice of Review of Non-Renewal per the Charter School Sponsorship Guide and Charter Contract. Although the school did not meet the standards in the financial component of the CSPF, the governing body has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the sponsor. The governing body is working towards meeting the requirements of the Financial Performance Framework component of the CSPF for the grade levels they are currently authorized to serve. The school has submitted a projected balanced budget.

Organizational Performance

Rainbow Dreams Academy was found to have deficiencies in their organizational performance for the 2019–2020 and 2020–2021 school years. The school was issued a Notice of Concern per the Charter School Sponsorship Guide and the Charter Contract. Although the school did not meet the standards in the organizational component of the CSPF, the governing body has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the sponsor.

Continued Support

If the Rainbow Dreams Academy charter contract is renewed, the District will continue to work closely with the Rainbow Dreams Academy Governing Body members to monitor the school's continued improvement efforts all areas of the CSPF.

CHARTER CONTRACT RENEWAL BETWEEN THE CLARK COUNTY SCHOOL DISTRICT
AND RAINBOW DREAMS ACADEMY

2022–2023 Charter Contract Renewal Report

Rainbow Dreams Academy Performance Matrix				
Grades Served	Star Rating	Academic	Financial	Organizational
2021–2022 Charter School Performance				
Pre-Kindergarten-Kindergarten	Not Rated	-	Falls Below Standards	Meets Standards
2020–2021 Charter School Performance				
Pre-Kindergarten-Kindergarten	Not Rated	-	Falls Below Standards	Does Not Meet Standards
2019–2020 Charter School Performance				
K–5	1-Star	Falls Below Standards	Does Not Meet Standards	Does Not Meet Standards
6–8	1-Star			
2018–2019 Charter School Performance				
K–5	1-Star	Falls Below Standards	Meets Standards	Meets Standards
6–8	1-Star			
2017–2018 Charter School Performance				
K–5	1-Star	Falls Below Standards	Meets Standards	Meets Standards
6–8	2-Star			
-Under the current contract there is not an official academic rating for the pre-kindergarten and kindergarten program. If a new charter contract is approved, the school will be accountable for the measures in the updated CSPF.				

Renewal Recommendation

It is the recommendation of District staff that the Clark County School District Board of Trustees consider renewing the charter contract of Rainbow Dreams Academy for a period of three years, effective July 1, 2023, through June 30, 2026.