



POLK COUNTY
PUBLIC SCHOOLS

BOARD MEMBERS

Sara Beth Wyatt
Board Chairman
District 4

Dr. William Allen
Board Vice-Chairman
District 1

Lori Cunningham
District 2

Rick Nolte
District 3

Kay Fields
District 5

Justin Sharpless
District 6

Lisa Miller
District 7

C. Wesley Bridges, II
General Counsel

ADMINISTRATION

Frederick R. Heid
Superintendent

VIA EMAIL AND CERTIFIED MAIL

3 August 2023

Jeremy Calkins
Diane LaFrance
495 Holly Hill Road
Davenport, FL. 33837

Dear Mr. Calkins and Ms. LaFrance:

The Polk County School Board thanks you for submitting an application for Navigator Academy of Leadership High School Davenport to become a Polk County Charter School. Navigator's charter application was evaluated utilizing the Model Florida Charter School Application Instrument, which includes multiple sections for consideration.

Please note that the application was distributed to a knowledgeable team of reviewers who independently evaluated the document utilizing the application requirements of the Model Florida Application. The Charter Application Review Team includes key District personnel, a charter school representative, and community representatives. In addition, one (1) external evaluator reviewed the charter application. This team spent numerous hours reviewing the charter application. Moreover, the School Board members were presented with a comprehensive review of the applicant's strengths and weaknesses to assist them in making an informed decision.

On July 25, 2023, the Polk County School Board voted to deny the Navigator Academy of Leadership High School Davenport charter application based on the specific deficiencies in the application outlined herein and those outlined in the Charter Application Review Team evaluation document, which is attached hereto and incorporated by reference as is set forth in full text. These reasons

STUDENTS FIRST



1915 S. Floral Ave.
Bartow, FL 33830



P.O. Box 391
Bartow, FL 33831



863-534-0500



polkschoolsfl.com

unequivocally demonstrate that the School's application was appropriately judged not to have met the statutory standards for a Florida Charter School.

Pursuant to the Florida Department of Education's Charter Application Process, the Board shall approve applicants that demonstrate quality in all components of the application process. *An application cannot have significant weaknesses in some components of the application and still be judged to have met the standard for approval.*

This correspondence and any accompanying/attached documentation, which is hereby incorporated by this reference, serves as notice pursuant to §1002.33(6)(b)(3)(a), F.S. of the specific reasons for denial of the charter application.

Specific reasons based on good cause for denial of the charter application include:

1. Pursuant to §1002.33(6)(b)(2), Florida Statutes, in order to ensure fiscal responsibility, an application for a charter school **shall** include a full accounting of expected assets, a projection of expected sources and amounts of income, including income derived from projected student enrollment and community support, and an expense projection that includes full accounting of the costs of operation, including start-up costs. Navigator Academy of Leadership High School's application failed to meet this statutory requirement.
2. Pursuant to §1002.33(6)(a)(5), Florida Statutes, a charter school application must include an annual financial plan for each year requested by the charter for operation of the school for up to five (5) years. This plan must contain anticipated fund balances based on revenue projections and a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends. Navigator Academy of Leadership High School's application failed to meet multiple components of this statutory requirement. Moreover, the proposed budget was not solvent (as described below) in the first years of operation.
3. The standard for approval is set forth in the charter application evaluation instrument and Florida Statutes §1002.33. The applicant did not meet the standard for:

II. Organizational Plan

- Section 11: Management and Staffing

The applicant failed to provide a viable and adequate staffing plan. Some examples of the lack of adequate staffing allocations include, but are not limited to, the following:

1. The applicant explained on page fifty-seven (57) of the charter application, “Navigator Academy of Leadership High School’s teaching staff will begin with one certified ESE teacher that can act as both the specialist to maintain the ESE program paperwork and provide direct services. Since the first year we will have a smaller enrollment, this ESE teacher will also oversee the gifted EP students.” Contrary to this statement, the School is allocating 0.5 ESE teacher for the first year of operation to serve approximately thirty (30) students (12%). In addition to providing direct services, the teacher is also responsible for preparing and facilitating all IEP and 504 meetings, monitoring, and implementing stipulated goals and expectations, ensuring all legal requirements are fulfilled, etc. This allocation is insufficient to meet the anticipated needs of exceptional students.
2. The applicant affirmed during the capacity interview conducted on May 16, 2023, that the application allocated \$19,275 in budget Function 6130 for a 0.5 Nurse, Contracted Speech Services, and a Mental Health Counselor. This allocation is insufficient to fund services and personnel key to the vitality of the School.
3. The staffing plan located on page eighty-two (82) of the charter application depicted a 0.5 ESOL allocation to serve approximately thirty (30) English Language Learner students (12%). Based on student needs, the existing Navigator Academy of Leadership K-8 school increased personnel to serve ESOL students in its first few years of operation. Considering the history, projected student population, and actions taken by the Navigator K - 8 school, 0.5 ESOL allocation is inappropriate for Navigator Academy of Leadership High School.
4. The application did not budget expenses for substitute teachers.
5. The application states on page seventy (70), “In addition to all the initiatives mentioned throughout this application, NAL-003 intends to offer an array of after school activities and clubs including nationally recognized clubs. These activities and clubs enhance the educational program, culture, and overall experience of high school. A sports program including participation in select FHSAA sports also enhances the high school culture, experience, and academics as our students are expected to be scholar athletes. Teachers will be asked to sponsor a club. Certified coaches will be hired for the sports program.”

The applicant stated during the capacity interview on May 16, 2023, that it planned to offer soccer, basketball, and possibly baseball. The School will serve two hundred fifty (250) students in ninth and tenth grades in year one (1); three hundred seventy-five (375) students in ninth, tenth, and eleventh grades in year two (2); five hundred (500) students in ninth through twelfth grades in year three (3); six hundred twenty-five (625) students in ninth through twelfth grades in year

four (4); and six hundred fifty (650) students in ninth through twelfth grades in year five (5). However, the School allocates the following coaching staff for soccer, basketball and possibly baseball:

- One (1) Junior Varsity Coach for all five (5) years.
- One (1) Varsity Coach for years three (3) through five (5).

The application failed to appropriately allocate coaching staff to accommodate the three (3) identified sports. Furthermore, the District has reservations regarding the School's ability to implement Title IX to ensure equitable opportunities for all students wanting to participate in sports.

6. The proposed budget in Attachment X of the charter application does not reflect allocations for the following positions listed in the staffing plan on page eighty-two (82) of the charter application:

- Maintenance.
- 0.5 Curriculum Specialist.
- 0.5 IT Specialist.

III. Business Plan

- Section 17: Transportation Services

The application failed to provide a transportation plan that will serve all eligible students and will not be a barrier to access for students residing within a reasonable distance of the school. The application does not provide revenue and expenditures for student transportation in the presented budget.

- Section 20: Budget

The proposed budget is insolvent when taking the following noteworthy concerns into consideration:

1. The proposed budget includes a significant amount of unguaranteed revenue. It is important to note that **without** taking all the unguaranteed revenue and other budgetary concerns into deliberation, the budget is **insolvent** for the first year of operation without the receipt of Capital Outlay revenue.

- a. The budget includes \$250,000 CSP Grant revenue for each of the first two (2) years of operation. The CSP Grant is competitive and is considered unguaranteed revenue.
 - b. The budget includes \$137,135 and \$205,703 for Capital Outlay for years one (1) and two (2), respectively. The School is not eligible for Capital Outlay funding until year three (3) of operation. Mr. Calkins acknowledged at the Capacity Interview conducted on May 16, 2023, that he does not anticipate the School receiving Capital Outlay funding for the first two (2) years.
 - c. The budget includes unguaranteed revenue for a Technology Fee (\$150 per student). The applicant allocates \$37,500 for the first year of operation, \$56,250 for year two (2), \$75,000 for year three (3), \$93,750 for year four (4) and \$97,500 for year five (5). The student fee is for a one-to-one technology device. Mr. Calkins stipulated at the Capacity Interview conducted on May 16, 2023, that the School is not going to require the fee and it will be asking for a donation.
 - d. The budget includes unguaranteed revenue for Other Miscellaneous Local Sources for \$60,000 the first year of operation and \$100,000 for subsequent years. Mr. Calkins and Ms. LaFrance shared examples of Other Miscellaneous Local Sources at the Capacity Interview Conducted on May 16, 2023. This revenue included fundraising efforts such as a Boosterthon (Navigator K-8 charter school raised \$20,000) and possibly revenue from after-school tutoring. The School hopes to receive a grant for after-school tutoring, which will negate any revenue.
 - e. The budget includes Project Advance from Development for \$75,000 for preplanning and \$275,000 for the first year of operation.
2. The narrative application contains conflicting information regarding debt service, money owed annually for rent. Consequently, the District is unable to determine the actual costs for the utilization of the facility.
 3. The budget does not provide expenses for all employees outlined in the staffing plan.
 4. The start-up budget does not include any expenses other than \$34,780 for School Administration.
 5. Information Received During Capacity Interview

- a. During the Capacity Interview meeting on May 16, 2023, the following information was received: (Excerpts from capacity interview. Please see the evaluation document for entire dialogue.)

- The District asked the following question: “The budget located in Attachment X includes revenue of \$250,000 for the Charter School Program grant (CSP) for the first two (2) years of operation. The CSP is a competitive grant and is not considered guaranteed income. Please share why the CSP revenue is included in the proposed budget as revenue.”

Mr. Calkins responded, “**Uh, that is something we picked up after, after submittal and so, we have since fixed that.** The finance team, as we were developing this, we've been getting, we had no problems getting the CSP. So, uh, let me just answer it this way, Candy, it's probably the best way to do it. We don't anticipate having to use those funds. So, two (2) things in our budget real quick and I'm not sure if it will cover other questions, but I'll just tell you right now. When I met with our Underwriter, we are not going to have a debt service. So, you see a debt service for the first two (2) years. So, they're going to uh, they're, they're going to push our debt service off for year three (3) and then also project development fees, whatever we need to make sure that our budget is whole, that's what we'll use.”

- The District asked the following question: “Can you please provide a detailed explanation as to how the building of the new high school will be funded? Specifically, will you be leasing the facility from a landlord, or will you be financing the facility with revenue from tax-exempt revenue bonds issued on September 9, 2021?”

Mr. Calkins responded, “And all that has changed. I just, I'll just tell you that all that's changed. The 12.5 in the beginning, we were on a (interrupted to speak to a Navigator representative) that had a time limit to it. So, if we didn't get it done, I can't remember in within the first twelve (12) months, I think that bond went away for the expansion. **So, what DA Davidson has done is they've given us a new letter with a guaranteed maximum price of fifteen (15) million,** and that's what we're working off now, over a forty (40) year bond similar to what we're doing now with where we're going to push off those first two (2) years of payments to the end of the, to the end of the loan, until umm, the, the school's mature is a little bit better.”

- The District asked the following clarifying question: “In response to clarifying question: So, you mentioned that they, your debt services has basically been kind of wiped clean for the first two (2) years. Is that notated

in that letter from DA Davidson (referencing the April 19, 2023, letter), or is that a new development?”

Mr. Calkins responded, “**That is a new development. That happened when I was discussing, actually, when we saw, when I saw the CSP and the capital outlay and we were restructuring from the parent company to this new entity.** So, I brought that up and they told me that they could eliminate that. So, I will, uh, that will have to be a new letter and I don't mind getting that.”

- b. Ms. Amato asked Mr. Calkins to provide the District with a new letter from D.A. Davidson, which specifies that the debt service will be postponed for the first two (2) years of operation, as stated by the applicant.
- c. The District received a letter from D.A. Davidson dated May 26, 2023, on Tuesday, May 30, 2023. (See attached.) Please note that the letter does not stipulate that Navigator Academy of Leadership High School will not have debt service postponed until year three (3). The letter states:
 - *Based on the School's leadership, demand profile, and enrollment plan, we expect that we will be able to underwrite tax-exempt bonds allowing NAL to bond finance the (i) construction costs of building the new approx.. 60,000 sf two-story facility (ii) and fund reserve funds, capitalized interest, and costs of issuance, as needed.*
 - *We have a sound understanding of NAL's financing goals and objectives and will craft a plan of finance accordingly. Some structural elements we are exploring that result in reduced annual facility expense include interest only periods (partial payment deferral), funded capitalized interest, draw down bonds, and extended amortizations.*
 - *There can be no guarantee that financing will be available to the School.*
 - *Nonetheless, in the current market we believe financing terms acceptable to the charter school could be achieved.*
 - *This letter does not serve as a commitment to underwrite.*
- d. It is obvious that the applicant took actions to attempt to remedy the District's budget concerns subsequent to the submission of the charter application on April 24, 2023. It is important to note that the District made an earnest attempt

to acquire additional material to ensure that the District had the most accurate budget information.

- e. However, the D.A. Davidson letter provided to the District on May 30, 2023, **does not** provide a written guarantee that the debt service for Navigator Academy of Leadership High School will be postponed for two (2) years as implied by the applicant at the Capacity Interview.
- f. Mr. Calkins stated numerous times during the capacity interview that the Project Development Fees will be utilized to cure budgetary concerns (please see comments below). It is important to understand that the District does not have written evidence regarding the source and/or amount of Project Development Fees available to the School. The proposed budget includes \$350,000 in Project Advance from Development for pre-planning and the first year of operation. The applicant must utilize additional project development fees to negate the budgeted \$137,135 for capital outlay in the first year of operation and \$205,703 for the second year. The applicant will need to utilize additional project development fees to negate the budgeted \$250,000 the CSP Grant for the first two (2) years of operation in the event the School is not awarded the competitive grant.

From the transcript of the Capacity interview:

We don't think that we're gonna have capital outlay, but we do believe that with the project development fees that we'll be able to augment that particular line item, uh with, with those fees as a source of revenue. And we did it the same way, and so the methodology that we used umm, to help support our startup budget and is the same methodology we'll use now.

So, they're going to uh, they're, they're going to push our debt service off for year three (3) and then also project development fees, whatever we need to make sure that our budget is whole, that's what we'll use.

So, for the CSP that allocation we see there, if we don't get it, we'll take that out of the project development fee. And that's exactly how we built the middle school and that's why I think you see our budget so healthy.

So, with the project development fees and the way that we work with the entire team is we realize that the school has to be healthy for us to be successful. So, that's why we do what we do. So, everybody's in it for the same, same purpose, same reason, same cause.

Jeremy Calkins
Diane LaFrance
3 August 2023
Page 9

Additionally, there are numerous sections of the charter application that partially meet the standard, which contribute to the overall recommendation to deny the charter application. Please refer to the identified areas of concern for each of these sections in the attached evaluation document. These sections include Target Population and Student Body; Student Performance, Assessment, and Evaluation; Exceptional Students; English Language Learners; Governance; Facilities; Food Service; and School Safety and Security.

The Polk County School Board encourages you to reconsider your application in light of these materials and to work to improve and resubmit the application at a time of your convenience. However, pursuant to §1002.33(6)(c), F.S., you may appeal the School Board's decision to the State Board of Education no later than thirty (30) calendar days from the receipt of this letter.

Please address any questions regarding this matter to the Polk County School Board, Office of Charter Schools.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Wesley Bridges II', with a stylized flourish at the end.

C. Wesley Bridges II
General Counsel

Enclosure: DOE Charter Application Evaluation Document
D.A. Davidson Letter Dated May 26, 2023

cc School Board Members
Frederick Heid, Superintendent
Candy Amato
Florida Department of Education