



## Alpha Public Schools – CMO Department Overview

### **Purpose:**

Alpha Public Schools is a Charter Management Organization that currently operates a network of 3 charter public schools in East San Jose, California. The CMO will provide wide-ranging support including management and coaching of school leaders, professional development, staff recruitment, fundraising and more, as outlined below. This way, our schools can focus on teaching and learning.

### **Structure:**

As described in the Cornerstone Academy charter petition, Alpha Public Schools is a tax-exempt organization, subject to all applicable local, State, and Federal laws as well as to its approved by-laws. Alpha Public Schools (CMO) and Cornerstone Academy Preparatory School are not separate legal entities, but will be operated as different departments within a single entity. This is typical of most CMOs.

Revenues and expenses will be tracked using the SACS Resource, Goal, Function, Object and Site codes. Monthly financial statements will be produced for each entity along with consolidated statements for all entities. Cash account registers will be maintained for each entity along with a consolidated account register.

Presently, there have been no provisions made for borrowing or lending of funds between the CMO and Cornerstone Academy.

### **Scope of Services:**

Alpha (CMO) will provide the following services:

1. Payment of the School's lease costs, utilities costs, and necessary site improvements
2. Researching, providing or preparing for any future expansion of the facility to accommodate growth of the School
3. Providing professional and leadership development training for certain employees prior to the commencement of the school year and continuing throughout the school year as necessary

4. Providing office services, such as accounting, payroll, human resources and billing
5. Supervising the annual budget
6. Developing and executing fundraising opportunities
7. Working with the Charter Authorizer, CDE and other agencies as necessary, including complying with reporting requirements and any other general inquiries received from these agencies
8. Supervising parent coordination and parent involvement generally
9. Marketing for student enrollment and teacher recruitment
10. Assisting with public relations
11. Writing grants for state and other funding
12. Providing guidance relating to the curriculum
13. Providing support for information technology
14. Securing working capital financing for the school
15. Providing financial support as needed; provided, however, that such support be agreed to by the parties in a separate writing
16. Providing any other operational or educational needs relating to the School that the school may reasonably request of the CMO
17. Collecting Special Education funds and managing the Special Education program budget on behalf of all Alpha schools that are part of the El Dorado County SELPA and therefore having the authority to determine the allocation of Special Education dollars based on Special Education needs at each site
18. Providing guidance relating to model development and innovation

**Excluded Services:**

Other than the services outlined above, Alpha (CMO) is not responsible for any other activities, unless mutually agreed to in writing.

**CMO Management and Facilities Fees:**

In consideration for the services, Alpha (CMO) shall receive a monthly CMO Management Fee equal to 15% of local, state, and federal revenues of Cornerstone Academy Preparatory School

(excluding revenues from reimbursement programs such as NSLP and school uniforms, ASES, PCSGP, Special Education, and Federal Title revenue) determined in accordance with United States generally accepted accounting principles which are consistently applied; provided, however, that if in any month Cornerstone Academy Preparatory School suffers a net loss, the amount of such net loss will be carried forward to succeeding months and no further payment of the Services Fee shall be made until and to the extent that the cumulative amount of all such losses is recouped against net income of Cornerstone Academy Preparatory School earned in such succeeding months. The Services Fee shall be payable by Cornerstone Academy Preparatory School to the CMO on or before the 30th day after the end of each calendar month.

The Manager shall receive a quarterly "Facilities Fee" equal to 13% of local, state, and federal revenues of Cornerstone Academy Preparatory School (excluding revenues from reimbursement programs such as NSLP and school uniforms, ASES, PCSGP, Special Education, and Federal Title revenue), determined in accordance with United States generally accepted accounting principles which are consistently applied and the facilities lease payments for that quarter.

The Services Fee and Facilities Fee are the only compensation or other payments to which the CMO will be entitled hereunder; Cornerstone Academy Preparatory School shall be responsible for all of its own costs and expenses necessary to fulfill its obligations under this Agreement, including, but not limited to, compensation and other benefits payable to any employees and any travel expenses.

#### **CMO Expenditures:**

An updated budget projection that includes management and facilities fees has been provided. The CMO will provide all services listed in the scope of services. Accordingly, certain expenditures have been eliminated from the school-level budget because the CMO will provide the services to the school. Specifically, the following expenditures have been eliminated:

- Repairs and Maintenance
- Accounting Fees
- Business Services
- Financial Service Contracts
- Instructional Consulting
- Facilities Consulting
- Fundraising Expenses
- Legal Fees
- Student Recruiting
- Marketing/Outreach
- Staff Recruiting
- Student Information Systems
- Technology Systems
- Internet/Website Consulting