

Date of Receipt by TEA: _____

Date of Committee Review: _____

Date of SBOE Review: _____

Beginning Date of Operation: _____

APPLICATION

Approved

Not Approved

25
~~30~~ 35

**Application for Approval of an
Open-Enrollment Charter**

Instructions: The open-enrollment charter proposal must be submitted in contractual form including, in the order of the items below, these same components. Attach the following after the answers to the questions below: (1) signed facilities agreement, (2) evidence of parental/community support for the proposed charter, and (3) documentation of non-profit status.

Submit two copies of the completed application with attachments to the Texas Education Agency, Document Control Center, 1701 North Congress Ave., Austin, Texas 78701. For assistance, contact the Division of Charter Schools at (512) 463-9575.

Chief Operating Officer
of Proposed Charter: Eduardo Gutierrez Title: Director

Name of Sponsoring Entity: Student Alternatives Program, Inc.

The applicant is an "eligible entity" under the following category (check one):

- an institution of higher education(TEC) 60.003);
- a tax-exempt organization [501(c)(3)];
- a private/independent institution of higher education (TEC 61.003);
- a governmental entity.

Sponsor Address: 454 Soledad, Suite 101(P.O. Box 15644) City: San Antonio, Texas

Zip: 78205 Phone Number: (210) 227-0295 FAX: (210) 227-7879

Type of charter sought: an open-enrollment charter under TEC12.1011(a)(1)

an open-enrollment charter under TEC 12.1011 (a)(2) (75% rule) (applicants for this charter must complete additional question #10 and sign the additional assurance found on page 30.)

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Name of proposed Charter: Gateway

Date of proposed opening: January 10, 1999

120/07/24/98-151

Charter Site Address: 1304 Iturbide City: Laredo, Texas

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I. INTRODUCTION

As recently as the 1980's, there were many programs in existence that accommodated gifted and talented students in the Rio Grande Valley area and across Texas. There were also several programs operating or under development for students with disciplinary and behavioral problems. However, few programs existed to accommodate students caught "in the middle." These were the students considered to be at risk of dropping out of school for reasons other than negative behavior. A significant number of students have the desire to continue their education and earn a high school diploma. However, they felt they could not graduate from high school for reasons such as the inability to perform at grade level or the need to work to support a family, and early marriage or pregnancy. As a result, many students were forced to drop out of high school, with many more on the verge of dropping out. In the Rio Grande Valley area specifically, the dropout rates were very high compared to the state average and the number of students at risk of dropping out even higher.

In 1970's and 80's, Ed Gutierrez, founder and CEO of the Student Alternatives Program, Inc. (SAPI), saw there was a need to provide alternative education programs for students who had the desire to continue their education, but faced many obstacles. He envisioned a program that was academically sound to fulfill Texas Education Agency requirements, yet allow students to work at their own pace with flexible scheduling. This would allow them to work or to care for their families and still attend school on a full-time basis. He also envisioned that such a program could be effectively and efficiently run by a community-based organization. However, at the time, no Texas law allowed for such an arrangement.

In 1990, Mr. Gutierrez realized the program he had envisioned when he founded the Student Alternatives Program, Inc. (SAPI) as private non-profit, community-based organization to provide alternative education opportunities to "At-Risk" and school dropout students. The first SAPI community-based alternative education program became operational during the 1992-93 school year. Since then, the organization has grown and serves school districts across the state. Through collaborative efforts with the school districts and county governments, the organization has served a significant number of "At-Risk" and dropout students. These student have been able to return to the regular mainstream school program or complete the high school graduation requirements or earn a General Education Development (GED) certificate.

The possibility of establishing an open-enrollment charter school has provided SAPI the opportunity to work with the citizens of the community to develop a strategy for the creation of a school that provides a viable option to the traditional educational system.

II. VISION AND GOALS

The vision of the Gateway Academy is to offer educational programs in a community-based, non-traditional setting in which teachers are free to be creative and innovative and students are free to explore their full potential. The Academy also envisions a school in which staff, students, parents, and the local community have a deep sense of ownership through the knowledge that they will have the ability to truly be a part of the educational community.

The mission of the Gateway Academy is to teach students to become respectable, responsible citizens who value their self-worth, respect others and realize the importance of hard work and the continuation of learning throughout their lives.

The Academy's first year goals include, but are not limited to, organizational and administrative development, staff development and board training, community awareness, establishment of instructional programs, and program performance. These goals are described below and are included in an attached action plan which details specific objectives, the activities to meet those objectives, progress analysis, persons responsible, timelines, and expected outcomes. The action plan can be found in the appendix. (See Appendix X.)

A. Organizational and Administrative Development

GOAL: To establish the Gateway Academy as a school that offers educational programs and activities that are responsive to each student's educational needs and to empower the student to achieve his/her full potential as a lifelong learner and to become a productive citizen of the community.

- Objective 1: Establish a seven-member Gateway Academy Management Board (AMB) consisting of representatives of the community within the Academy's target service area at least two months before the school opens.
- Objective 2: Establish a Charter School Board (CSB) which will consist of current SAPI Board members and at least one member of the AMB.
- Objective 3: Identify and recruit possible members to serve on the Gateway Academy Site-Based Management Committee (SBMC).
- Objective 4: Establish local policies and procedures for administrative, fiscal and programmatic accountability system to ensure effective and proper administration of program services in compliance with the Texas Education Code.

B. Staff Development and Board Training

GOAL: Conduct board training and staff development activities to ensure proper and effective provision of instructional services and operation of the Academy.

- Objective 1: Provide a minimum of seven (7) days per year of staff training/staff development activities to enhance professional development, stimulate creativity, and encourage innovation.
- Objective 2: Provide training to the SAPI Board, the Gateway Academy Management Board, and the Site Based Management Committee members, school administration, and faculty on organizational, administrative, fiscal, and programmatic operations of a charter school to foster a sense of ownership, leadership and participation in planning and decision making.

C. Community Awareness

GOAL: To involve the citizens of the community through an awareness program that encourages participation in the development of strategic planning and policy and procedures for the Academy's operations and service delivery.

- Objective 1: Develop and implement a comprehensive community awareness campaign through radio, television, and various forms of print media to inform and make the community aware of the Academy and its purpose.
- Objective 2: Conduct community meetings to involve and encourage the participation of the citizenry in the development of strategic planning and policy and procedures for the Academy's operations and service delivery.

D. Instructional Programs

GOAL: To offer an instructional program and curricula that is student-centered, individualized, competency-based, and flexible in an environment that is safe and conducive to learning and that addresses the Texas Essential knowledge and Skills criteria.

- Objective 1: To implement a non-traditional high school diploma educational program for students in grades 9 through 12.
- Objective 2: Implement curricula that addresses TEC Section 28.002 including all foundation as well as enrichment curricula, career and technology, TAAS preparation, and end-of-course examination preparation, and General Education Development instructional program.

E. Program Performance

GOAL: Implement curricula and instructional programs that are student centered, individualized, competency-based, and flexible in order to ensure that students are successful and that they meet their individual goals and objectives.

Objective 1: To have an initial enrollment of a minimum of 50 students and enroll a maximum of 120 students.

Objective 2: An attendance rate of at least 89%.

Objective 3: 90% of courses attempted will be completed.

Objective 4: Average of 4.5 credits per semester for at risk students.

Objective 5: TAAS passing rate will be at or above the state average.

Objective 6: Dropout rate will be lower than 6%.

Objective 7: 60% of the students qualifying as 12th graders will satisfy all graduation requirements.

Objective 8: 70% will gain at least one grade level if behind at least one grade level.

Objective 9: 60% of GED exams attempted will be completed.

Please note that in addition to the objectives stated above, the Site-Based Management Committee may set objectives to address other factors, such as increases in the Texas Learning Index, or grade level gains for those students that are two or more grade level behind their appropriate class.

III. GOVERNING STRUCTURE

The governing structure of the Gateway Academy will consist of three levels of policy and decision making bodies: 1) the Student Alternatives Program, Inc. (SAPI) Board of Directors; 2) the Charter School Board (CSB), 3) and the Gateway Academy Management Board (ADM). This structure is designed to provide checks and balances to ensure the credibility and integrity of the Academy.

A. Student Alternatives Program, Inc. Board of Directors

The Student Alternatives Program, Inc. (SAPI) Board of Directors, established in 1989, shall be the first level of governance for the Gateway Academy. Its membership consists of five (5) members, each member representing one of the following areas of the state of Texas: El Paso,

Lubbock, Carrizo Springs, Mercedes and San Antonio. The role of the SAPI Board will be that of fiduciary and sponsoring agent of the Gateway Academy. As such, the SAPI Board shall have final authority on all fiscal policies and decisions made in relation to the operations of the school and shall be responsible to the Texas Education Agency (TEA) for the Academy's fiscal and operational accountability matters.

B. Student Alternatives Program, Inc. Charter School Board

The SAPI Board of Directors shall establish a Charter School Board (CSB). The CSB will be the second level of governance. Its membership will consist of the SAPI Board of Directors, and at least one (1) member of the Gateway Academy Management Board (AMB). The role of the CSB will be to conduct all business transactions and to make decisions on the operation of the school. The CSB will also oversee the operations of the Academy Management Board.

C. Gateway Academy Management Board

The third level of governance will be the Gateway Academy Management Board (AMB). The AMB will consist of five (5) individuals representing the local community. The members will be parents, business and community leaders, community members, and educators. The responsibilities of the AMB will be to make decisions on fiscal and operational matters as they relate to Academy's day-to-day operations.

Initially, the SAPI Board of Directors will appoint AMB members to the Gateway Academy Management Board based on nominations and recommendations made by the existing Charter School Coordinating Committee. Upon initial establishment of the AMB, by-laws and selection policies and procedures for future selections to the AMB will be developed. Any person that lives or works within the Academy's service area is eligible to serve on the AMB.

D. Gateway Academy Site Based Management Committee

In addition to the governing structure described above, the school will also have a Gateway Academy Site Based Management Committee (SBMC) that will make recommendations to the AMB based on self-evaluations and through school improvement plans. The self-evaluations will include the examination of student performance in the areas of attendance, TAAS test results, course completion, dropout rates, and dropout recovery. The school improvement plan will include a comprehensive needs assessment and establishment of performance objectives with a focus in the areas of instructional methods, discipline management, dropout reduction, staff development, career and accelerated education, and development of initiatives to support or improve the implementation of the Academy's educational programs.

It is through representation on the Site Based Management Committee that administrators, faculty, parents, students and local community members will be able to collaborate in making decisions for the Academy. In addition, the Academy will hold open meetings at which all students, faculty, parents, and community members will be invited to attend and contribute ideas

and suggestions. These meetings will be held at the beginning, middle and end of each school year.

IV. EDUCATIONAL PROGRAM

The educational program is designed as a flexible, open entry/open exit, self-paced, student-centered program. The program's flexibility provides students varied opportunities for learning at their own pace and teachers the ability to be responsive to each student's individual needs and learning styles.

A. Class Sessions

All students are given the opportunity to choose between one of two daily sessions. The first session begins at 8:00 A.M. and concludes at 12:00 noon, while the second session begins at 1:00 P.M. and concludes at 5:00 P.M. This may be especially helpful to students who may need flexible scheduling due to personal, family, financial, or legal problems. Though the students attend school for only four hours per day, the four hours are intensive and uninterrupted by class period changes. Furthermore, this approach allows the students to focus on one or two courses at a time instead the traditional calendar-driven schedule of six or seven classes.

B. Diagnostic Component

At the time of enrollment, the student will be interviewed to determine the student's motivation for attending the Academy and to identify the student's strengths, weaknesses and special needs that the student may have in school or at home. Additional assessments of the students needs will be made utilizing previous school assessments and records, and other appropriate standardized evaluative and assessment instruments. The program staff will review the student's school records, assessment and evaluation results and assign the student to an appropriate instructional track.

C. Instructional Component

The program will implement a three-tracked instructional program to address the educational needs of the students. The program will provide, based on the individual assessment of the student, group and/or individualized instruction in one of the three tracks described below.

Track 1: The Accelerated Education Program is and accelerated instructional program that provides for credit accrual and preparation for the Texas Assessment of Academic Skills (TAAS).

Track 2: The High School Equivalency Program is an instructional program designed to prepare the student for the acquisition of a high school equivalency/GED certificate.

Track 3: The Remedial Instruction track is an instructional program for students who are functioning below the secondary education grade levels.

D. Curriculum

The Gateway Academy's base curriculum will be the American Preparatory Institute (API) curriculum. The curriculum is designed for individual or small groups and offers many advantages for the students and faculty. It provides an instructional system that is in a modular format, mastery-based and non-calendar driven. This format allows for modification of instructional materials as may be required for a student's individualized instruction, to include students that are in special programs such as Special Education or Limited English Proficiency. These varied instructional approaches and methods provide students with a variety of experiences, learning methods and styles.

The flexibility of the curriculum enables the teacher to provide the students individual attention and to implement a variety of instructional methods and approaches to meet the individual student's needs. This enables the teacher to be creative and innovative in implementing different instructional methodologies and techniques to enhance the student's ability to learn and experience a sense of accomplishment. This instructional method motivates students to expand their personal expectations and set higher educational goals for themselves. In addition, the highly flexible curriculum allows teachers to easily modify lessons within the curriculum to include topics particular to a region, such as local news events or festivities that celebrate cultural events.

The API curriculum is in correlation with the Texas Essential Knowledge and Skills developed by the State Board of Education as noted in Subtitle F, Chapter 28 of the Texas Education Code. Accordingly, the Academy will offer the following foundation courses:

Communications	321	English I
Communications	322	English II
Communications	323	English III
Communications	324	English IV
Math	108	Algebra I
Math	109	Algebra II
Math	104G	Geometry
Math	103	Math of Money
Math	107	Pre-Algebra
Science	407	Physical Science
Science	402	Biology
Social Studies	508	United States History
Social Studies	509	World History
Social Studies	501	World Geography
Social Studies	503	United States Government

The Gateway Academy will also offer the following enrichment curriculum courses:

Communications	341	Spanish I
Economics	702	Economics
Science	403	Health
Elective	708	Music History and Appreciation
Elective	709	Art History and Appreciation
Elective	801	Keyboarding

Additional courses to be offered at the Academy are elective courses such as Individual, Family Living, Home Management, Parenting and Child Development, and Creative Writing. In addition, supplemental curricula and resource materials such as textbooks, videos, and computer software will be made available to the students. The curricula and resources will be used for TAAS, General Education Development preparation and remedial developmental courses such as Math, Reading, and Fundamentals of Communications. These resources will be provided for students who are in need of such preparation instruction or remediation due to the student's functioning below their appropriate grade levels.

The American Preparatory Institute regularly updates its curricula of current and new courses. The Academy will update and add new course curricula as they are made available. An example of such updates, are the physical education courses that will be available during the 1998-99 school year. The academy anticipates incorporating such courses and that they will lead to the possibility for extra-curricular activities such as, golf, soccer, and volleyball. The academy also anticipates the incorporation of academic extra-curricular activities such as chess club, math, and science clubs to enhance the learning experiences and opportunities for the students.

The API System – A Typical Day

On a typical day, a student will enter the Academy at their assigned time, retrieve a module for the course they are currently working on as well as all other necessary instructional materials. The first thing the student will read in the module is a brief overview of the module, stating the relevance of the instructional material to a real world setting and the instructional material to be presented. In addition, the student will read the following; 1.) A statement on what additional instructional materials will be required (such as text books, colored pencils, protractor, etc.), 2.) A competency statement that indicates the objectives that must be learned in order to demonstrate mastery of the module, 3.) The standards of mastery for the module (generally 80% mastery, unless the student is a special population student and the Individual Educational Plan calls for modification of instructional materials), 4.) The learning activities that must be completed in order to successfully master all the information in the module. While the student reads the information at the beginning of each module, the teacher/facilitator is available to provide assistance in clarifying any part of the instructions the student may not understand or to answer any questions the student may have.

The student is allowed to work on all the activities at his/her own pace with the knowledge that tests must be taken to demonstrate mastery of the subject matter in that module. At the end of the day, the teacher reviews the student's work and helps the student plan for the next day. Once

the student has completed all the modules required by a particular course and demonstrated mastery in each module, the student will then take a comprehensive mid-term or semester exam, whichever is applicable, and the results of the exams are recorded in the students records.

The Student and Teacher's Role in the API Delivery System

The API system requires active learning. The teacher provides individualized instruction to help the student develop self-discipline, initiative, and study skills that motivate the student to take an active part in his/her educational development. The student must learn the importance of organizing and planning, using resource information, systems, and technology to enhance his/her abilities to achieve successful course completions in a timely manner. Through this process, the student will realize how active learning, development of self-discipline and expansion of knowledge can empower one to achieve goals and objectives that perhaps at one time seemed unreachable. The teacher maintains an individual progress sheet and on a daily basis. The students assigned tasks and tasks completed, to include all test and exam results are recorded on the student's progress sheet. The teacher periodically reviews the information and data on the progress sheet with the student and addresses the student's achievements and areas in need of improvement. If deficiencies exist, the teacher and the student will review and revise the student's educational plan to incorporate new strategies and corrective actions to be taken.

E. Counseling

Counseling, case-management and information and referral services will be available as part of the academy services plan. The focus of counseling services will be to identify barriers that impact student's performance and achievement of educational objectives. Staff will assist students to identify and clarify problems they may be experiencing and to develop options and plans of action to resolve the problems. The student's options and plan of action may include referral of the student, and parents to appropriate community resources. In addition, counseling activities may include self-help support groups to address such topics as post-secondary careers and opportunities, alcohol, drug and substance abuse, anti-violence and gang prevention and intervention, teen pregnancy education, anger management, mental health issues, and other topics. Representatives from local community mental health, alcohol and substance abuse, employment and training programs, institutions of higher education, and community resource agencies will be invited as guest presenters for these sessions. The objective of the self-help group counseling activities is to enhance decision making, problem solving and life coping skills.

F. Discipline Management

Upon enrollment to the Academy, all students will be issued the Academy's Rules and Regulations and Student Code of Conduct. Students and parents will be required to sign a contract stating that they are aware of the rules and regulations, that they have read and understand Student Code of Conduct, and that they understand the consequences of negative behavior. A Student Code of Conduct will also be placed in an easy access area in plain view of all students and visitors. These documents will clearly state the behavior required to attend the Academy, the consequences of not adhering to the required behavior, and the policies on due

process as prescribed by TEC Chapter 21, Subchapters F and G. The Academy director will be responsible for insure a fair application of the consequences of negative behavior.

G. Attendance

The Academy will maintain an average daily attendance of at least 89%. In order to achieve this objective, students and parents will be required to sign a contract (attendance requirements will be part of the Rules and Regulations) stating they will adhere to the attendance requirements. In addition, the Academy will require proper orientation and training of its teachers to ensure the environment at the Academy is such that the student feels welcome, is treated with respect, and that the student is offered the best possible educational opportunity. The rationale is that if students are that is safe, supportive, and where they are treated fairly, they will have regular attendance.

V. ACCOUNTABILITY

Gateway Academy students will perform at an average passing rate above the state average on the Texas Assessment of Academic Skills (TAAS) and all End-of-Course exams.

The Academy staff understands that there are many underlying factors that may impact the measurement of student performance in the TAAS and End-of-Course exams and that are not reflected in the TAAS reports. In order to address these underlying factors and to measure the true progress of the students' performance, the Academy plans to track student information and performance data as described below.

- The Texas Learning Index as measured by the Texas Assessment of Academic Skills will increase by an average of ten percentage points for those students enrolled 90 days or more.
- Students who are not reading at their respective grade levels at the time enrollment will increase their reading level by two grade levels for those students enrolled 90 days or more.
- Students whose previous school attendance rates were below ninety percent in the last school year attended will increase their attendance rates by an average of 10%.
- Students will average 4.5 credits per 90 days enrolled.
- Eighty percent (90%) of courses attempted will be completed.
- Sixty percent (60%) of all GED exams attempted will be completed.
- The dropout rate will be lower than 4%.

- Seventy percent (70%) of students that are behind by one grade level will gain at least one grade level.
- Fifty percent (50%) of students that are behind by two or more grade levels will gain at least one grade level.
- Sixty percent (60%) of all students entering the program, as 12th grade students will complete all requirements for graduation.
- Sixty percent (60%) of recovered dropout students will remain in attendance, graduate with a high school diploma, or complete all GED certificate requirements.

It should be noted that the academy's program is an open entry/open exit program that allows students to enter the program at any time. Therefore, measurements of student performance will be based only on students that are enrolled for at least 90 cumulative instructional days or more.

At the end of each school year, Academy staff will compile all information and data recorded using the assessment instruments stated above into a summative, self-evaluation report that will be presented first to the Academy SBMC and the AMB for review, comment and approval. Once reviewed by the SBMC and the AMB, the report will be submitted to the Texas Education Agency no later than July 15th of each year.

VI. LOCAL SCHOOL DISTRICTS IN THE TARGET AREA

The school districts that may be impacted by the Gateway Academy are listed below. A copy of the open-enrollment charter school application was sent to each district on July 2, 1998.

Laredo Independent School District

Webb County Independent School District

United Independent School District

VII. GEOGRAPHICAL AREA

The area to be served by the program is located in the southwestern part of Texas. The area to be served will be the boundaries of the ISDs listed in Section VI.

VIII. ENROLLMENT PROCESS

All students wishing to enroll in the Academy must complete an enrollment application. Applications for enrollment will start as early as October 1, 1998. Enrollments will initially be processed on a "first come/first serve" basis. However, should federal funds be made available to the school, the enrollment process will then be changed to a lottery system. The enrollment process will be explained to all students applying for acceptance and enrollment in the Academy. Since the program is open entry/open exit in nature, the Academy will continue the process of

taking applications from potential students in an attempt to maintain its maximum enrollment objective.

All applicants must be classified as 9th, 10th, 11th, or 12th grade students in order to be placed in the Accelerated Educational Program, or the Remedial Instruction Program. Students that have enrolled and will participate in High School Equivalency Program must be 16.9 years of age, be beyond the reach of obtaining a high school diploma within a reasonable period of time, and must demonstrate at least an 8th grade functional level in reading and math. All students must provide his/her student records transferred from the district in which they were last enrolled.

The Academy Management Board will establish a Screening Committee to review applicants who have a documented history of a criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A. Factors such as the nature of the offense and the disciplinary problems will be taken into consideration in accepting or rejecting an application. These applicants will be considered on a case-by-case basis.

IX. STAFF QUALIFICATIONS AND TEACHING PHILOSOPHY

Qualifications for all administrators, teachers and counselors are as follows:

1. Bachelor's Degree (minimum) from an accredited college or university.
2. Must be willing to agree to a criminal history check, and
3. Must be willing to submit to a drug test.

The teaching philosophy proposed by the Academy is that all students have the desire and ability to achieve their full potential as successful, productive and caring members of the local and global community. Both students and teachers must realize that obstacles are not excuses. The student must acquire skills to be able to cope with difficulties in an appropriate manner. He/she must learn to be self-disciplined, considerate to others, and be self-motivated. Teachers must find a balance between being strict when enforcing rules, yet understanding enough to make appropriate allowances for each student's unique situation.

X. SCHOOL SUPPORT

A. Annual Budget Adoption

The Site Based Management Committee (SBMC) will conduct a self-evaluation each year to analyze the demographics and characteristics of the student population, student performance and results/outcomes, and significant factors impacting student performance. A needs assessment will be conducted to identify the students' and the financial resources required to meet the needs of the students and the school. Based on this evaluation and analysis, the SBMC will submit its findings and make operational and budgetary recommendations to the Academy Management Board (AMB).

The AMB will address the SBMC's self-evaluation findings and recommendations and will develop the school's annual budget. The budget prepared by the AMB will then be submitted to the Charter School Board (CSB) for final review negotiation and approval.

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B. Proposed Budget

A proposed budget for the first year of operation of the school is attached to this application. (See Attachment III.)

The Academy Director will be responsible for monitoring the implementation of the school's budget. The Student Alternatives Program will maintain the financial records at its corporate office. These records will be available to the Academy Director who will assist the CEO in the preparation of financial reports for meetings of the Academy Management Board. Funds from the charter school will be maintained in a separate account to insure fiscal integrity and financial accountability of the program.

C. Annual Audit of Financial and Programmatic Operations

The AMB will publish a public notice soliciting bids from independent certified public accountants (CPAs) for the charter schools annual audit. The CPA must be knowledgeable of TEC financial rules, regulations and accounting principals, and have the capacity to conduct a thorough and timely audit report. Upon receipt of the bids the AMB will submit a listing of all bidders to the CSB and the recommended choice of a CPA. The CSB will review the list of bidders and take the appropriate action.

D. Participation in the Public Education Information Management System (PEIMS)

The Academy will establish an collaborative agreement with the local Education Service Center in its service area to ensure that all data is properly documented, processed and reported to TEA and/or the SBOE in accordance with state statute or SBOE rule.

E. FACILITY

The location of the proposed site is a building located at 1304 Iturbide, Laredo, Texas. Attached is a letter from Mr. J.J. Haynes verifying the availability of the facility at \$3,000.00 per month. The building is currently vacant and is located in downtown Laredo. It has 3,000 sq. ft. on the first floor and 3,000 sq. ft. on the second floor. The building has met current city code compliance requirements. The facility is located three blocks from the main city bus terminal. There is ample parking approximately three blocks from the building. (See Attachment I.)

F. Transportation for Students

The Academy will not provide transportation. However, for Special Education students, transportation may be provided but only if required as part of a student's Individual Educational Plan (IEP).

G. Food Services

Food services will not be provided unless required by law, i.e. school breakfast. Students will attend a morning or afternoon session consisting of four hours of instruction. Therefore, in most cases meals will not be required.

XI. ADMISSION OF PEG STUDENTS

Upon approval of this application for a charter school, the board of directors shall adopt a policy providing for the admission of students eligible for a Public Education Grant (PEG) under Texas Education Code, Subchapter G, Chapter 29. The Director of the Academy will be responsible for insuring that the policy is properly implemented. A draft of the aforementioned board policy is included as an attachment to this application. (See Attachment IX.)

ASSURANCES

Signature of the Chief Operating Officer certifies that the following statements are addressed through policies adopted by the charter school and, if approved, the governing body, administration, and staff of the open-enrollment charter will abide by them:

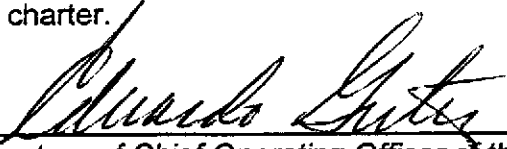
- (1) The proposed open-enrollment charter school prohibits discrimination in its admission policy on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with state statute.
- (2) Any educator employed by a school district before the effective date of a charter for an open-enrollment charter school operated at a school district facility will not be transferred to or employed by the open-enrollment charter school over the educator's objection.
- (3) The proposed open-enrollment charter school will retain authority to operate under the charter contingent on satisfactory student performance on assessment instruments adopted under TEC, Chapter 39, Subchapter B and as provided by the open-enrollment charter agreement approved by the State Board of Education.
- (4) The proposed open-enrollment charter school will not impose taxes, use financial incentives or rebates to recruit students, or charge tuition other than tuition allowable under TEC Section 12.106.
- (5) If the proposed open-enrollment charter school provides transportation, it will provide transportation to each student attending the school to the same extent a school district is required by law to provide transportation to district students.
- (6) The proposed open-enrollment charter school will operate in accordance with federal laws and rules governing public schools; applicable provisions of the Texas Constitution; state statute pertaining to provisions establishing a criminal offense; and prohibitions, restrictions, or requirements, as applicable, under state statute or rule adopted relating to:
 - the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance as determined by the commissioner;
 - criminal history records under TEC Subchapter C of Chapter 22;
 - high school graduation under TEC Section 28.025;
 - special education programs under TEC Subchapter A of Chapter 29;
 - bilingual education under TEC Subchapter B of Chapter 29;
 - prekindergarten programs under TEC Subchapter E of Chapter 29;
 - extracurricular activities under TEC Section 33.081;
 - health and safety under TEC Chapter 38; and
 - public school accountability under TEC Subchapters B, C, D, and G of Chapter 39.

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- (7) The governing body of the school is considered a governmental body for purposes of Chapters 551 and 552, Government Code, and will comply with those requirements of state statute.
- (8) The employees and volunteers of the open-enrollment charter school are held immune from liability to the same extent as school district employees and volunteers under applicable state laws.
- (9) The open-enrollment charter school will ensure that any of its employees who qualify for membership in the Teacher Retirement System of Texas will be covered under the system to the same extent a qualified employee of a school district is covered. For each employee of the school covered under the system, the charter will be responsible for making any contribution that otherwise would be the legal responsibility of the school district, and will ensure that the state makes contributions for which it is legally responsible to such employees.
- (10) The open-enrollment charter school complies with all health and safety laws, rules, and regulations of the federal, state, county, region, or community that may apply to the facilities and school property.
- (11) The open-enrollment charter school agrees to assist in the completion of an annual evaluation of the charter that includes consideration of:
 - students' scores on assessment instruments administered under TEC, Chapter 39, Subchapter B;
 - student attendance;
 - students' grades;
 - incidents involving student discipline;
 - socioeconomic data on students' families;
 - parents' satisfaction with their children's schools;
 - students' satisfaction with their schools;
 - the costs of instruction, administration, and transportation incurred by the open-enrollment charter; and
 - the effect of the open-enrollment charter on surrounding school districts and on teachers, students, and parents in those districts.
- (12) An assignment of the operation of the charter to another entity is a revision to the charter, and must be submitted to the State Board of Education for approval.
- (13) Charter schools will provide parents of prospective students with a one-page prospectus of the charter which includes, but is not limited to, information about staff qualifications and the instructional program.
- (14) The school will implement a policy to admit students eligible for a public education grant.

The following assurance must be included in all applications for an open-enrollment charter school under TEC § 12.1011(a)(2), the "75% Rule."

(15) The Charter School assures at least 75 percent of the prospective student population, as specified in the proposed charter, will be students who have dropped out of school or are at risk of dropping out of school as defined in TEC Section 29.081(d), and the school will maintain, as a condition of its charter, the required percentage (75%) of students who have dropped out of school or are at risk of dropping out of school as defined in TEC Section 29.081(d) each year as reported in the Public Education Information Management System (PEIMS), or relinquish its charter.

 7/7/98

Signature of Chief Operating Officer of the School/ date

Signature of the Chair of the State Board of Education/ date

ATTACHMENTS

SBOE APPLICATION FOR AN
OPEN-ENROLLMENT CHARTER SCHOOL
UNDER TEC 12.1011(a)(1)

GATEWAY ACADEMY
LAREDO, TEXAS

- I. FACILITY USE AGREEMENT FOR OPEN-ENROLLMENT CHARTER SCHOOL
- II. EVIDENCE OF PARENTAL AND COMMUNITY SUPPORT
- III. BUDGET TEMPLATE
- IV. PROOF OF TAX EXEMPT STATUS OF THE STUDENT ALTERNATIVES PROGRAM, INC. (SAPI), UNDER 501 (c) (3) OF THE INTERNAL REVENUE CODE
- V. COPY OF SAPI'S LATEST TAX RETURN (IRS FORM 990)
- VI. LIST OF OFFICERS AND BOARD MEMBERS OF THE STUDENT ALTERNATIVES PROGRAM, INC.
- VII. CREDENTIALS
 - A. Credentials and History of the Student Alternatives Program, Inc.
 - B. Credentials of members of the SAPI Board of Directors.
 - C. Credentials of the CEO, administrative/professional of SAPI, the Local Charter School Coordinating Committee members currently Committed to working with the charter.
- VIII. DISCLOSURE OF LITIGATION AND CRIMINAL HISTORIES
- IX. DRAFT BOARD POLICY ON ADMISSION OF PUBLIC EDUCATION GRANT (PEG) STUDENTS
- X. MANAGEMENT PLAN

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT I

**FACILITY USE AGREEMENT FOR
OPEN-ENROLLMENT CHARTER SCHOOL**

**OPEN-ENROLLMENT CHARTER SCHOOL
FACILITIES LETTER OF INTENT**

Lessor: Jose J. Haynes, Owner

Lessee (Tenant): The Student Alternatives Program, Inc.

Use: For use as a school facility by the Student Alternatives Program, Inc., for operation of an Open-Enrollment Charter School known as the Gateway Academy.

Address of Premises: 1304 Iturbide, Laredo, Texas

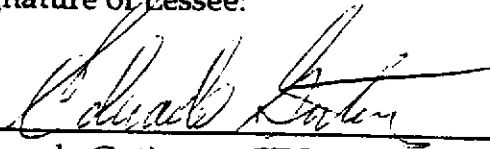
Square Footage of Premises: 3,000 square feet (first floor) 3,000 square feet second floor = 6,000 Total Square Feet.

Terms of Lease: If approved the Student Alternatives charter school application is approved, the facility may be occupied anytime between September 12, 1998 and the first day of the school's scheduled opening in January of 1999. Upon occupancy, a \$1,500 security deposit will be required. The term of the lease shall be for two years. After the first two years, the lease shall be negotiated on a year-to-year basis. Rent shall be payable before the 15th day of each month.

Rental Amount: \$3,000 per month

Contingency: The terms of this letter of intent are contingent upon the Student Alternatives Program, Inc. receiving a charter to operate an open-enrollment charter school from the State Board of Education at its September 10-11, 1998 meeting.

Signature of Lessee:


 Eduardo Gutierrez, CEO, Student Alternatives Program, Inc.
 454 Soledad, Suite 101, San Antonio, Texas 78205

Date: 7/17/98

Signature of Lessor:

 Jose J. Haynes, P.O. Box 1742, Laredo, Texas 78044

Date: _____

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT II

EVIDENCE OF PARENTAL AND COMMUNITY SUPPORT



The Senate of Texas

Judith Zaffirini

State Senator, District 21

December 4, 1997

District Office
P.O. Box 627
Laredo 78042-0627
210.722-2293
Telefax 210.722-8586

Committees
Chair, Health and Human Services
Education
Finance

Dr. Jack Christie
Chair
State Board of Education
1701 North Congress
Austin, Texas 78701-1494

Dear Dr. Christie:

This is in strong support of Student Alternatives Program, Inc.'s (SAPI) application to allow the organization to establish an open-enrollment charter school in Laredo. I am pleased to add my support to this worthy project.

When the Texas Legislature granted the State Board of Education the authority to establish open-enrollment charter schools, legislators envisioned innovation, increased parental involvement and improved public education for all children. Services provided by the charter school will provide a non-traditional means for students to achieve academically.

Furthermore, during the last five years, SAPI has operated alternative education programs that provide similar education services in school districts such as Crystal City, Los Fresnos, McAllen and Rio Grande City ISDs. Success with these programs indicates a proven track record that should ensure success with the Laredo charter school.

Accordingly, I believe approval of SAPI's application would create additional educational opportunities for Laredo students.

May God bless you.

Very truly yours,

Judith Zaffirini

JZ/ps



Laredo - Webb NHS
NEIGHBORHOOD HOUSING SERVICES, INC.

Board of Directors

John V. Puig
President

Jesus Hinojosa
Vice-President

Tony Martinez
Secretary

Mario Gonzalez
Treasurer

Jorge Cedillo
Alberto Luera
Julie Saldaña
Norma Leal

Bruno Sanchez
Larry Patrick

Donna Salinas
Rito J. De Anda, Jr.
Ramon Estrada, Jr.

Executive Director
Angelo Piccirillo

December 11, 1997

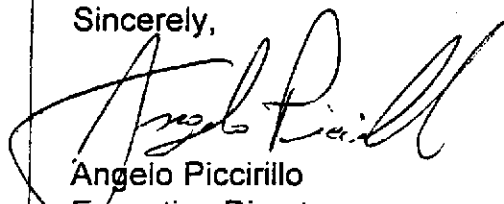
Mr. Eduardo Gutierrez
CEO
Student Alternatives Program, Inc.
P.O. Box 15644
San Antonio, Texas 78212

Dear Mr. Gutierrez:

It is my understanding that the Student Alternatives Program will be submitting an application to the State Board of Education to establish an Open-Enrollment Charter School in Laredo, Texas to serve students from the communities within Webb County. Given the current educational situation in this area, I feel that this alternative to a traditional school setting will provide our youth with an option which is not currently available to this community at this time.

We wish this endeavor full success and we feel that it cannot do anything but help in providing further educational opportunities for our children.

Sincerely,



Angelo Piccirillo
Executive Director

St. Peter's Memorial School

P.O. BOX 430211
1519 HOUSTON ST.
LAREDO, TEXAS 78043-0211

(956) 723-6302

December 12, 1997

Mr. Alfonso Ornelas
1519 Houston St.
Laredo, Texas 78040

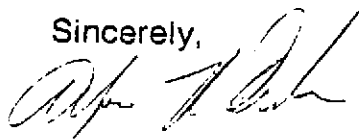
Mr. Eduardo Gutierrez
CEO
Student Alternatives Program, Inc.
P.O. Box 15644
San Antonio, Texas 78212

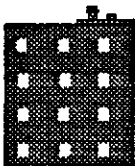
Dear Mr. Gutierrez:

It is our understanding that the Student Alternatives Program will be submitting an application to the State Board of Education to establish an Open-Enrollment Charter School in Laredo, Texas. Presently I am the Principal of St. Peter's Memorial School. I believe that an Open-Enrollment Charter School can present a viable educational option for youth and their parents. Furthermore, such a school is not only needed but would do well in providing the type of educational program you are proposing to serve the Laredo area.

I would be willing to assist in the coordination of services with your staff and Board. Please let me know if there is any way that we can serve you in any other capacity in order to make the Charter School a success!

Sincerely,





AZTECA ECONOMIC DEVELOPMENT & PRESERVATION CORPORATION APPLICATION

20 ITURBIDE ST. LAREDO, TX 78040 • TEL 956/726-4462 • FAX 956/726-9014

December 9, 1997

State Board of Education
Austin, TX

Dear State Board of Education Members:

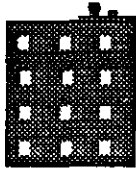
It is my understanding that the Student Alternatives Program, Inc. is submitting an application to establish an Open-Enrollment charter School in Laredo, Texas to serve students from the communities within Webb County. Given the current educational situation in this area, I feel that this alternative to a traditional school setting will provide our youth with an option which is not currently available to this community at this time.

We wish this endeavor full success and we feel that it cannot do anything but help in providing further educational opportunities for our children.

Sincerely,

Rafael I. Torres,
Executive Director

RIT:esc



**AZTECA ECONOMIC DEVELOPMENT
& PRESERVATION CORPORATION**

APPLICATION

20 ITURBIDE ST. LAREDO, TX 78040 • TEL 956/726-4462 • FAX 956/726-9014

December 8, 1997

Mr. Eduardo Gutierrez
CEO
Student Alternatives Program, Inc.
P. O. Box 15644
San Antonio, TX 78212

Dear Mr. Gutierrez:

It is our understanding that the Student Alternatives Program will be submitting an application to the State Board of Education to establish an Open-Enrollment charter School in Laredo, Texas. We have talked to your representative and have attended organizational meetings; we are in full support of the mission and purpose for establishing the charter school. I believe that an Open-Enrollment Charter School can present a viable educational option for youth and their parents. Furthermore, such a school is not only needed but would do well in providing the type of educational program you are proposing to serve the Laredo area.

In conclusion, I would be willing to assist in the coordination of services with your staff and Board. Please let me know if there is any way that we can serve you in any other capacity in order to make the Charter School a success!

Sincerely,

Rafael I. Torres,
Executive Director

RIT:esc

December 8, 1997

Mr. Ed Gutierrez, CEO
Student Alternatives Program, Inc.
P. O. Box 15644
San Antonio, Texas 78212-8844

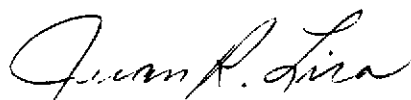
Dear Mr. Gutierrez:

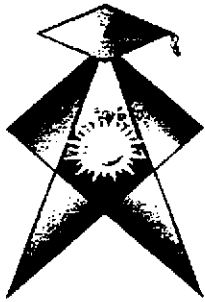
Thank you very much for inviting me to attend the December 3, 1997 meeting of the proposed Charter School initiative being planned. It was very informative.

Due to recent developments with different initiatives in which I have been involved at Texas A&M International University, I have assumed additional responsibilities which need to be directly addressed. As a result, I will not be able to serve on the Coordinating Committee that is currently being formed.

I wish you and the rest of the Committee members well as plans proceed.

Respectfully,


Juan R. Lira



STUDENT ALTERNATIVES PROGRAM, INC.

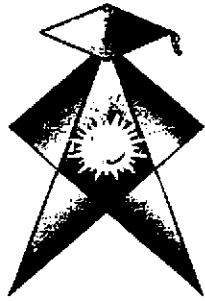
P. O. BOX 15644
San Antonio, Texas 78212-8844
Tel: (210) 227-0295
Fax: (210) 227-7879

APPLICATION

AGENDA GATEWAY ACADEMY OPEN-ENROLLMENT CHARTER SCHOOL COORDINATING COMMITTEE

DECEMBER 3, 1997
LAREDO, TEXAS

3:00 p.m.	Welcome and Purpose of Meeting	Ed Gutierrez, CEO Student Alternatives Program
3:30	Introductions	All Members
3:45	Review of Prospectus on Open- Enrollment Charter School	Albert Champion Student Alternatives Program
4:30	Tasks and Deadlines for Coordinating Committee	Albert Champion
5:00	Questions and Answers	All Members
5:30	Next Steps Adjourn	



STUDENT ALTERNATIVES PROGRAM, INC.

P. O. BOX 15644

San Antonio, Texas 78212-8844

Tel: (210) 227-0295

Fax: (210) 227-7879

APPLICATION

GATEWAY ACADEMY OPEN-ENROLLMENT CHARTER SCHOOL COORDINATING COMMITTEE WORKSHOP

DECEMBER 11, 1997
LAREDO, TEXAS

AGENDA

3:00 p.m.	Welcome and Purpose of Meeting	Ed Gutierrez, CEO Student Alternatives Program
3:30	Review of Draft Proposal	Ed Gutierrez
5:00	Questions and Answers	All Members
5:30	Next Steps Adjourn	

STUDENT ALTERNATIVES PROGRAM, INC.

OPEN-ENROLLMENT CHARTER SCHOOL

MEETING SIGN-IN SHEET

DATE OF MEETING: 12/03/97

NAME

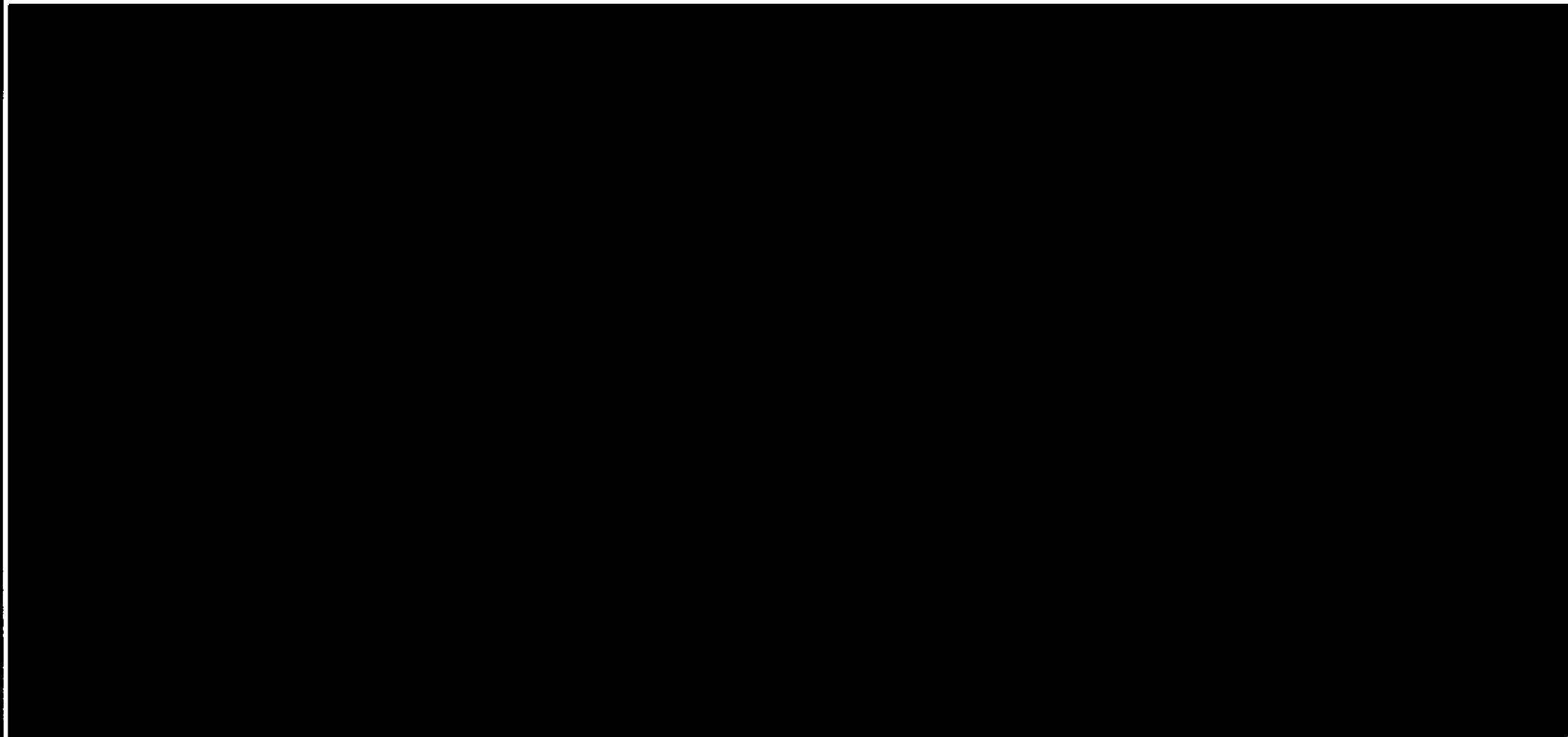
ADDRESS/CITY/ZIP CODE

DAY PHONE

NIGHT PHONE

FAX NUMBER

E-MAIL

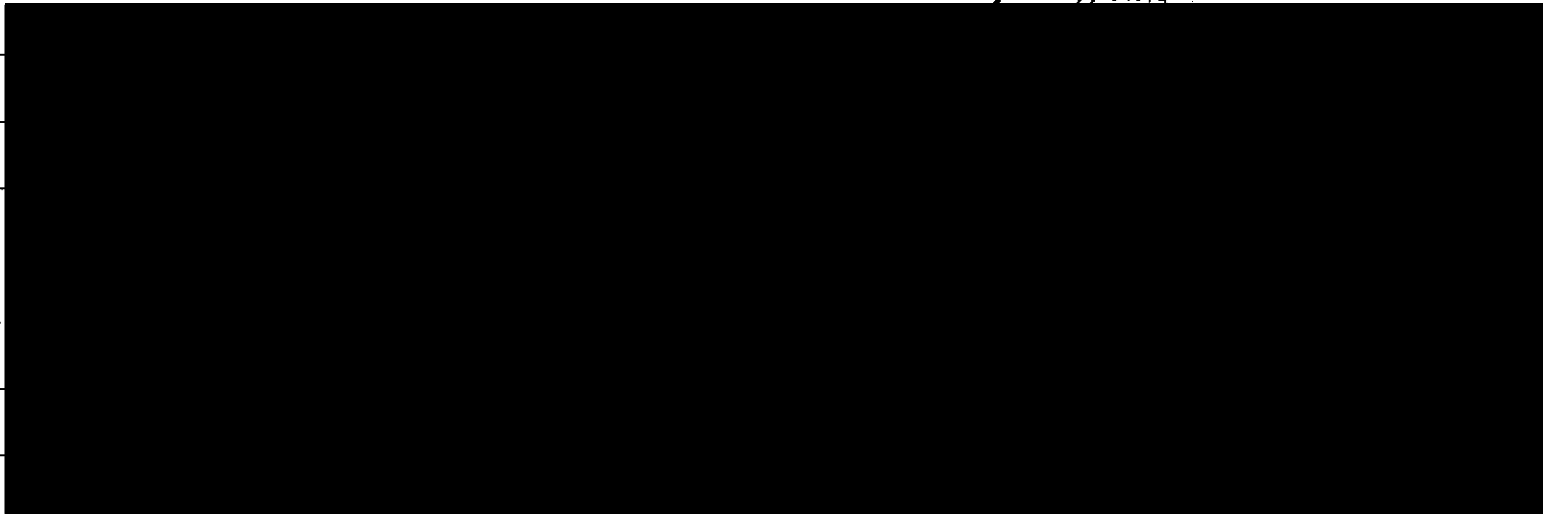


LAREDO CHARTERED SCHOOL MEETING

APPLICATION

12/11/97

~~Home Work~~



ASOCIACION PRO SERVICIOS SOCIALES, INC.
406 Scott
Laredo, Texas 78040
Voice (956) 724-6244 Fax (956) 724-5458

APPLICATION

January 5, 1998

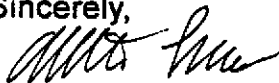
Mr. Eduardo Gutierrez
Student Alternatives Program, Inc.
454 Soledad, Suite 1012
San Antonio, Texas 78212

Dear Mr. Gutierrez:

On behalf of Asociacion Pro Servicios Sociales. Inc. , I want to commend Student Alternatives Program for the leadership role SAPI is playing to bring a Charter School to Laredo. As you are aware, Asociacion Pro Servicios Sociales is a community based social service agency with over twenty four years of service in our community. We know that a charter school is needed for Laredo. There are too many kids out there that need educational services that the mainstream schools are not providing. The youth is our future. Educated youth means a prosperous future. What community does not want a prosperous future?

We wholeheartedly support SAPI's application to the State Board of Education for a charter school for Laredo. If we can be of assistance on this matter, please call.

Sincerely,



Alberto Luera
Executive Director

ALBERTO LUERA

Alberto Luera is the Executive Director of Asociacion Pro Servicios, Inc. a local social service agency where he has served in that position for seventeen years. Mr. Luera was born in Laredo, Texas and was educated in the Laredo school system. He attended Laredo Community College and graduated from Texas A & I University in Kingsville, Texas in 1969. Since his graduation from the university, Mr. Luera has worked in the field of social work. Mr. Luera has extensive experience in non profit management and accounting and brings with him over twenty nine years of professional experience in the field of non profit management and community development. Mr. Luera is married to the former Josefina Chavez and has [REDACTED].

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT III

BUDGET TEMPLATE

Expenses	Func Code	Obj Code	# Units	Work Days Per Year Or Factor	Daily Rate	Total Annual Wages W/ TRS	Total
Instruction:							
Payroll Costs	11						
Teacher	11	6100	3	182	120.00	65,520.00	
Teacher Aide	11	6100	5	182	44.43	30,564.07	
Total Salaries/Wages						96,084.07	
Employee Benefits							
Social Security	11	6100	6	0.062			
Medicare	11	6100	6	0.0145		950.04	
State Unemployment Ins.	11	6100	6	0.0307		2,011.46	
Workers Comp. Ins.	11	6100	6	0.0317		3,045.86	
Health Ins.	11	6100	6	182	8.57	9,360.00	
TRS	11	6100	6	0.0795	117.20	5,208.84	
Total Instructional Payroll						20,576.21	
						116,660.28	
Operational Expenses							
Professional and Contracted Services	11	6200				20,000.00	
Building Lease	11	6200	1	12	3000.00	36,000.00	
Equipment Lease	11	6200	1	12	1500.00	18,000.00	
Utilities - Electricity	11	6200	1	12	800.00	9,600.00	
Utilities - Telephone	11	6200	1	12	225.00	2,700.00	
Utilities - Water	11	6200	1	12	75.00	900.00	
Classroom Supplies and Materials	11	6300	120	40		4,800.00	
Curriculum/Books	11	6300	120	80		9,600.00	
Furniture & Equipment	11	6300	120	75		9,000.00	
Other Operating Expenses	11	6400	120			-	
Debt Expense	11	6500				-	
Total Operational Expenses						110,600.00	
Total Instructional Costs							227,260.28
Curriculum Dev and Inst. Staff Dev.							
Payroll Costs	13	6100	5	5	137.00	3,425.00	
Social Security	13	6100	5	0.062			
Medicare	13	6100	5	0.0145		49.66	
State Unemployment Ins.	13	6100	5	0.0307		3,395.42	
Workers Comp. Ins.	13	6100	5	0.0317		3,506.02	
Health Ins.	13	6100	5	5	8.57	214.29	
TRS	13	6100	5	0.0795	117.20	272.29	
Total Curriculum & Staff Dev. Payroll						10,862.68	
Operational Expenses							
Professional and Contracted Services		6200	5	5	150.00	3,750.00	
Supplies and Materials		6300				-	
Other Operating Expenses		6400	5	5	450.00	2,250.00	
Debt Expense		6500				-	
Total Operational Expenses						6,000.00	
Total Curriculum & Staff Development							16,862.68

APPLICATION

Expenses

	Func Code	Obj Code	# Units	Work Days Per Year Or Factor	Daily Rate	Total Annual Wages W/ TRS	Total
Instructional Leadership:							
Payroll Costs	21	6100					
Social Security	21	6100	0	0.062			
Medicare	21	6100	0	0.0145		-	
State Unemployment Ins.	21	6100	0	0.0307		-	
Workers Comp. Ins.	21	6100	0	0.0317		-	
Health Ins.	21	6100	0	130	12	-	
TRS	21	6100	0	0.0795	117.20	-	
Total Instructional Leadership Payroll						-	
Operational Expenses							
Professional and Contracted Services	21	6200	7	5	125.00	4,375.00	
Supplies and Materials	21	6300	0			-	
Other Operating Expenses	21	6400	7	5	35.00	1,225.00	
Debt Expense	21	6500				-	
Total Operational Expenses						5,600.00	
Total Instructional Leadership:							5,600.00
School Leadership:							
Payroll Costs	23	6100					
Social Security	23	6100	0	0.062			
Medicare	23	6100	0	0.0145		-	
State Unemployment Ins.	23	6100	0	0.0307		-	
Workers Comp. Ins.	23	6100	0	0.0317		-	
Health Ins.	23	6100	0	130	12	-	
TRS	23	6100	0	0.0795	117.20	-	
Total School Leadership Payroll						-	
Operational Expenses							
Professional and Contracted Services	23	6200	7	5	125.00	4,375.00	
Supplies and Materials	23	6300	0			-	
Other Operating Expenses	23	6400	7	5	35.00	1,225.00	
Debt Expense	23	6500				-	
Total Operational Expenses						5,600.00	
Total School Leadership:							5,600.00
Guidance, Counseling & Evaluation Svc.							
Conserlor	31	6100	1	200	120.00	24,000.00	
Clerical	31	6100	0	187	48.00	-	
Social Security	31	6100	1	0.062			
Medicare	31	6100	1	0.0145		348.00	
State Unemployment Ins.	31	6100	1	0.0307		736.80	
Workers Comp. Ins.	31	6100	1	0.0317		760.80	
Health Ins.	31	6100	1	187	8.57	1,602.86	
TRS	31	6100	1	0.0795	117.20	1,908.00	
Total Guidance, Counseling & Eval Payroll						29,356.46	
Operational Expenses							
Professional and Contracted Services	31	6200	0	0		-	
Supplies and Materials	31	6300	1	187	10.00	1,870.00	
Other Operating Expenses	31	6400	1	10	250.00	2,500.00	
Debt Expense	31	6500				-	
Total Operational Expenses						4,370.00	
Total Guidance, Counseling & Evaluation Svc.							33,726.46

Expenses

Func Code	Obj Code	# Units	Work Days Per Year Or Factor	Daily Rate	APPLICATION	
					Total Annual Wages W/ TRS	Total

Health Services

Payroll Costs	33	6100				
Social Security	33	6100	0	0.062		
Medicare	33	6100	0	0.0145		-
State Unemployment Ins.	33	6100	0	0.0307		-
Workers Comp. Ins.	33	6100	0	0.0317		-
Health Ins.	33	6100	0	130	12	-
TRS	33	6100	0	0.0795	117.20	-
Total Health Payroll						-

Operational Expenses

Professional and Contracted Services	33	6200	1	91	148.00	13,468.00
Supplies and Materials	33	6300	0			-
Other Operating Expenses	33	6400	0			-
Debt Expense	33	6500				-
Total Operational Expenses						13,468.00

Total Health Services

13,468.00

General Administration

Academy Director	41	6100	1	195	160.00	31,200.00
Clerical	41	6100	1	200	52.00	10,400.00

Total Salaries/Wages

41,600.00

Social Security	41	6100	2	0.062		
Medicare	41	6100	2	0.0145		603.20
State Unemployment Ins.	41	6100	2	0.0307		1,277.12
Workers Comp. Ins.	41	6100	2	0.0317		1,318.72
Health Ins.	41	6100	2	130	8.57	2,228.57
TRS	41	6100	2	0.0795	117.20	3,307.20

Total Employee Benefits

8,734.81

Total General Administration Payroll

50,334.81

Operational Expenses

Professional and Contracted Services	41	6200		48.778	150.00	35,300.00
Supplies and Materials	41	6300				
Other Operating Expenses	41	6400				2,400.00
Debt Expense	41	6500				-

Total Operational Expenses

37,700.00

Total General Administration

46,434.81

Expenses	Func Code	Obj Code	# Units	Work Days Per Year Or Factor	Daily Rate	Total Annual Wages W/ TRS	Total
Plant Maintenance and Operations							
Payroll Costs	51	6100	1	220	14.40	3,168.00	
Social Security	51	6100	1	0.062			
Medicare	51	6100	1	0.0145		45.94	
State Unemployment Ins.	51	6100	1	0.0307		97.26	
Workers Comp. Ins.	51	6100	1	0.0317		100.43	
Health Ins.	51	6100	1	130	8.57	1,114.29	
TRS	51	6100	1	0.0795	117.20	251.86	
Total Plant Maintenance and Operations Payroll						4,777.76	
Operational Expenses							
Professional and Contracted Services	51	6200	0			-	
Supplies and Materials	51	6300	1	220	15.00	3,300.00	
Other Operating Expenses	51	6400	1	220	10.00	2,200.00	
Debt Expense	51	6500				-	
Total Operational Expenses						5,500.00	
Total Plant Maintenance and Operations							10,277.76
Security and Monitoring Services							
Payroll Costs	52	6100					
Social Security	52	6100	0	0.062			
Medicare	52	6100	0	0.0145		-	
State Unemployment Ins.	52	6100	0	0.0307		-	
Workers Comp. Ins.	52	6100	0	0.0317		-	
Health Ins.	52	6100	0	130	12	-	
TRS	52	6100	0	0.0795	117.20	-	
Total Security and Monitoring Services Payroll						-	
Operational Expenses							
Professional and Contracted Services	52	6200	1	220	3.50	770.02	
Supplies and Materials	52	6300	0			-	
Other Operating Expenses	52	6400	0			-	
Debt Expense	52	6500				-	
Total Operational Expenses						770.02	
Total Security and Monitoring Services							770.02
Total Operational Expenses All Functions							360,000.00
Indirect Cost (10%)							36,000.00
Total Budget							396,000.00

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT IV

PROOF OF TAX EXEMPT STATUS
OF
THE STUDENT ALTERNATIVES PROGRAM, INC. (SAPI)
UNDER
501 (c) (3) OF THE INTERNAL REVENUE CODE

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

APPLICATION
DEPARTMENT OF THE TREASURY

Date: APR 04 1995

STUDENT ALTERNATIVES PROGRAM
INCORPORATED
C/O EDUARDO GUTIERREZ
PO BOX 12724
SAN ANTONIO, TX 78212

Employer Identification Number:
74-2598053

Case Number:
755083060

Contact Person:
ANNETTE SMITH

Contact Telephone Number:
(214) 767-6023

Our Letter Dated:
December 10, 1991

Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

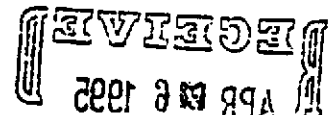
Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Bobby E. Scott
District Director



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THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT V

COPY OF SAPI'S LATEST TAX RETURN (IRS FORM 990)

990 FORM

PAGE 44 - 64 = 21 PAGES

UNDER SECTION 6103 & 6104 OF U.S. CODE
TITLE 26

21 PAGES HAVE BEEN WITHHELD

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT VI

LIST OF OFFICERS AND BOARD MEMBERS
OF
THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT VI

STUDENT ALTERNATIVES PROGRAM, INC.

BOARD OF DIRECTORS

Eduardo Gutierrez
President &
Chairman of the Board
P.O. Box 15644
San Antonio, Texas 78212
(210) 227-7879

Rudy Telles
Vice Chairman
El Paso, Texas 79902
(915) 532-1686

San Juanita "Janie" Villa
Secretary/Treasurer
Rt. 225C
Mercedes, Texas 78570
(956) 565-4450

David Ojeda
Member
P.O. Box 488
Carrizo Springs, Texas 78834
(830) 876-9514

Jim Green
Member
4109 87th Street
Lubbock, Texas 79423
(806) 794-2323

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT VII

CREDENTIALS

- A. Credentials and Background of the Student Alternatives Program, Inc.
- B. Credentials of members of the SAPI Board of Directors.
- C. Credentials of the CEO, administrative/professional of SAPI, the Local Charter School Coordinating Committee members Currently committed to working with the charter.

**THE STUDENT ALTERNATIVES PROGRAM, INC.
GATEWAY ACADEMY, LAREDO, TEXAS**

CREDENTIALS

A. BACKGROUND AND CREDETIALS OF THE STUDENT ALTERNATIVES PROGRAM, INC.

The Student Alternatives Program, Inc. (SAPI), was established in 1990 and is a private, non-profit community-based organization exempt from taxation under 26 U.S.C., Section 501(c)(3). SAPI's corporate offices are located in San Antonio, Texas with two regional administrative offices located in McAllen and Lubbock, Texas.

The primary mission of the Student Alternatives Program, Inc. (SAPI) is to serve at-risk and school dropout youth in Texas. SAPI will draw upon its six years of experience in operating community-based alternative schools to establish and administer the proposed open-enrollment charter school for high school students (grades 9-12).

Since 1992, SAPI has operated community-based alternative educational services to students in at-risk situations, as authorized under the Texas Education Code (TEC), Chapter 29, Section 29.0819(e), and TEC Chapter 37, Section 37.008(b). Currently, SAPI maintains 12 instructional centers supported through 17 performance-based contracts with school districts in Texas. The public school district provides funds for the operation of the educational program and reports PEIMS data on the students served under each contract.

Between the 1992-93 and 1997-98 school years, SAPI has provided educational services to over 25,000 students. While enrolled in our open entry/open exit program, high school students have earned over 4,800 credits. In addition, over 500 students have graduated from high school with a high school diploma and over 100 students have earned a GED.

During the regular school year, SAPI employs a cadre of over 70 professional and support staff to implement its educational program. All students enrolled in SAPI's alternative education programs meet the definition of students at-risk of dropping out of school as defined in TEC Section 29.081(d)(1).

The open-enrollment charter school will use the same instructional model currently used at SAPI's alternative education campuses. Because the instructional program is competency-based, student-centered,

self-paced, individualized and flexible, it allows for both remedial and accelerated instruction. SAPI has used this curriculum for the past six years.

The instructional program is designed as an "open/open exit" and the curriculum complies with the Texas Essential Knowledge and Skills (TEKS) under Section 28.002 of the Texas Education Code, utilizing a foundation curriculum, as required in TEC Chapter 39, Subchapter B.

In addition, SAPI's program offers instructional services for a high school equivalency/GED certificate to students for whom attainment of a high school diploma is not realistic due to their grade level and age. Instruction is provided in an environment that is safe, supportive and conducive to learning.

B. CREDENTIALS OF SAPI'S BOARD OF DIRECTORS

San Juanita (Janie) Villa, Human Resource Services Assistant, Texas Mental Health and Metal Retardation Agency

Ms. Villa is currently employed as a Human Resource Services Assistant by the Texas Mental Health and Mental Retardation Agency (TXMHMR). She has worked for TXMHMR for the past 17 years where she has performed duties as Senior Companion Supervisor, Liaison Caseworker and Social Services Supervisor.

Ms. Villa holds a Bachelor of Arts Degree in Social Services and has received training in the areas of EEOC Hiring Guidelines, Human Resource Services and the Law, Human Resource Management, Sexual Harassment and Infection Control.

David Ojeda, Jr., Executive Director, Community Services Agency of Dimmit, LaSalle, Maverick and Frio Counties

Mr. Ojeda is presently employed as the Executive Director of the Community Services Agency (CSA) serving the Counties of Dimmit, LaSalle, Maverick and Frio. He has held this position for 19 years. CSA has an annual budget of approximately \$5 million and currently has about 130 employees in the four county area. During his history as a civil servant he has received two gubernatorial appointments to serve on the Texas Department of Community Affairs Advisory Council and the Texas Low Level Radioactive Waste Disposal Authority.

Mr. Ojeda is a graduate of Carrizo Springs High School, and attended Southwest Texas Junior College in Uvalde, Texas and Texas A&I in Kingsville, Texas.

Jim Green, Public Information Coordinator, City of Lubbock, Texas

Mr. Green has 24 years experience in television and radio broadcasting as a reporter, news program producer, and news anchor. He has been with the City of Lubbock for seven years. As Public Information Coordinator for the city, he manages the video and television productions for the government access channel - Cable Channel 6, publishes a biweekly

newsletter for 1,990 city employees, produces quarterly public safety campaigns for television and radio.

Prior to joining the City of Lubbock in 1990, Mr. Green was consumer affairs and business reporter for six years at KCBD Television in Lubbock. His television experience also includes several years as a reporter for WFAA Television in Dallas, and the NBC affiliate in Austin.

Rudy Tellez, Ramon's Moving and Storage Company, El Paso, Texas

Mr. Telez's genealogical roots in El Paso go back six generations. He was born in El Paso and is a graduate of El Paso High School. Mr. Telez's background is in business. He has sales and marketing experience with major corporations such as the Doctor Pepper Co. of Dallas, and Velcro USA, Inc. in California.

In 1981 he returned to El Paso to assist in the management of a successful family moving firm which was established in 1912. He continues to assist in the management of the operations on a daily basis.

C. CREDENTIALS OF CEO, ADMINISTRATIVE PROFESSIONALS OF SAPI, THE LOCAL CHARTER SCHOOL COORDINATION COMMITTEE MEMBERS COMMITTED TO WORKING WITH THE CHARTER SCHOOL.

Eduardo Gutierrez will serve as the Chief Executive Officer (CEO) for the open-enrollment charter school and will be the primary contact between the organization and the Texas Education Agency (TEA) regarding the implementation and administration of the school.

Mr. Gutierrez received a Bachelor of Arts degree from the University of Texas at El Paso in 1967 and attended Graduate School in Education at the University of El Paso (1968-70). He also attended the National University of Mexico, School of Philosophy and Letters, Mexico, D.F. (1962-1963).

Mr. Gutierrez was an Elementary Spanish Teacher (1967-68) and a 7th and 8th grade Reading and Spanish Teacher (68-69). From 1970-1971, he was an Executive Associate for the Education Systems Corporation, Washington, D.C. Mr. Gutierrez also performed work as a Reading and Curriculum Specialist for the Neighborhood Youth Corps in El Paso, Texas (1970-71).

Mr. Gutierrez is the founder of the Student Alternatives Program, Inc. and has been its Chief Executive Officer since its inception in 1991. The primary mission of the Student Alternatives Program, Inc. (SAPI) is to serve at-risk and school dropout youth in Texas. Mr. Gutierrez has a broad experience working at the senior executive level for private, public and philanthropic organizations. For example, he has worked for the Community Services Administration, U.S. Department of Labor and the

Department of Energy in Washington D. C. (1971-81). At the state level, he worked for the State of Texas as Director of Migrant Programs. In the private sector, he worked for the Levi Strauss Foundation (191987-88), and the Rockefeller Foundation's Project Hope Initiative (1988-89).

Cosme J. Barcelo, Jr. joined the Student Alternatives Program in June of 1996. As the organization's Internal Systems Coordinator, he is primarily responsible for overseeing various administrative, fiscal, and personnel functions of the organization.

Mr. Barcelo received a Bachelor of Arts (BA) degree from the University of Arizona in 1972 and a Master of Social Work (MSW) degree from the University of Michigan in 1974. In addition, he has been certified by the Texas State Board of Social Work Examiners as a Licensed Master Social Worker-Advanced Practitioner (LMSW-AP).

Mr. Barcelo has over 17 years of professional experience working with community-based, non-profit organizations such as the National Council of La Raza, the National Association of Farmworker Organizations and the American G I Forum National Veterans Outreach Program.

Alfonso A. Champion worked for the Region 1 Education Service Center (1991-96) before coming to work with the Student Alternatives Program in April of 1996. Before leaving the ESC, he was the Special Projects Coordinator.

Mr. Champion earned a Bachelor of Arts (BA) degree in Social Work from the University of Texas Pan American in Edinburg, Texas in 1972.

Mr. Champion is a senior staff person of the Student Alternatives Program and is responsible for resource development, program planning and special projects. Currently, Mr. Champion is directly involved in coordinating SAPI's Juvenile Justice Alternative Education Program (JJAEP), funded under Chapter 37 of the Texas Education Code. The program provides an instructional program for adjudicated and non-adjudicated youth under contract with several counties in the Rio Grande Valley.

Telca Karen Porras first started working for SAPI in August of 1994 as a Teacher at SAPI's Rio Grande City Instructional Center. As a Teacher, she worked directly with students at risk of dropping out of school. On January 1, 1996 she was promoted to the position of Site Coordinator where she capably managed what has proven to be an exemplary program for the Student Alternatives Program, Inc. On October 30, 1997 she was promoted to her current position of Information Services Coordinator. As the organization's Information Services Coordinator, Ms. Porras is responsible for the coordination of SAPI's internal and external information gathering, assessment, reporting and dissemination systems.

Ms. Porras received a Bachelor of Arts (BA) degree in English from the University of Texas at San Antonio in 1993. She is currently taking courses required for a Master of Arts degree in English as a Second Language at the University of Texas at Pan American.

Sylvia Villarreal Ornelas began her career in education teaching second grade from 1962-1973. She was an Elementary Counselor with Title I from 1973-1977 and a Master Counselor with Chapter 1 from 1978-1990. From 1990-1995 she served as an Evaluator of Federal Programs. She served on a TEA subcommittee for Evaluation 1991-1993. From 1995-1997 she was the Evaluator for all programs in the district. She is now a part time consultant with Harcourt Brace and Company.

Ms. Ornelas received her Bachelor of Science (BS) degree in Elementary Education from Texas A & I and earned a Masters of Education degree in Guidance and Student Personnel from East Texas State University in 1973. She was accepted into the Doctoral Program at East Texas in 1974 where she earned 45 hours toward her M. ED.

Humberto Trevino worked for the Laredo Independent School District for thirty-one years. He served the district in various capacities during his tenure. He was a science teacher at Christen Junior High, a science teacher and assistant principal at Martin High School. He also worked for the ISD as the Director of Secondary Education, the Director of Technology, and retired as the Sid's Assistant Superintendent for Curriculum and Program Accountability.

Mr. Trevino received a Bachelor of Science (BS) degree in Education and a Mid-management Certificate from Texas A & M University at Kingsville and a Master of Science (MS) degree in Natural Science from New Mexico Highlands University in Las Vegas, New Mexico. He also received a Superintendent Certificate from Texas A & M University at Kingsville.

Alfonso Ornelas has teaching experience in the fourth, fifth and sixth grades and also taught at the High School levels with the Laredo Independent School District. He was an Assistant Principal and Principal for 27 years with the Laredo ISD. He retired June 1997 and is presently serving as Principal at St. Peter's Memorial School in Laredo, Texas.

Mr. Ornelas earned a Bachelor of Science (BS) degree in Science and Secondary Education from Texas A & I University in 1957. He also holds a Master's degree in Educational Administration from East Texas State (1973).

Angelo Piccirillo is currently the Executive Director of the Laredo-Webb Neighborhood Housing Services(NHS). Mr. Piccirillo used to work for the state, where he was the Director for Economic Development for the Texas Department of Agriculture (1992-93).

Mr. Piccirillo holds a Masters of Business Administration Degree from Laredo State University (now Texas A&M International University). He earned his Bachelors degree in Business Administration from Ursaline College, Pepper Pike, Ohio.

Rafael I. Torres is the Executive Director of the Azteca Economic Development and Preservation Corporation in Laredo, Texas. The agency is a border housing development corporation.

Mr. Torres holds a Bachelors of Science degree from the Development Training Institute, Baltimore, Maryland.

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT VIII

DISCLOSURE OF LITIGATION AND CRIMINAL HISTORIES

DISCLOSURE OF LITIGATION AND CRIMINAL HISTORIES
GATEWAY ACADEMY

As required, the purpose of this document is to disclose any litigation, whether civil or criminal, in which the sponsoring entity of the proposed charter school has been a party.

A. SPONSORING ENTITY

The Student Alternatives Program, Inc., is the sponsoring entity of the proposed charter school as defined on page five the *Open-Enrollment Charter Guidelines and Application* (RFA#701-98-016).

B. LITIGATION

The Student Alternatives Program, Inc. has no litigation to report. Litigation includes civil suits, bankruptcy proceedings, criminal prosecution, and any administrative process in which an agency of federal, state or local government has taken an adverse licensing or disciplinary action.

C. CRIMINAL CONVICTIONS (WITHIN THE PAST TEN YEARS)

For the purpose of conducting criminal history checks, the Student Alternatives Program, Inc., requested and were issued a User Code by the Texas Department of Public Safety. The Use Code, issued under Chapter 22, Subchapter C, Section 22.081 of the Texas Education Code, allows SAPI, as an alternative education program, to request criminal history checks. Subsequently, a criminal history check was conducted on all Board members, the CEO and employees of SAPI who will or maybe involved in the charter school. A criminal history check was also conducted on all members of the Local Coordinating Committee and all other persons who are currently committed to working with the charter school. As noted below, our search revealed no records of a conviction of a felony or a misdemeanor involving moral turpitude of any person within the past ten years.

Criminal History Records/Background

PAGE 75 = 1 PAGE

1 PAGE HAS BEEN WITHHELD UNDER SECTIONS 411.0845 AND
411.0901 OF THE GOVERNMENT CODE

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT IX

DRAFT BOARD POLICY ON ADMISSION OF PUBLIC EDUCATION
GRANT (PEG) STUDENTS

GATEWAY OPEN-ENROLLMENT CHARTER SCHOOL ACADEMY

DRAFT BOARD POLICY ON ADMISSION OF
PUBLIC EDUCATION GRANT (PEG) STUDENTS

BACKGROUND

In accordance with the Public Education Grant program, Subchapter G, Chapter 29 of the Texas Education Code (TEC), students may request a transfer to another school in the district or to another school district, if the school which the student is currently attending has failed to meet TEA academic performance criteria as follows:

1. Fewer than 50 percent of the school's students passed the Texas Assessment of Academic Skills (TAAS) in two of the last three years, OR
2. The school was rated by the Texas Education Agency as "low-performing" in any of the last three years, under Subchapter D, Chapter 39 of the Texas Education Code.

Parents with children in schools, as described above have two options. They may:

1. Request a transfer to another school within the District. OR
2. Request another district to accept their child as a tuition-free transfer student under the Public Education Grant (PEG) program.

Districts with low performance ratings must notify all parents of their eligibility under the PEG program. If a parent finds a public school (which includes charter schools) in another district to which they wish to transfer their child and the district agrees to accept the transfer, the student funds will automatically follow the student to their new school. The sending district is not required to provide transpiration to the new district or campus. For every PEG student a district accepts, the per-pupil state education funding is increased by 10 percent. Parents do not have to file any paperwork with the state, but they will have to complete some paperwork locally to ensure that their child's educational records are transferred to the new school.

BOARD POLICY ON PEG STUDENTS

It is the policy of the Governing Board of the Gateway Academy to accept applications from students eligible for a Public Education Grant (PEG), under Subchapter G, Chapter 29 of the Texas Education Code (TEC). Applications from PEG students shall be accepted from within and outside the open-enrollment charter school's geographic area. Such students must follow the school's established enrollment process for admission.

APPLICATION

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT X

OPEN-ENROLLMENT CHARTER SCHOOL
MANAGEMENT PLAN

Part I. Organizational and Administrative Goals

Goal To create a charter school that offers educational programs and activities that are responsive to the student's educational needs and to empower the students to achieve their full potential as lifelong learners and productive citizens of the community.

First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
1. Establish a <u>5</u> member Local Charter School Management Board (LCSMB) consisting of representatives of the communities within the charter school's target service area.	<p>The coordinating committee will identify, interview and submit to the SAPI board the names of the persons recommended to be appointed to the initial LCSMB.</p> <p>The SAPI board will select and appoint 7 individuals to the initial LCSMB.</p> <p>Future selection and membership process will be developed by the LCSMB and SCSB.</p>	<p>Evidence of Committee meetings, Identification, interviews, nominations, and recommendations of possible candidates.</p> <p>Minutes of SAPI board meeting</p>	<p>SAPI administration staff, charter school coordinating committee.</p> <p>SAPI Board members</p>	<p>9/15/98 to 12/31/98</p> <p>9/15/98 to 12/15/98</p>	<p>SAPI Board, Administration, staff and Local community support.</p> <p>SAPI Board and administration,</p>	<p>Identification, nomination and recommendations for appointment of select to the LCSMB.</p> <p>Appointment of LCSMB members.</p>
2. Establish a State Charter School Board (SCSB) which will consist of the SAPI Board members and at least one LCSMB member.	<p>Develop SCSB organization and structure, present to SAPI Board of Directors for approval.</p> <p>Prepare and submit application to establish the SCSB as a chartered entity authorized to do business in the State of Texas.</p>	<p>Evidence of SAPI Board meetings minutes approving the establishment of the SCSB.</p> <p>Evidence of application and official charter.</p>	<p>SAPI administration, SAPI Board.</p> <p>SAPI Board and Administration.</p>	<p>9/15/98 to 5/1/99</p> <p>9/15/98 to 5/1/99</p>	<p>SAPI admin. and staff</p> <p>SAPI admin. and staff</p>	<p>Appointment of SCSB members.</p> <p>Receipt of official state charter for the SCSB.</p>
3. Identify and recruit potential members to serve on the Local Charter School Site Based Decision Making Committee (LCSBDMC)	<p>The LCSMB, school administration and faculty will identify and recruit parents, students, faculty, business and community leaders to serve on the LCSBDMC.</p>	<p>Evidence of documentation, interviews and recommendations</p>	<p>LCSMB, school administration.</p>	<p>9/15/98 to 8/1/99</p>	<p>LCSMB, school administration, faculty</p>	<p>Appointment of LCSBDMC members.</p>

Part I. Organizational and Administrative Goals - Continued

Goal To create a charter school that offers educational programs and activities that are responsive to the student's educational needs and to empower the students to achieve their full potential as lifelong learners and productive citizens of the community.						
First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
4. Establish local policy and procedures for administrative, fiscal and programmatic accountability systems to insure proper administration, financial management and implementation of program services in compliance with TEA rules and regulations.	<p>The LCSMB, school administration and faculty will conduct meetings and workshops to develop policy and procedures manuals for the charter school's operations.</p> <p>Submit policy and procedures manuals to SCSB for approval</p>	<p>Evidence of documentation, meetings, and workshops.</p> <p>Evidence of SCSB approval of policy manuals.</p>	<p>SAPI administration, staff, LCSMB, LCSBDMC, school administration and faculty.</p> <p>LCSMB, School Administration, and SCSB</p>	<p>9/15/98 to 8/1/99</p> <p>9/15/98 to 8/1/99</p>	<p>SAPI admin. and staff, LCSMB, school administration, faculty</p> <p>LCSMB, LCSBDMC, school administration SAPI,</p>	<p>Completion of policies and procedures manuals that will serve as a guide for the school's operations.</p>

Part II. Instructional Program Goals

Goal To offer an instructional program and curriculum that is student centered, individualized, competency-based, self-paced and flexible in an environment that is safe and conducive to learning.

First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
<p>Program Curricula:</p> <p>1. To implement a non-traditional high school diploma educational program for high school students (9th through 12th grade).</p> <p>2. Implement a curriculum that addresses TEC Section 28.002 specifically,</p> <p>A. A foundation curriculum that includes English language arts, Mathematics, Science, and Social Studies consisting of Texas, U.S. and World History, Government and Geography</p> <p>B. Implement and enrichment curriculum that includes Spanish, health, physical education, fine arts, and economics, with emphasis on the free enterprise system.</p> <p>C. Implement career and technology education/ technology applications</p>	<p>Provide instructional services and activities that are student centered, individualized, competency based, self paced, and flexible and that addresses the educational needs of the students..</p> <p>Develop individual educational plans that address the foundation, enrichment and career technology course work needs of each student.</p> <p>Provide instructional services and activities, administer assessments and testing instruments to measure student progress and performance.</p> <p>Same as above.</p> <p>Same as above.</p>	<p>Evidence of implementation through curriculum, student work and achievements.</p> <p>Evidence of documentation and student performance. Ongoing monitoring of student progress and mastery of course work utilizing pre and post test measures.</p> <p>Same as above.</p> <p>Same as above.</p>	<p>School administration & staff.</p> <p>School administration & staff.</p> <p>Same as above.</p> <p>Same as above.</p>	<p>1/10/99 to 5/30/99</p> <p>1/10/99 to 5/30/99</p> <p>Same as above.</p> <p>Same as above.</p>	<p>School administration & staff</p> <p>LCSMB, LCSBDMC, school administration and faculty</p> <p>Same as above.</p> <p>Same as above.</p>	<p>Parent/student satisfaction, and overall student achievements and success.</p> <p>Students will meet or exceed the goals and objectives of their educational plan to the best of their ability.</p> <p>Graduating students must complete a minimum of 22 course credits and pass the TAAS exit level exam and required End-of-Course Exams.</p> <p>Same as above.</p>

Part II Instructional Program Goals - Continued

Goal To offer an instructional program and curriculum that is student centered, individualized, competency-based, self-paced and flexible in an environment that is safe and conducive to learning.

First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
D. Implement instruction and preparation for the Texas Assessment of Academic Skills (TAAS) exams, Writing, Reading and Mathematics.	Identify all students that will be required to take the TAAS tests and exit-level exams.	Student assessments and performance	School administration and faculty.	Same as above	Student records and educational plan	All students scheduled to take the TAAS test or exit-level exam will be tested.
	Identify exempt students as per Chapter 39, Section 39.007.					
E. Prepare all students for end-of-course exams in Algebra I, Biology I, English II, and U.S. History.	Develop and provide intensive instructional program.	Evidence of instructional materials, instructional techniques and methodology.	Same as above	Same as above	School administration and faculty.	Students passing at an average rate above the State average.
	Develop an instructional schedule for each student.	Student attendance	Same as above	Same as above	Student attendance records, school administration and faculty.	All students will maintain at least 89% attendance.
	Identify all students that will be required to take the end-of-course exams.	Monitor student performance as it relates to these subjects.	Same as above	Same as above	Same as above	
	Provide instructional materials and instructional activities.	Student performance and assessment results.			Same as above	Students passing at an average rate above the State average.

Part II Instructional Program Goals - Continued

Goal Implement curriculum and instructional program that is student centered, individualized, competency-based, self-paced and flexible in an environment that is safe and conducive to learning and that addresses the Texas Education Knowledge Skills criteria.						
First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
F. Implement a General Educational Development (GED) instructional program that addresses Writing, Social Studies, Science, Literature and the Arts, and Mathematics.	<p>Develop individual educational plans that address the five GED course subjects.</p> <p>Provide instructional services and activities, administer assessments and testing instruments to measure student progress and performance.</p>	Evidence of instructional materials, instructional techniques and methodology.	Same as above	Same as above	Same as above	60% of the students will complete the GED requirements

APPLICATION

Part II. Instructional Program Goals

Goal Implement curriculum and instructional program that is student-centered, individualized, competency-based, self-paced and flexible in an environment that is safe and conducive to learning and that addresses the Texas Education Knowledge Skills criteria.						
First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
Program Performance:						
Enrollment 120 students.	All students must complete an enrollment application. Provide In-take interview, student parent orientation, compile student records file to include all required student records form former school attended.	Evidence of enrollment applications and complete student records files.	School administration and faculty.	10/1/98 to 5/30/99	LCSMB, School administration, faculty	A minimum of 50 students will initially be enrolled and 120 will be enrolled by 5/30/99.
Attendance: <u>89%</u>	Take attendance Daily (Sign-In), monitor daily attendance, follow-up on all absent students, counsel with students with attendance problems.	Daily Attendance sign-in rosters and overall percentage of attendance.	School administration and faculty	Daily./ weekly/ monthly reports.	School administration and faculty.	To maintain at minimum an 89% attendance rate.
Course Credits: All students will meet the course credit requirements for grade level gains or graduation.	Monitor student educational plans, progress and courses completed. Record all course mid and final exam grades and course credits earned.	# Courses attempted Vs # Courses completed and % of students completing courses required.	School administration and faculty.	1/10/99 to 5/30/99	School administration and faculty.	90% will complete grade level course requirements. 60% of 12 th grade students will complete the requirements to graduate. Will meet or exceed the State's average passing the TAAS exit level exam. Same as above
TAAS Exit- Level Exam	Schedule and test all students required to take any of the exit-level exams.	# of students tested Vs the # of students scheduled.	School administration and faculty.	As per TEA test schedule	TEA, ESC, School administration.	Will meet or exceed the State's average passing the TAAS exit level exam. Same as above
End-of-Course Exams: Algebra I, Biology I, English II, and U.S. History	Schedule and test all students required to take the end-of-course test Exams.	# of students tested Vs the # of students scheduled.	School administration and faculty.	Same as above	Same as above.	Same as above

Part I. Organizational and Administrative Goals - Continued

Goal Conduct staff/board training and staff development activities to ensure proper, effective and efficient provision of instructional services and operation of the charter school.						
First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
Provide at least five days of staff training/staff development activities to enhance the professional development of the faculty.	<p>Conduct a needs assessment to determine the training needs of the faculty.</p> <p>Schedule and arrange for the provision of needed training activities.</p>	Evidence of training schedule, activities and staff participation.	LCSMB, school administration.	10/1/98 to 5/30/99	ESC, SAPI, and school administration & faculty.	All individuals receiving training will become knowledgeable in their respective areas of responsibility and will be able to make rational and correct decisions and positive contributions to the success of the students and the charter school's overall performance.
Provide the necessary training to SAPI Board members, LCSMB, SCSB, LCSBDMC members School administration and faculty on organizational, administrative, fiscal, and programmatic operations of a charter school.	SAPI and school administration will schedule and make all arrangements for the provision of all training activities.	Evidence of training activities and workshops.	SAPI administration and staff, school administration and faculty.	10/1/98 to 7/31/99	ESC, SAPI, and school administration & faculty.	

APPLICATION

Part I. Organizational and Administrative Goals - Continued

Goal	Implement a community awareness program to inform the communities within the target area of the charter school of the educational programs and services it has to offer and create an environment of community and parental involvement.					
First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
Community Awareness	<p>Conduct a community awareness campaign to inform parents and students of the existence of the charter schools. Utilize multimedia resources such as radio, T.V. and newspaper announcements and other printed literature</p> <p>SAPI and school administration will develop a program to inform and involve the community at large of the school's existence and the services it has to offer.</p> <p>Conduct parent and community involvement meeting.</p>	<p>Evidence of public service multimedia announcements, printed literature, posters and community meetings.</p> <p>Evidence of inquires and student enrollment applications.</p> <p>Evidence of response to the awareness campaign, i.e. inquires and requests for enrollment.</p>	<p>SAPI CEO, school administration, faculty, LCSMB, LCSBDMC, and community supporters.</p> <p>School administration and faculty.</p> <p>LCSMB, LCSBDMC, school administration and faculty.</p>	<p>9/14/98 to 5/31/99</p> <p>10/1/98 to 8/1/99 and will continue through out the school year.</p> <p>9/14/98 to 8/1/99</p>	<p>SAPI, and school administration & faculty.</p> <p>School administration and faculty.</p> <p>LCSMB, LCSBDMC, school administration</p>	<p>To have a well informed community with respect to the charter school's goals and objectives.</p> <p>To generate and maintain the school's projected student enrollments</p> <p>Create an awareness of the charter school's services, involve parents, community leaders and business in the school's activities</p>

Part I. Organizational and Administrative Goals - Continued

Goal Implement a community awareness program to inform the communities within the target area of the charter school of the educational programs and services it has to offer and create an environment of community and parental involvement.						
First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
Community Awareness	<p>Conduct a community awareness campaign to inform parents and students of the existence of the charter schools. Utilize multimedia resources such as radio, T.V. and newspaper announcements and other printed literature</p> <p>SAPI and school administration will develop a program to inform and involve the community at large of the school's existence and the services it has to offer.</p> <p>Conduct parent and community involvement meeting.</p>	<p>Evidence of public service multimedia announcements, printed literature, posters and community meetings.</p> <p>Evidence of inquires and student enrollment applications.</p> <p>Evidence of response to the awareness campaign, i.e. inquires and requests for enrollment.</p>	<p>SAPI CEO, school administration, faculty, LCSMB, LCSBDMC, and community supporters.</p> <p>School administration and faculty.</p> <p>LCSMB, LCSBDMC, school administration and faculty.</p>	<p>9/14/98 to 5/31/99</p> <p>10/1/98 to 8/1/99 and will continue through out the school year.</p> <p>9/14/98 to 8/1/99</p>	<p>SAPI, and school administration & faculty.</p> <p>School administration and faculty.</p> <p>LCSMB, LCSBDMC, school administration</p>	<p>To have a well informed community with respect to the charter school's goals and objectives.</p> <p>To generate and maintain the school's projected student enrollments</p> <p>Create an awareness of the charter school's services, involve parents, community leaders and business in the school's activities</p>

APPLICATION

Part I. Organizational and Administrative Goals - Continued

Goal Conduct staff/board training and staff development activities to ensure proper, effective and efficient provision of instructional services and operation of the charter school.

First Year Objectives	Activities	Progress Analysis	Persons Responsible	Timeline	Resources	Expected Outcomes
<p>Provide at least five days of staff training/staff development activities to enhance the professional development of the faculty.</p> <p>Provide the necessary training to SAPI Board members, LCSMB, SCSB, LCSBDMC members School administration and faculty on organizational, administrative, fiscal, and programmatic operations of a charter school.</p>	<p>Conduct a needs assessment to determine the training needs of the faculty.</p> <p>Schedule and arrange for the provision of needed training activities.</p> <p>SAPI and school administration will schedule and make all arrangements for the provision of all training activities.</p>	<p>Evidence of training schedule, activities and staff participation.</p> <p>Evidence of training activities and workshops.</p>	<p>LCSMB, school administration.</p> <p>SAPI administration and staff, school administration and faculty.</p>	<p>10/1/98 to 5/30/99</p> <p>10/1/98 to 7/31/99</p>	<p>ESC, SAPI, and school administration & faculty.</p> <p>ESC, SAPI, and school administration & faculty.</p>	<p>All individuals receiving training will become knowledgeable in their respective areas of responsibility and will be able to make rational and correct decisions and positive contributions to the success of the students and the charter school's overall performance.</p>

THE STUDENT ALTERNATIVES PROGRAM, INC.

ATTACHMENT V

COPY OF SAPI'S LATEST TAX RETURN (IRS FORM 990)

990 FORM

PAGE 90 - 101 = 12 PAGES

UNDER SECTION 6103 & 6104 OF U.S. CODE
TITLE 26

12 PAGES HAVE BEEN WITHHELD

2758 FORM

PAGE 102 = 1 PAGE

UNDER SECTION 6103 & 6104 OF U.S. CODE
TITLE 26

1 PAGE HAS BEEN WITHHELD

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

APPLICATION

Date: APR 04 1995

STUDENT ALTERNATIVES PROGRAM
INCORPORATED
C/O EDUARDO GUTIERREZ
PO BOX 12724
SAN ANTONIO, TX 78212

Employer Identification Number:
74-2598053

Case Number:
755083060

Contact Person:
ANNETTE SMITH

Contact Telephone Number:
(214) 767-6023

Our Letter Dated:
December 10, 1991

Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

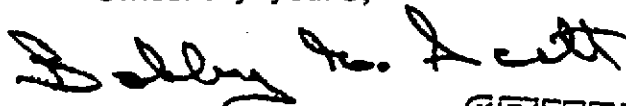
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

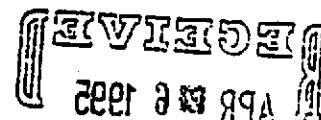
Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

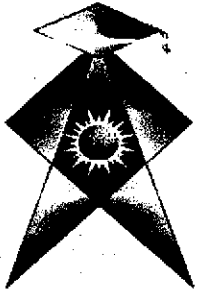
If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Bobby E. Scott
District Director





STUDENT ALTERNATIVES PROGRAM, INC.

P. O. BOX 15644
San Antonio, Texas 78212-8844
Tel: (210) 227-0295
Fax: (210) 227-7879

APPLICATION

July 22, 1998

Texas State Board of Education
c/o The Texas Education Agency
Document Control Center, Room 6-108
1701 North Congress Avenue
Austin, Texas 78701

ATTN: Mr. Brooks Flemister
Senior Director, Office of Charter Schools
Department of School/Community Support

RE: Application for Approval of an
Open-Enrollment Charter School
Under TEC 12.1011(a)(1)

Dear Mr. Flemister:

It is with great pleasure that the Student Alternatives Program, Inc. (SAPI), submits two copies of its Application for Approval of an Open-Enrollment Charter School to be located in Laredo, Texas.

For your information, SAPI was established in 1990 and is a private, non-profit community-based organization exempt from taxation under 26 U.S.C., Section 501(c)(3). Our Corporate Office is located in San Antonio, Texas with two regional administrative offices located in McAllen and Lubbock, Texas.

The primary mission of the Student Alternatives Program is to serve at-risk and school dropout youth in Texas. SAPI also has the capability serving students who have discipline behavior problems.

The first operational program started in August of 1992 for the 1992-93 school year. Since that time, the organization has grown considerably and is now serving small and large school districts alike. Currently, the organization has 12 instructional centers statewide through 17 contracts with school districts. Instructional centers are located in both rural and urban areas, mainly in the Rio Grande Valley and Lubbock, Texas areas.

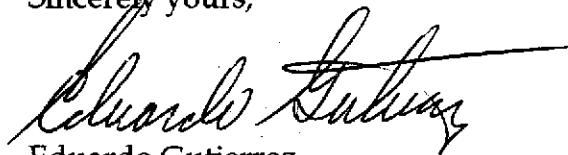
SBOE/Texas Education Agency
Page 2
Open-Enrollment Charter School Application

July 22, 1998

The program, through its network of instructional centers, operates as a Community-Based School Program under Chapter 29, Section 29.081, and Chapter 37, Section 37.008 of the Texas Education Code. Our independent instructional centers are supported by the ADA funds garnered from federal resources by school districts.

If you have any questions regarding our application for an open-enrollment charter school, you may reach me at the above address and phone number.

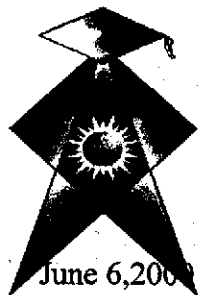
Sincerely yours,



Eduardo Gutierrez
President and Chief Executive Officer

Enclosures
EG/cjb

sboe.ltr



STUDENT ALTERNATIVES PROGRAM, INC.

P. O. BOX 15644
San Antonio, Texas 78212-8844
Tel: (210) 227-0295
Fax: (210) 227-7879

CHARTER
CONTINGENCIES

June 6, 2000

Dr. Susan Barns
Director, Charter Schools Division
Department of School Support and Continuing Education
Texas Education Agency
1701 N. Congress Ave.
Austin, Texas 78701-1494

RECEIVED
JUN 08 2000
CHARTER SCHOOLS

RE: Proposed Amendment to Gateway Academy
Charter For SBOE Approval

Dear Dr. Barns:

First of all, allow me to congratulate you on your new position, and I look forward to meeting you in the near future.

At this time, the Student Alternatives Program, Inc. (SAPI) would like to submit an amendment to the Gateway Academy's Charter. Hopefully, this can be reviewed and approved by the State Board of Education (SBOE) at its July 6-7, 2000 meeting.

As you know, the Student Alternatives Program, Inc. is the sponsoring entity of the Gateway Academy. The proposed request is to move the Academy from one location to another. The Academy would still be located within its designated service delivery area. For your easy reference, I have attached a brief summary sheet of the Gateway Academy (Attached).

Rational for Request

There are four main reason for requesting a facility change at this time:

Space: Although adequate (4,647 sq.ft.) the current location is limited in terms of space. The new facility will double the amount of space currently available, allowing room for a technology lab, small cafeteria, a library, additional office space and additional classrooms to accommodate an increase in enrollment and attendance.

Location: The location of the new facility will allow students access to the Laredo Public Library and a Child Care facility which are located immediately next to the the facility.

Cost: Moving to the new location will provide the Academy with increased space at a reduced cost per sq. ft.

Timing: If the SBOE does not approve this amendment, the Gateway Academy will have no alternative but to renew its current lease agreement for the 2000-2001 school

year. Thus, the Academy would have to wait another year before considering a move to another facility.

Current Location: 2397 Saunders St.
Laredo, Texas 78041-5434

Proposed Location: 1230 Town Lake
Laredo, Texas

Description of Proposed Location and Surrounding Area

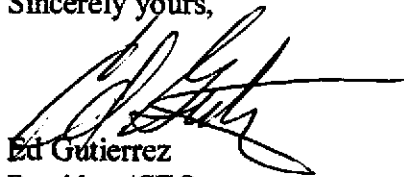
The proposed site is located on the northeast part of Laredo and is just off the intersection of McPherson and Hillside. The building itself is surrounded by the Laredo Public Library, empty city park land that could be used for physical education and activities, and a condominium complex immediately to the south. A storage facility and an apartment complex are immediately to the east and a pond and medical offices can be found immediately to the north of the building. Finally, a bank, a school for small children and the Texas Migrant Council Office Building are located immediately to the west of the facility.

Other businesses located about a block from the building include a Jack in the Box, Chic-Filet, Pizza Hut, Juice Stop and an Auto Zone. In addition, a City Recreation Center and the Olympia Gym are located just a few blocks from the building.

The building was built in 1985 and has two floors with stairs located at each end of the building. The first floor of the building is handicap accessible. The building has a total of 11,844 square feet of area, of which 9,000-sq. ft. is usable office/classroom space. The building is of black framed glass making it very attractive. It has 7,800 square feet of parking area with 33 parking spaces in front of the building. It is situated on a 38,768 square foot lot and the lot includes part of the aforementioned pond located on the north side.

If you have any questions, please call me at (210) 227-0295.

Sincerely yours,



Ed Gutierrez
President/CEO

Enclosure:

cc: Humberto Trevino
State Coordinator, Charter Schools

EG/cjb

GATEWAY ACADEMY
Laredo, Texas

SUMMARY SHEET

SPONSORING ENTITY: Student Alternatives Program, Inc. (SAPI)
P.O. Box 15644
San Antonio, Texas 78212-8844
Ed Gutierrez, President/CEO

CHARTER MAILING ADDRESS: P.O. Box 3129, Laredo, Texas 7844-3129

SITE ADDRESS: 2397 Saunders St., Laredo, Texas 78043-3129, Las Plazas at Saunders

CHARTER PHONE #: (956) 722-0747
(956) 722-0730

Fax: (956) 722-0767

E-mail: [REDACTED]

MAXIMUM ENROLLMENT: 120

FIRST DAY OF OPERATION: January 10, 1999

START DATE FOR 1999-2000 SCHOOL YEAR: August 30, 1999

START DATE FOR 2000-2001 SCHOOL YEAR: August 14, 2000

NUMBER OF INSTRUCTIONAL DAYS FOR 99-2000 SCHOOL YEAR: 180

LIST OF ISDs WITHIN THE GEOGRAPHICAL AREA SERVED:

Laredo ISD Webb

Consolidated ISD

United ISD

SBOE DISTRICT #: 1 **COUNTY:** Webb

COUNTY DISTRICT # (CO/DIST. #): 240-801

TRS DISTRICT CODE: 2112

ALTERNATIVE ED ACCOUNTABILITY #: 240801001

LOCAL CHARTER SCHOOL CONTACTS:

Jose Cardinas, Program Director
Humberto Trevino, State Coordinator

Charter Sums/04/11/99

Sample Letter to District

Date

Name of Sponsoring Entity

Address

City, State, Zip

Dear Superintendent and President of the Board of Trustees:

This is to inform you that Gateway Academy
(Name of Sponsoring Entity) intends to submit an application to the State Board of Education for consideration for approval of an open-enrollment charter school. As part of the application process, entities applying for approval are required to notify any districts that are likely to be affected by the establishment or amendment of an open-enrollment charter school.

Specifically, the guidelines approved by the State Board of Education require that the enclosed form, entitled *Statement of Impact*, and a copy of the application for the proposed open-enrollment charter school be sent to each district that may be affected. Information is requested if the proposed open-enrollment charter may adversely impact a district financially, or if the proposed charter may impact the student enrollment of a district in a manner that impairs the district's ability to comply with a court order. The enclosed form may be completed by any district that may be affected, signed by the district's board president and superintendent, and returned to the Texas Education Agency, Document Control Center, Room 6-108, 1701 North Congress Avenue, Austin, Texas 78701. It should be received no later July 1, 2000 for **Fifth Generation applications** for the information to be considered by the State Board of Education.

It is requested that you review the enclosed application complete the *Statement of Impact* form, and submit it to the Texas Education Agency. If you have questions about the process for approval of open-enrollment charter schools please contact Brooks Flemister in the Division of Charter Schools at (512) 463-9575. If you have questions about the enclosed application for approval of an open-enrollment charter school affecting your school district, please contact (Name of Contact for Sponsoring Entity) at (Phone Number of Sponsoring Entity).

Sincerely, CEO of Sponsoring Entity

Statement of Impact

Name of Proposed Charter School: GATEWAY ACADEMY

Check the appropriate response below:

The proposed open-enrollment charter school is not expected to adversely impact the school district to a significant degree.

The proposed open-enrollment charter school (amendment) is expected to impact the school district in the following manner:
(Describe the impact in the space below and/or attach any supporting documentation.)

DOCUMENT CONTROL CENTER
200 MAR -9 10 11:21

BA CEDAR Hill ISO 057-904
(District Name) (County-District Identification Number)

270 So. Hwy 67 CEDAR Hill Tx 75104
(District Address)

Aran Ruben FRAN RUBEN
(Signature of Board President) (Print Board President's Name)

[Signature] JAMES O. RUEYER
(Signature of Superintendent) (Print Superintendent's Name)

3/1/2000 (972) 291-1581
(Date) (Phone Number)

Dear Proposed Charter School Applicant:

September 8, 1998

After review of the addendum to the open-enrollment charter school application submitted by your organization, staff of the Texas Education Agency has determined that your application remains incomplete. Your application is not eligible for consideration by the State Board of Education until this document is signed and returned to the Texas Education Agency. The signed document must be faxed to the attention of Brooks Flemister at (512) 463-9732 by no later than 12:00 p.m. Wednesday, September 9, 1998.

ADDITIONAL ASSURANCE(S)

I certify that the budget prepared for the charter school will be revised as directed by the Division of Audits, Texas Education Agency, before the school begins operation.

On behalf of Student Alternatives Program, Inc. (sponsoring entity for Gateway Student Alternatives Charter School), I,

Eduardo Gutierrez (name of chief operating officer) certify that I have read the foregoing assurance(s) and agree to each and every term and obligation expressed therein.

I further represent that I have been properly delegated authority to sign this document.


Chief Operating Officer

Signed on this 9 day of August, 1998

*** TX REPORT ***

CHARTER
CONTINGENCIES

TRANSMISSION OK

TX/RX NO 0110
CONNECTION TEL 92102277879
SUBADDRESS
CONNECTION ID
ST. TIME 09/08 11:44
USAGE T 00'49
PGS. SENT 1
RESULT OK

FAX 210-227-7879

Dear Proposed Charter School Applicant:

September 8, 1998

After review of the addendum to the open-enrollment charter school application submitted by your organization, staff of the Texas Education Agency has determined that your application remains incomplete. Your application is not eligible for consideration by the State Board of Education until this document is signed and returned to the Texas Education Agency. The signed document must be faxed to the attention of Brooks Flemister at (512) 463-9732 by no later than 12:00 p.m. Wednesday, September 9, 1998.

ADDITIONAL ASSURANCE(S)

I certify that the budget prepared for the charter school will be revised as directed by the Division of Audits, Texas Education Agency, before the school begins operation.

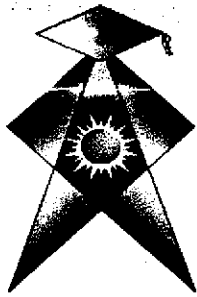
On behalf of _____ (sponsoring
entity for Gateway Student Alternatives Charter School), I,

_____ (name of chief operating officer) certify that I
have read the foregoing assurance(s) and agree to each and every term and obligation
expressed therein.

I further represent that I have been properly delegated authority to sign this document.

Chief Operating Officer

Signed on this _____ day of _____, 1998



STUDENT ALTERNATIVES PROGRAM, INC.

P. O. BOX 15644

San Antonio, Texas 78212-8844

Tel: (210) 227-0295

Fax: (210) 227-7879

CHARTER
CONTINGENCIES

MEMORANDUM

TO: Brooks Flemister, Senior Director, Charter School, Texas Education Agency

FROM: Eduardo Gutierrez, CEO *EG*

SUBJ: Open-Enrollment Charter School Application/ Gateway Academy

DATE: September 3, 1998

This is in response to the Texas Education Agency's letter, dated August 31, 1998, notifying the Student Alternatives Program, Inc, that our application for the above captioned charter school was incomplete. The letter states that our application is not eligible for consideration until the items noted below are supplied to the Agency by 12:00 noon, Thursday, September 3, 1998. We were asked to submit this information to you for further consideration and processing.

ITEM NUMBER

7. Evidence that a facility has been secured for use by the proposed charter school.

RESPONSE

Attached is a letter of intent to lease a facility for use by the Student Alternatives Program, Inc., for operation of an open-enrollment charter school in Laredo, Texas. The evidence provided contains the signatures of the lessor and lessee.
(See Attachment I)

11. Clarification that the proposed charter school will admit and fully serve eligible students with disabilities. This clarification must include an assurance that the charter school will provide transportation to a disabled student when required by the student's Individual Education Plan. Include an assurance that certified teaching personnel will be employed when required by law and disciplinary procedures will follow the guidelines of the Individuals with Disabilities Education Act (IDEA).

RESPONSE:

The Gateway Academy charter school will admit and fully serve eligible students with disabilities. Moreover, the Academy hereby provides the following assurance regarding the provision of services to eligible students with disabilities. The Academy shall:

- a. Provide transportation to a disabled student when required by the student's Individual Education Plan (IEP);
 - b. Insure that certified teaching personnel will be employed (on a contractual, full-time or part-time basis) when required by law; and
 - c. Insure that disciplinary procedures will follow the guidelines of the Individuals with Disabilities Education Act (IDEA), the federal special education law.
12. Clarification that the admission policy of the proposed charter school will not discriminate on the basis of sex, national origin, ethnicity, religion disability, academic or athletic ability, or the district the child would otherwise attend in accordance with the Texas Education Code. Information requested on admission application cannot be use to influence or deny admission. Exceptions would be grade level served, are of residence and disciplinary history.

RESPONSE

The Gateway Academy hereby provides the following assurance regarding its admissions policy and procedures:

The admission policy of the Gateway Academy is not to discriminate on the basis of sex, national origin, ethnicity, religion, disability, academic, i.e., GED students will not be denied admission if not on grade level, or athletic ability. Moreover the Academy will not discriminate against an applicant based on the district a child would otherwise attend in accordance with the Texas Education Code.

The Gateway Academy also provides assurance that information requested on the school's admission application will not be used to influence or deny admission of any applicant. Exceptions would be grade level served, are of residence and disciplinary history

22. State Revenue has not been correctly estimated.

Estimated Initial Enrollment	50	
X 90% attendance =	45	(estimated ADA)
X \$4,000 average state funding per ADA	\$180,000	(estimated state aid)
Amount budgeted for state revenue	\$396,000	
Difference	<	\$216,000 >

Gateway Academy

-3-



NOTE

RESPONSE:

The initial enrollment of the charter school will be 50. However, we anticipate our enrollment will increase dramatically during the first and second six week reporting periods. As is noted on our application, the maximum enrollment is projected to be 120. We anticipate reaching the maximum enrollment of 120 students by the end of the second six-week period. Thus, our budget is based on an average daily enrollment of 110 students for the entire 12-week period. Therefore, state revenues should be estimated as follows:

Total Enrollment by End of 12 Week Period	120
Average Daily Enrollment for 12-Week Period (Projected)	110
X 90% attendance =	99 (estimated ADA)
X \$4,000 average state funding per ADA	\$396,000 (estimated state aid)
Amount budgeted for state revenue	\$396,000
Difference	\$ -0-

Enrollments and expenditures shall be closely monitored to insure that the school remains within its budget.

**OPEN-ENROLLMENT CHARTER SCHOOL
FACILITIES LETTER OF INTENT**

Lessor: J. J. Haynes, Owner

Lessee (Tenant): The Student Alternative Program, Inc.

Use: For use as a school facility by the Student Alternative Program, Inc., for operation of an Open-Enrollment Charter School known as the Gateway Academy.

Address of Premises: 1304 Iturbide, Laredo, Texas

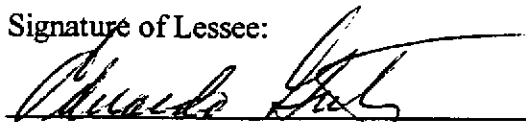
Square Footage of Premises: 3,000 square feet (first floor) 3,000 square feet second floor = 6,000 Total Square Feet.

Term of Lease: If approved the Student Alternative charter school application is approved, the facility may be occupied anytime between September 12, 1998 and the first day of the school's scheduled opening in January of 1999. Upon occupancy, a \$1,500 security deposit will be required. The term of the lease shall be for two years. After the first two years, the lease shall be negotiated on a year to year basis. Rent shall be payable before the 15th day of each month.

Rent Amount: \$3,000 per month

Contingency: The term of this letter of intent are contingent upon the Student Alternative Program, Inc. receiving a charter to operate an open enrollment charter school from the State Board of Education at its September 10-11, 1998 meeting.

Signature of Lessee:



Eduardo Gutierrez, CEO, Student Alternative Programs, Inc.
454 Soledad, Suite 101, San Antonio, Texas 78205

Date:

8/14/98

Signature of Lessor:



J. J. Haynes, P. O. Box 1742, Laredo, Texas 78044

Date:

08-14-98

Gateway Academy
Student Alternatives Prog. Inc.
Corporate Office

Tel. (210) 227-0295

Fax (210) 227-7879

P.O. Box 15644

San Antonio, TX 78212

Budget
still
Needs to be
revised
re submitted?

Texas Education Agency Review
OF
Applications for Approval of Open-Enrollment Charter Schools

Name of Proposed Charter School: Gateway

Legal Review:

Governing Board Specified (pg 6) reviews - "3 levels of policy + / cm
decision making" -

Geographic bounds (pg 13) not specific - ✓ ok cm

Admission policy

Church/State NA ✓ cm

Special Education (pg 15) transp ✓ cm

Facility agreement sufficient (pg 21) ✓ ~~cm~~
- sketchy

Non-profit/IRS status (pg 42) ✓ ✓ cm

Tax Return (pg 44) ✓ ✓ cm

Reviewer/date



CHARTER
CONTINGENCIES
TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE ★ AUSTIN, TEXAS 78701-1494 ★ 512/463-9734 ★ FAX: 512/463-9838

MIKE MOSES
COMMISSIONER OF EDUCATION

Dear Proposed Charter School Applicant:

August 31, 1998

Gateway (SAPI)

After review of the open-enrollment charter school application submitted by your organization, staff of the Texas Education Agency has determined that your application is incomplete. Your application is not eligible for consideration by the State Board of Education until the following items (indicated by a check mark) are supplied to the Agency. Except as provided below, the items must be addressed in writing and submitted to the Agency no later than 12:00 noon, Thursday, September 3, 1998. The items, other than those requiring an original signature, may be faxed to the attention of Brooks Flemister at (512) 463-9732. Items requiring an original signature may be delivered to the above address.

Please supply the following:

1. ___ Assurance that the proposed charter school will provide a curriculum designed to address the requirements of Section 28.002, including Texas Essential Knowledge and Skills.
2. ___ Assurance that the applicant has established performance levels for students served by the proposed open-enrollment charter school on the assessment instruments adopted under Chapter 39, Subchapter B, including the Texas Assessment of Academic Skills.
3. ___ Evidence that the sponsoring entity of the proposed charter is an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code or has applied for such status. (See page four of Guidelines.) Note that the sponsoring entity must itself be tax exempt or have applied for such status. It is not sufficient that the sponsoring entity belong to or be associated with a tax exempt organization.
4. ___ Assurance that the governing body of the sponsoring entity will retain authority to ensure that the policies and operation of the school comply with all applicable laws and requirements of the charter contract.
5. ___ A copy of the last tax return filed by the sponsoring entity if applicable (If not, please state why).
6. ___ A list of the board members of the sponsoring organization. The list must identify the officers of the sponsoring agency, their credentials and statements covering the litigation and criminal history of both board members and the sponsoring entity.
7. Evidence that a facility has been secured for use by the proposed charter school. (See page 51 of the Application Guidelines). Note the evidence provided must satisfy requirements of sample form e.g. two signatures (lessor and lessee).
8. ___ Evidence of parent/community support. (See page four of Guidelines.)
9. ___ Two complete copies of the Assurances provided in the application packet, each with an original signature in blue ink.

10. ___ A description of the geographical area to be served. Note that this description must be specific and definite. For example, descriptions such as "the southwest portion of the city," or the "greater metropolitan area" are insufficient. Acceptable descriptions include those defining the area in terms of city or county limits, street names, boundaries of school districts, or zip codes.

11. Clarification that the proposed charter school will admit and fully serve eligible students with disabilities. This clarification must include an assurance that the charter school will provide transportation to a disabled student when required by the student's Individual Education Plan. Include an assurance that certified teaching personnel will be employed when required by law and disciplinary procedures will follow the guidelines of the Individuals with Disabilities Education Act.

12. ___ Clarification that the admission policy of the proposed charter school will not discriminate on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with the Texas Education Code. Information requested on admission application cannot be used to influence or deny admission. Exceptions would be grade level served, area of residence and disciplinary history.

GED students: cannot be denied admission if not on 9th gr. level.

13. ___ Clarification that the policies of the proposed charter school will not provide for segregation on the basis of sex except where required or allowed by federal law.

14. ___ Assurance that the admission policy of the proposed charter will not condition admission into the charter school on the promise of a student or parent that the student will meet certain attendance requirements.

15. ___ Assurance that the admission policy of the proposed charter school will not favor students currently attending a predecessor or affiliated school. In other words, once a school or organization receives an open-enrollment charter, it may not give preference to students affiliated with the school or organization prior to the grant of the charter. A charter school may in its second year, however, give enrollment priority to students who attended the school in its first year of operation as a charter school.

16. ___ Assurance that the proposed charter school will not withhold student records in violation of state or federal law.

17. ___ Assurance that the proposed charter school will not charge tuition or impermissible fees, including fees charged as penalties for the failure of a student or parent to comply with the school's requirements.

18. ___ Assurance neither members of the governing body, personnel, or students of the proposed charter school will be required to subscribe to particular religious beliefs or belong to a particular church or denomination.

19. ___ Clarification that the applicant assures compliance with the Texas Open Meetings Act and the Texas Public Information Act. Note that in some instances the applicant will be required to delete or revise statements in the application that are inconsistent with these acts.

20. ___ Clarification that the applicant will provide a special education program that addresses the following provision of services i.e.; Child Find, Admission, Review and Dismissal Committee (ARD), Free and Appropriate Public Education (FAPE), Individualized Education Plan (IEP), due process and services for expelled students in the Least Restrictive Environment (LRE). This clarification should include a detailed explanation of each activity and how they will be provided to the student with disabilities.

21. ___ Assurance that the applicant will provide, in accordance with the policy of the State, a program to ensure equal educational opportunities to every student whose primary language is other than English. The charter school will provide English as a Second Language (ESL) Program or Bilingual Education program as required in the Texas Education Code, Chapter 29, Subchapter B.

22. **State Revenue has not been correctly estimated.**

Estimated Initial Enrollment	<u>50</u>	
X 90% attendance =	<u>45</u>	(estimated ADA)
X\$4000 average state funding per ADA	<u>180,000</u>	(estimated state aid)
Amount budgeted for state revenue	<u>396,000</u>	
Difference	<u>(216,000)</u>	loss

(Please call Nora Rainy in the School Financial Audit Department at 512-463-9126 with any questions regarding budget item).

23. ___ Applicant needs to provide a draft of a board policy for the admission of students eligible for a Public Education Grant (PEG) transfer.

24. ___ **Other concerns**



MIKE MOSES
COMMISSIONER OF EDUCATION

210 227-7879

CHARTER
CONTINGENCIES

TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE * AUSTIN, TEXAS 78701-1494 * 512/463-9734 * FAX: 512/463-9838

Dear Proposed Charter School Applicant:

August 31, 1998

GATEWAY CHARTER SCHOOL

After review of the open-enrollment charter school application submitted by your organization, staff of the Texas Education Agency has determined that your application is incomplete. Your application is not eligible for consideration by the State Board of Education until the following items (indicated by a check mark) are supplied to the Agency. Except as provided below, the items must be addressed in writing and submitted to the Agency no later than 12:00 noon, Thursday, September 3, 1998. The items, other than those requiring an original signature, may be faxed to the attention of Brooks Flemister at (512) 463-9732. Items requiring an original signature may be delivered to the above address.

Please supply the following:

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2. ___ Assurance that the applicant has established performance levels for students served by the proposed open-enrollment charter school on the assessment instruments adopted under Chapter 39, Subchapter B, including the Texas Assessment of Academic Skills.
3. ___ Evidence that the sponsoring entity of the proposed charter is an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code or has applied for such status. (See page four of Guidelines.) Note that the sponsoring entity must itself be tax exempt or have applied for such status. It is not sufficient that the sponsoring entity belong to or be associated with a tax exempt organization.
4. ___ Assurance that the governing body of the sponsoring entity will retain authority to ensure that the policies and operation of the school comply with all applicable laws and requirements of the charter contract.
5. ___ A copy of the last tax return filed by the sponsoring entity if applicable (If not, please state why).
6. ___ A list of the board members of the sponsoring organization. The list must identify the officers of the sponsoring agency, their credentials and statements covering the litigation and criminal history of both board members and the sponsoring entity.
7. ___ Evidence that a facility has been secured for use by the proposed charter school. (See page 51 of the Application Guidelines). Note the evidence provided must satisfy requirements of sample form e.g. two signatures (lessor and lessee).
8. ___ Evidence of parent/community support. (See page four of Guidelines.)
9. ___ Two complete copies of the Assurances provided in the application packet, each with an original signature in blue ink.

10. ___ A description of the geographical area to be served. Note that this description must be specific and definite. For example, descriptions such as "the southwest portion of the city," or the "greater metropolitan area" are insufficient. Acceptable descriptions include those defining the area in terms of city or county limits, street names, boundaries of school districts, or zip codes.

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OK
on trans
issue

12. ___ Clarification that the admission policy of the proposed charter school will not discriminate on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with the Texas Education Code. Information requested on admission application cannot be used to influence or deny admission. Exceptions would be grade level served, area of residence and disciplinary history.

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16. ___ Assurance that the proposed charter school will not withhold student records in violation of state or federal law.

17. ___ Assurance that the proposed charter school will not charge tuition or impermissible fees, including fees charged as penalties for the failure of a student or parent to comply with the school's requirements.

18. ___ Assurance neither members of the governing body, personnel, or students of the proposed charter school will be required to subscribe to particular religious beliefs or belong to a particular church or denomination.

19. ___ Clarification that the applicant assures compliance with the Texas Open Meetings Act and the Texas Public Information Act. Note that in some instances the applicant will be required to delete or revise statements in the application that are inconsistent with these acts.

CHARTER
CONTINGENCIES

20. ___ Clarification that the applicant will provide a special education program that addresses the following provision of services i.e.; Child Find, Admission, Review and Dismissal Committee (ARD), Free and Appropriate Public Education (FAPE), Individualized Education Plan (IEP), due process and services for expelled students in the Least Restrictive Environment (LRE). This clarification should include a detailed explanation of each activity and how they will be provided to the student with disabilities.

21. ___ Assurance that the applicant will provide, in accordance with the policy of the State, a program to ensure equal educational opportunities to every student whose primary language is other than English. The charter school will provide English as a Second Language (ESL) Program or Bilingual Education program as required in the Texas Education Code, Chapter 29, Subchapter B.

22. State Revenue has not been correctly estimated.

Estimated Initial Enrollment	_____	
X 90% attendance =	_____	(estimated ADA)
X\$4000 average state funding per ADA	_____	(estimated state aid)
Amount budgeted for state revenue	_____	
Difference	_____	

(Please call Nora Rainy in the School Financial Audit Department at 512-463-9126 with any questions regarding budget item).

23. ___ Applicant needs to provide a draft of a board policy for the admission of students eligible for a Public Education Grant (PEG) transfer.

24. Other concerns

Please provide a copy of a facility
letter of intent or agreement that
includes owner/lessor's signature

Texas Education Agency Review
Of
Applications for Approval of Open-Enrollment Charter Schools

Name of Proposed Charter School:

Gateway - Student Alternatives Program, Inc. ^(aw)

Checklist of requirements:

✓ Two copies of application ✓ Two original signatures on Assurances

✓ Evidence of parental/community support

✓ Litigation history ✓ Policy for Peg Students

NOTES:

Texas Education Agency Review
Of
Applications for Approval of Open-Enrollment Charter Schools

Name of Proposed Charter School: Galway - Student Alternatives
Program, Inc.

Programmatic Review:

TEKS (ok)

TAAS (ok)

Church/State n/a

Other Special education - pg. 9 - statement re:
discipline of students under IDEA?

Review/date

Texas Education Agency
Budget Review Of
Applications for Approval of Open-Enrollment Charter Schools

CHARTER
CONTINGENCIES

Name of Proposed Charter School: Gateway

Budget Review

1. Budget is presented in the correct format. (attachment III)
 YES NO (Budget Not Evaluated) *no revenues were estimated*

2. The budget development process does not include: (P 14)
 Stakeholder involvement (i.e. board, principals, program directors and others) *date Based Comm Academy management led*
 Board adoption *no date for adoption given*
 Periodic reviews (budget status report should show percentage of expenses to budgeted appropriations)
 Procedures for amendments during the fiscal year

3. State revenues have been correctly estimated.
 YES NO

4. The budget includes an expense amount in function 41, object code 6200
 YES NO *incorrectly listed as a salary where will audit be paid for*

5. The net assets balance at end of year is, at minimum, 10% of estimated expenses.
 YES NO *none listed*

Comments

Reviewer RB

Date 8/26/98

CONTRACT
RECEIVED
NOV 10 1998
CHARTER SCHOOLS

CONTRACT FOR CHARTER

This contract is executed the 12 day of Nov 1998 between the Texas State Board of Education (the "Board") and the Student Alternatives Program, Inc. ("Charterholder") for an open-enrollment charter to operate a Texas public school.

General

1. Definitions. As used in this contract:
"Charter" means the open-enrollment charter, as provided by Subchapter D, Chapter 12, Texas Education Code (TEC), granted by this contract.
"Charter school" means the open-enrollment charter school. Charterholder agrees to operate as provided in this contract. The charter school is a Texas public school.
"Agency" means the Texas Education Agency.
2. The Charter. This contract grants to Charterholder an open-enrollment charter under Subchapter D, Chapter 12, TEC. The terms of the charter include: (a) this contract; (b) applicable law; (c) Request for Application #701-98-016; (d) any condition, amendment, modification, revision or other change to the charter adopted or ratified by the Board; (e) all statements, assurances, commitments and representations made by Charterholder in its application for charter, attachments or related documents, to the extent consistent with (a) through (d); and (f) assurance by Charterholder, evidenced by execution of this contract, that no false information was submitted to the Agency or the Board by Charterholder, its agents or employees in support of its application for charter, .
3. Authority Granted by Charter. The charter authorizes Charterholder to operate a charter school subject to the terms of the charter. Action inconsistent with the terms of the charter shall constitute a material violation of the charter.
4. Alienation of Charter. The charter may not be assigned, encumbered, pledged or in any way alienated for the benefit of creditors or otherwise. Charterholder may not delegate, assign, subcontract or otherwise alienate any of its rights or responsibilities under the charter. Any attempt to do so shall be null and void and of no force or effect; provided, however, that Charterholder may contract at fair market value for services necessary to carry out policies adopted by Charterholder or the governing body of the charter school.
5. Term of Charter. The charter shall be in effect from October Nov 12, 1998 through July 31, 2003, unless renewed or terminated.

6. Renewal of Charter. On timely application by Charterholder in a manner prescribed by the Board, the charter may be renewed for an additional period determined by the Board. The charter may be renewed only by written amendment approved by vote of the Board and properly executed by its chair.
7. Revision by Agreement. The terms of the charter may be revised with the consent of Charterholder by written amendment approved by vote of the Board. The commissioner of education ("the commissioner") may revise the charter on a provisional basis during an interim between Board meetings; however, such action shall expire unless ratified by the Board at its next regular meeting. Nothing in this paragraph limits the authority of the Board or the commissioner to act in accordance with other provisions of this contract.

Students

8. Open Enrollment. Admission and enrollment of students shall be open to any person who resides within the geographic boundaries stated in the charter and who is eligible for admission based on lawful criteria identified in the charter. Total enrollment shall not exceed 150 students. The charter school's admission policy shall prohibit discrimination on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the student would otherwise attend. Students who reside outside the geographic boundaries stated in the charter shall not be admitted to the charter school until all eligible applicants who reside within the boundaries have been enrolled.
9. Public Education Grant Students. Charterholder shall adopt an express policy providing for the admission of, and shall admit under such policy, students eligible for a public education grant, including those students who reside outside the geographic area identified in the charter application, under Subchapter G, Chapter 29, TEC.
10. Non-discrimination. The educational program of the charter school shall be nonsectarian, and shall not discriminate against any student or employee on the basis of race, creed, sex, national origin, religion, disability or need for special education services.
11. Children with Disabilities. The charter school is a "local educational agency" as defined by federal law. Charterholder must comply with the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. §1401, et seq., and implementing regulations; Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, and implementing regulations; Title II of the Americans with Disabilities Act, 42 U.S.C. §12131-12165, and implementing regulations; Chapter 29, TEC, and implementing rules; and the many court cases applying these laws. For example:

- (a) Child Find. Charterholder must adopt and implement policies and practices that affirmatively seek out, identify, locate, and evaluate children with disabilities enrolled in the charter school or contacting the charter school regarding enrollment, and must develop and implement a practical method to determine which children with disabilities are currently receiving needed special education and related services. For each eligible child, Charterholder must develop and offer an individualized education plan appropriate to the needs of that student.
- (b) Free Appropriate Public Education. Charterholder must provide a free appropriate public education to all children with disabilities otherwise eligible to enroll in the charter school. If the program, staff or facilities of the charter school are not capable of meeting the needs of a particular child, Charterholder must implement changes necessary to accommodate the child at the charter school. If reasonable accommodations would be insufficient to enable the child to benefit from the charter school's program, Charterholder must, at its own expense, place the child at an appropriate school.
- (c) Services to Expelled Students. Charterholder must continue to provide a free appropriate public education to a child with disabilities even after expelling or suspending the child for valid disciplinary reasons. This obligation to serve the child continues until the end of the school year.
- (d) Monitoring. The charter school's implementation of the laws governing education of children with disabilities will be monitored for compliance by the United States Department of Education, Office of Special Education Programs; the United States Department of Education, Office of Civil Rights; the Texas Education Agency; and others. This monitoring activity includes responding to complaints, random on-site inspections and other investigations by the enforcing agencies, and will result in corrective actions imposed on Charterholder by these agencies for all discrepancies found.
- (e) Due Process Hearings. The charter school's implementation of the laws governing education of children with disabilities will, in addition, be subject to court supervision via litigation against Charterholder brought by individuals affected by the actions of the charter school. The cost of this litigation can be substantial.

Notice: These are only a few of the charter school's legal responsibilities in this area, included here for illustrative purposes only.

- 12. Student Performance and Accountability. Charterholder shall satisfy Subchapters B, C, D, and G of Chapter 39 of the TEC, and related agency rules, as well as the student performance accountability criteria stated in its application for charter. Charterholder shall annually provide in a manner and form defined by the commissioner a written evaluation of the charter school's compliance with the statements, assurances,

commitments and representations made by Charterholder in its application for a charter, attachments, and related documents.

13. Criminal History. Charterholder shall take prompt and appropriate measures if Charterholder or the charter school, or any of their employees or agents, obtains information that an employee or volunteer of the charter school or an employee, officer, or board member of a management company contracting with the charter school has a reported criminal history that bears directly on the duties and responsibilities of the employee, volunteer, or management company at the school. Charterholder further represents that the Board and the agency shall be notified immediately of such information and the measures taken.
14. Reporting Child Abuse or Neglect. Charterholder shall adopt and disseminate to all charter school staff and volunteers a policy governing child abuse reports required by Chapter 261, Texas Family Code. The policy shall require that employees, volunteers or agents of Charterholder or the charter school report child abuse or neglect directly to an appropriate entity listed in Chapter 261, Texas Family Code.
15. Notice to District. Charterholder shall notify the school district in which the student resides within three business days of any action expelling or withdrawing a student from the charter school.
16. School Year. Charterholder shall adopt a school year with fixed beginning and ending dates.

Financial Management

17. Fiscal Year. Charterholder shall adopt a fiscal year beginning September 1 and ending August 31.
18. Financial Accounting. Unless otherwise notified by the agency, Charterholder shall comply fully with generally accepted accounting principles ("GAAP") and the Financial Accountability System Resource Guide, Bulletin 679 or its successor ("Bulletin 679") published by the agency in the management and operation of the charter school.
19. Federal Requirements. Failure to comply with Internal Revenue Service withholding regulations shall constitute a material violation of the charter.
20. Workers' Compensation. Charterholder shall extend workers' compensation benefits to charter school employees by (1) becoming a self-insurer; (2) providing insurance under a workers' compensation insurance policy; or (3) entering into an agreement with other entities providing for self-insurance.
21. Annual Audit. Charterholder shall at its own expense have the financial and programmatic operations of the charter school audited annually by a certified public accountant holding a permit from the Texas State Board of

Public Accountancy. Charterholder shall file a copy of the annual audit report, approved by Charterholder, with the agency not later than the 120th day after the end of the fiscal year for which the audit was made. The audit must comply with Generally Accepted Auditing Standards and must include an audit of the accuracy of the fiscal information provided by the charter school through PEIMS. Financial statements in the audit must comply with Government Auditing Standards and the Office of Management and Budget Circular 133.

22. Attendance Accounting. To the extent required by the commissioner, Charterholder shall comply with the "Student Attendance Accounting Handbook" published by the Agency; provided, however, that Charterholder shall report attendance data to the agency at six-week intervals or as directed by the agency.
23. Foundation School Program. . Distribution of funds to the charter school under Section 12.106, TEC, is contingent upon charterholder's compliance with the terms of the charter. Charterholder is ineligible to receive Foundation School Program funds prior to execution of this contract by the board. Within 30 days of receiving notice of overallocation and request for refund under Section 42.258, TEC, Charterholder shall transmit to the agency an amount equal to the requested refund. If Charterholder fails to make the requested refund, the agency may recover the overallocation by any means permitted by law, including but not limited to the process set forth in Section 42.258, TEC.
24. Tuition and Fees. Charterholder shall not charge tuition and shall not charge a fee except that it may charge a fee listed in Subsection 11.158(a), TEC.
25. Assets of Charter. Charterholder shall not apply, hold, credit, transfer or otherwise make use of funds, assets or resources of the charter school for any purpose other than operation of the charter school described in the charter.
26. Indebtedness of Charter. Charterholder shall not incur a debt, secure an obligation, extend credit, or otherwise make use of the credit or assets of the charter school for any purpose other than operation of the charter school described in the charter.
27. Interested Transactions. All financial transactions between the charter school and (a) Charterholder; (b) an officer, director, or employee of Charterholder or of the charter school; or (c) a person or entity having partial or complete control over Charterholder or the charter school shall be separately and clearly reflected in the accounting, auditing, budgeting, reporting, and record keeping systems of the charter school. Charterholder shall not transfer any asset of the charter or incur any debt except in return for goods or services provided for the benefit of the charter school at fair market value.

28. Non-Charter Activities. Charterholder shall keep separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems for the management and operation of the charter school. Any business activities of Charterholder not directly related to the management and operation of the charter school shall be kept in separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those reflecting activities under the charter. Any commingling of charter and non-charter business in these systems shall be a material violation of the charter.

Governance and Operations

29. Non-Profit Status. Charterholder shall take and refrain from all acts necessary to be and remain in good standing as an organization exempt from taxation under Section 501(c)(3), Internal Revenue Code. If Charterholder is incorporated, it shall in addition comply with all applicable laws governing its corporate status. Failure to comply with this paragraph is a material violation of the charter, and the Board may act on the violation even if the Internal Revenue Service, Secretary of State, or other body with jurisdiction has failed to act.
30. Records Retention and Management. Charterholder shall implement a records management system that conforms to the system required of school districts under the Local Government Records Act, Section 201.001 et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of the charter.
31. PEIMS Reporting. Charterholder shall report timely and accurate information to the Public Education Information Management System (PEIMS), as required by the commissioner.
32. Conflict of Interest. Charterholder shall comply with any applicable prohibition, restriction or requirement relating to conflicts of interest. If an officer or board member of Charterholder or of the charter school has a substantial interest, within the meaning of Chapter 171, Local Government Code, in a transaction, such interest shall be disclosed in public session at a duly called meeting of the governing body prior to any action on the transaction.
33. Disclosure of Campaign Contributions. Charterholder shall adopt policies that will ensure compliance with the disclosure requirements of State Board of Education Operating Rule 4.3 or its successor.
34. Indemnification. Charterholder shall hold the Board and agency harmless from and shall indemnify the Board and agency against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising

out of, or in connection with wrongful acts of Charterholder, its agents, employees, and subcontractors.

35. Failure to Operate. Charterholder shall operate the charter school for the full school term as described in the charter application in each year of the charter contract. Charterholder may not suspend operation for longer than 21 days without a revision to its charter, adopted by the Board, stating that the charter school is dormant and setting forth the date on which operations shall resume and any applicable conditions. Suspension of operations in violation of this paragraph shall constitute abandonment of this contract and of the charter.
36. Charter School Facility. Charterholder shall have and maintain throughout the term of the charter a lease agreement, title or other legal instrument granting to Charterholder the right to occupy and use one or more facilities suitable for use as the charter school facilities described by the charter. During any period of dormancy granted by the Board, this requirement may be waived by the Board. Facilities occupied and used as charter school facilities shall comply with all applicable laws, including, but not limited to, the Texas Architectural Barriers Act, Article 9102, Vernon's Texas Civil Statutes.

Enforcement

37. Agency Investigations. The commissioner may in his sound discretion direct the agency to conduct investigations of the charter school to determine compliance with the terms of the charter or as authorized in Sections 39.074 and 39.075, Subchapter D, Chapter 39, TEC or other law. Charterholder, its employees and agents shall fully cooperate with such investigations. Failure to timely comply with reasonable requests for access to sites, personnel, documents or things is a material violation of the charter.
38. Commissioner Authority. The commissioner in his sole discretion may take any action authorized by Section 39.131, TEC or Chapter 29, TEC relating to the charter school. Such action is not "adverse action" as used in this contract. Charterholder, its employees and agents shall fully cooperate with such actions. Failure to timely comply with any action authorized by Section 39.131, TEC or Chapter 29, TEC is a material violation of the charter.
39. Adverse Action. The Board in its sole discretion may modify, place on probation, revoke or deny timely renewal of the charter for cause ("adverse action"). Each of the following shall be cause for adverse action on the charter: (a) any material violation of the terms of the charter listed in paragraphs 2, 3, and 20; (b) failure to satisfy generally accepted accounting standards of fiscal management; or (c) failure to comply with an applicable law or rule.

This Agreement


- 40. Entire Agreement. This contract, including all referenced attachments and terms incorporated by reference, contains the entire agreement of the parties. All prior representations, understandings and discussions are merged into, superseded by and canceled by this contract.
- 41. Severability. If any provision of this contract is determined by a court or other tribunal to be unenforceable or invalid for any reason, the remainder of the contract shall remain in full force and effect, so as to give effect to the intent of the parties to the extent valid and enforceable.
- 42. Conditions of Contract. Execution of this contract by the Board is conditioned on full and timely compliance by Charterholder with: (a) the terms, required assurances and conditions of Request for Application #701-97-028; (b) applicable law; and (c) all commitments and representations made in Charterholder's application and any supporting documents (to the extent such commitments and representations are consistent with the terms of this contract).
- 43. No Waiver of Breach. No assent, express or implied, to any breach of any of the covenants or agreements herein shall waive any succeeding or other breach.
- 44. Venue. Any suit arising under this contract shall be brought in Travis County, Texas.
- 45. Governing Law. In any suit arising under this contract, Texas law shall apply.
- 46. Authority. By executing this contract, Charterholder represents that it is an "eligible entity" within the meaning of Section 12.101 (a), TEC. Charterholder shall immediately notify the Board of any legal change in its status which would disqualify it from holding the charter, of any violation of the terms and conditions of this contract, or of any change in the chief operating officer of the charter school or Charterholder. Charterholder further represents that the person signing this contract has been properly delegated authority to do so.

Entered into this _____ day of _____, 1998.

Texas State Board of Education


 By Dr. Jack Christie
 Chairman

Charterholder


 By Eduardo Gutierrez
 CEO
 GATEWAY ACADEMY
 Student Alternatives Prog.