



HIGHMARK QUARTERLY

Ethics & Integrity

Discipline

Empowerment & Accountability

Quality

Teamwork

Agility

Vice President's Message



It's a time of graduations, senior proms, carnivals, and year-end testing. While students and teachers alike are looking forward to summer vacation, we are hopeful that your facilities staff are anticipating an empty facility ready to receive necessary inspections and maintenance; Floors to be stripped and waxed, annual inspections to be completed, review of maintenance/service contracts, caulking, etc., to name just a few typical items that occur over summer break. At Highmark, we recently rolled out our asset management platform from EpiCenter, so many of you are receiving updates for inspections that need to be renewed by city departments or vendors. This should also be a time for school boards to consult with facility staff to ensure proper attention is given to development of budgets as they relate to maintenance, service contracts, and inspection costs including performance by the vendor(s). If a vendor is not performing it may be time to issue a Request for Proposal for replacement. Administrators should be consulting with teachers and janitorial staff to ensure items in disrepair are properly reported so repairs can be completed. Student safety is paramount to offering a quality classroom experience and is not limited to fire alarm and fire sprinklers. Please take time this summer to inspect furniture. Student desks and chairs often have fasteners that loosen with use or feet that need to be replaced before they damage flooring. Help us help you by ensuring we have the most recent contact information for your facility personnel. We also ask that you return the facility checklist promptly when requested by our asset management personnel via EpiCenter. While the Highmark construction team remains very busy with expansions over the summer as well as our new projects, we look forward to seeing your facility reports as well as your photos of staff and students enjoying your facility.

Tammy Sweeris



2016 Award Winner



Ernst and Young announced that Glenn Hileman, CEO of Highmark School Development, received the EY Entrepreneur Of The Year® 2016 Award in the Construction category in the Utah Region. As a Utah Region award winner, Glenn is now eligible for consideration for the Entrepreneur Of The Year 2016 national program.

The award program, now in its 30th year, recognizes outstanding entrepreneurs who demonstrate excellence and extraordinary success in such areas as innovation, financial performance, and personal commitment to their businesses and communities.

In his acceptance speech at the black tie event, Glenn expressed his appreciation for several of Highmark's key relationships including EPR Properties (NYSE: EPRKC), Stephens Capital Partners, his management team, and his wife Michelle. He concluded with a look forward: "I'm grateful to Ernst and Young; I'm excited for this recognition and especially grateful for the opportunity that it will help take Highmark to even greater heights."

For more information about the EY Utah Region click here.

School Spotlight

Skyline Schools

Skyline has three campuses in Arizona, two of which were developed by Highmark -- Phoenix (2012) and Chandler (2013). The vision of Skyline Schools is to give ALL children an opportunity to receive a quality education and an equal chance to success regardless of their socio-economic conditions, special needs, or history. True to their vision, Skyline has enrolled students throughout the greater Phoenix area which has directly impacted their state testing results.

As students commit to Skyline and advance through their program, so do their testing results. In March of this year, Skyline's Chandler campus (AZ Compass and Vector Prep) was recognized by **A for Arizona** as a 'top performer in the state, and somewhere that low-wealth students can expect the same excellent quality of education that their wealthier peer receive'. Arizona is leading the state in closing the achievement gap, and Highmark is proud to partner with Skyline as they are living their vision by giving quality education to ALL and closing the achievement gap.

The athletic program at Skyline is deserving of recognition with 7 Division Championships! State Champions in wrestling, girls basketball, varsity football, and JV boys basketball.

Congrats to Skyline and keep up the good work!!



AZ Compass Prep Gym
Skyline Chandler Campus



Skyline South Valley School Building
Skyline South Phoenix Campus



AZ Compass Prep Football Field
Skyline Chandler Campus

Opening Fall 2016

For the upcoming 2016-'17 school year, HighMark is welcoming the following school operations into the fold. Collectively, these 10 schools in eight states represent nearly \$145 million in deployed capital across 594,000 SF to serve nearly 6,950 students.

COLORADO

Parker Performing Arts, Parker, CO

GEORGIA

Fulton Leadership Academy, College Park, GA
Cirrus Academy Charter School, Macon, GA

NEW JERSEY

International Academy of Trenton, Trenton, NJ
Vineland Public Charter School, Vineland, NJ

NEW YORK

Family Life Academy Charter School, Bronx, NY

OHIO

iLead Spring Meadows, Holland, OH

SOUTH CAROLINA

Riverwalk Academy, Rock Hill, SC

TENNESSEE

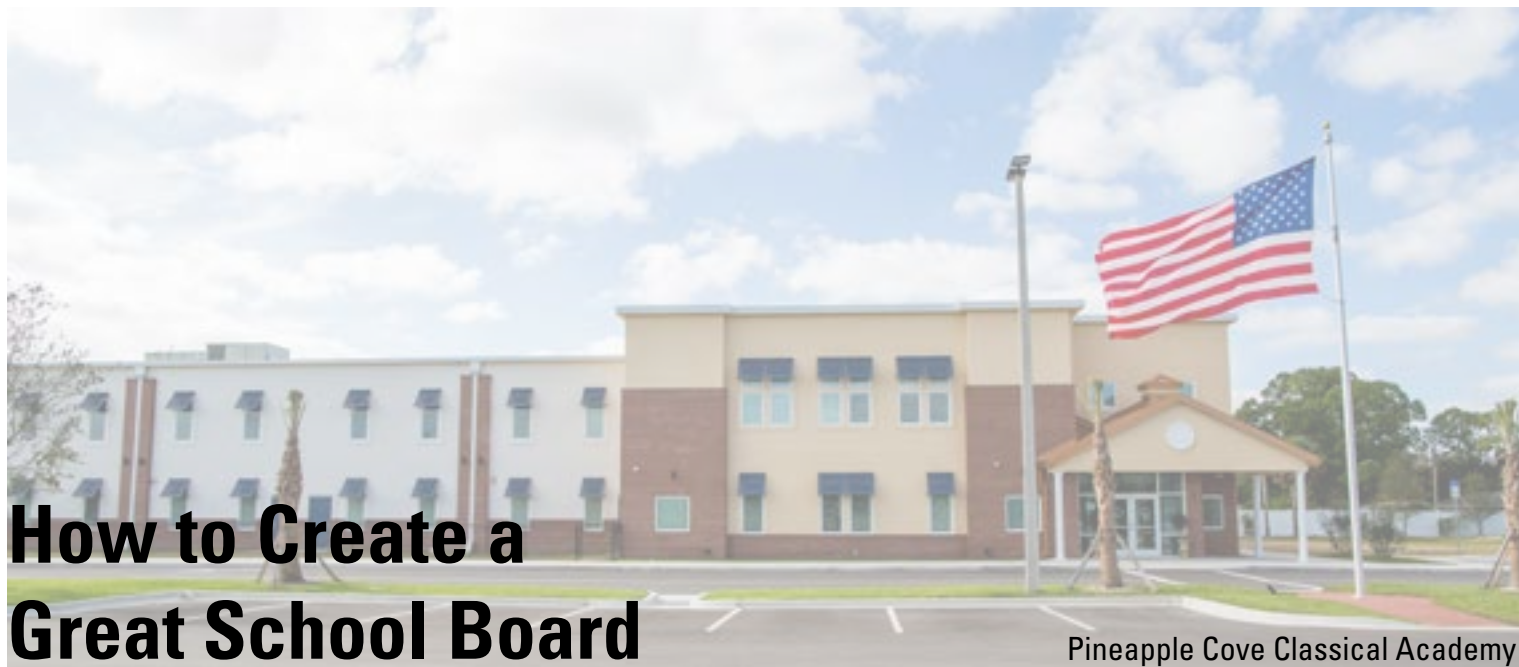
DuBois School of Entrepreneurship and Public Policy, Memphis, TN

VIRGINIA

BASIS Independent McLean, McLean, VA

Questions about reporting requirements? Email questions and reports to Kelsy@highmarkschools.com

www.highmarkschools.com



How to Create a Great School Board

Pineapple Cove Classical Academy

Seeing schools and meeting boards all over the country have taught me that the charter school board can be one of the greatest contributors to the success or failure of a school. As such, a common question is how to make sure a school has a great board. There are three ways to make a board great: fill it with the right people, make sure they know their purpose, function, and the specific role they play on the board, and set aside additional time for board training.

Finding the “right” people is an ambiguous instruction, and a few specific traits would help in the identification and recruitment process. Two words should drive the search: competent and available. Many boards feel they need to make sure they have an attorney, and an accountant, and an education expert. In reality a board does not need to have an expert in any of these fields, but the board members should be competent enough to understand and meaningfully contribute to matters that are discussed. Recruiting a board member who is an attorney, so the board does not need to hire an actual attorney for legal work, is setting the board and the individual member up for disappointment. However, even the most qualified member will not be a solid choice if he or she does not have the time available to dedicate to this demanding role.

The most challenging aspect for a board to understand is the difference between governance and management. Effective governance involves setting the principles and guidelines that a school leader has the ability to work within freely. The board can set

policies for hiring, but they trust the school leader to find, interview and hire his or her own staff without interference or micromanaging from the board. Allowing the school leader to do his or her job within the board-established parameters creates a trusting environment where a school leader can perform to his or her best abilities.

Almost all board members will say that they barely have enough time to accomplish the tasks they need to do each month before the next board meeting. So it is natural that the pressing issues are taken care of first, and items that can wait are moved to the back burner. One such item is board training. Each board needs to set aside specific time each board meeting for continual self-improvement. If training time is not set aside, it will not happen, and if it does not happen, the board will not improve.

A good board will make sure it has the right members, that members know their roles, and that they continually try to do their job better. A board that does these three things will increase their chance of being a great board, and a great board is the best predictor of a successful school.

As many boards as we have seen, we recognize that we are not the experts when it comes to charter school boards. If you would like more information from some experienced charter school board experts, please follow the links to **Dr. Brian L. Carpenter** and **National Charter Schools Institute**.

By David Bourne, Director of Project Development, Board Member of Early Light Academy

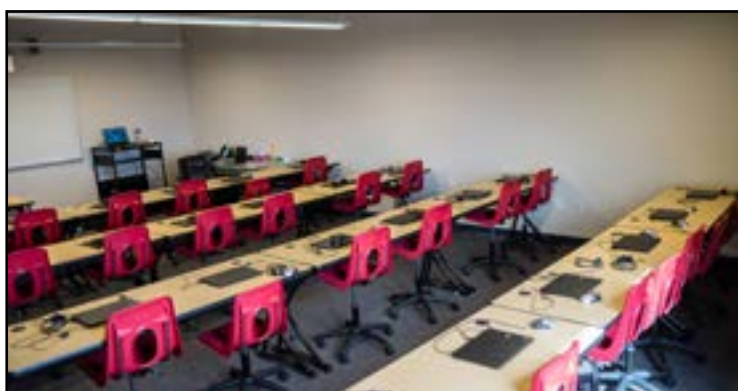
BUILDING MAINTENANCE: Summer Checklist

As the school year is wrapping up it is a great time to check the facility for any issues that may need attention. Please take some time to inspect the below items and see if anything needs to be serviced to prevent any future problems.

- Building address clearly visible
- Exterior lights are in working order
- Paved surfaces are inspected and repaired
- Playground equipment inspected
- Vents free from obstructions
- Check hot water heaters for leakage
- Check fire alarm system



Global Village Academy Douglas County - Exterior



Global Village Academy Douglas County - Interior

Partner Spotlight

Snell & Wilmer
L.L.P.
LAW OFFICES

Charter schools have a variety of options when it comes to school facilities. Circumstances and prudent consideration will help dictate the model chosen. In deciding whether or not to consider a new school facility, a charter school is faced with a lot of complex legal issues.

Lease

If a school wants to lease a facility, as opposed to owning it, the school needs to consider whether non-profit tenants can qualify for a property tax exemption in the state in which the facility is going to be located. In some states, like New Jersey and Georgia, such an exemption is not available to a charter school leasing the property and property taxes may be too steep for a school to stay in the lease for a long time. In those states where such an exemption is not available, public charter schools, either by themselves or through a specially formed non-profit entity, may want to consider purchasing a school facility to save on property taxes.

Purchase

If a school decides to purchase real property and renovate an existing building or build a school facility, it needs to be mindful that in most states, charter schools are considered public entities and as such, procurement statutes may apply. It is recommended that a school consult with an attorney who understands the applicable state public procurement statutes before the school embarks on any construction. Penalties for the violation of state procurement statutes may be significant.

Real Estate Counsel

While many charter schools are cost conscious about legal fees, it can be a worthwhile investment to consult a knowledgeable real estate attorney to review the school facility agreements, whether a lease or a purchase agreement, to ensure that the school understands the meaning of each clause and that the school can perform under the agreements. Leases and purchase agreements for charter school facilities usually contain complex real estate issues dealing with insurance, maintenance, indemnity, title issues, etc. and a real estate attorney can help with navigating those issues.

By Leeza Evensen, Snell & Wilmer, L.L.P.

