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ACTION MEMORANDUM

TO: SPCSA Authority Board
FROM: Mark Modrcin, Director of Authorizing, SPCSA
Danny Peltier, Management Analyst III, SPCSA
SUBJECT: **TEACH Las Vegas – Charter Amendment Request to Reduce Enrollment Cap
and to Adjust Student Transportation Plans**
DATE: March 3, 2023

Summary of Request and Recommendation

TEACH Las Vegas (TEACH) has submitted an amendment application requesting that the State Public Charter School Authority (SPCSA) grant a Good Cause Exemption and approve the school to reduce its enrollment cap for the 2022-2023, 2023-2024, 2024-2025, 2025-2026, 2026-2027, and 2027-2028 school years. Along with the reduction, TEACH is requesting to delay the implementation of its transportation plan until the 2023-24 school year.

SPCSA staff has reviewed the application and recommends that the Authority grant the Good Cause Exemption and approve the amendment requests as presented. A proposed motion can be found on page of 4 this memo.

Background and Overview of the Amendment

TEACH is currently in its second year of operation and is located at 4660 N. Rancho Dr. Las Vegas, NV 89130 serving grades K-8. The mission of TEACH Las Vegas is to “create a high quality, innovative K-12 teaching and learning environment in North Las Vegas that focuses on literacy; integrating state-of-the-art technologies across the core curriculum to achieve academic proficiency for all students.” The school’s vision “is to reach students of all backgrounds by teaching the entire child which includes the social, physical, emotional and intellectual needs of the student. Upon graduation, the knowledge and the experiences acquired at TEACH will be effectively applied to students’ daily lives.”

As of Validation Day 2022, TEACH had 332 students enrolled. TEACH was initially approved to reduce its enrollment cap for the 2021-22 school year at the July 30, 2021 SPCSA board meeting. At that July 2021 meeting, TEACH was approved to reduce its enrollment cap from 325 students to 150 students for the 2021-22 school year. TEACH also requested to reduce its enrollment cap in subsequent years, and these figures are provided on page 4 of this memo.

According to the amendment application, TEACH is requesting to reduce its 2022-23 enrollment cap from 425 to 325 and to adjust each subsequent years' enrollment caps to the previous years' original target. Thus, the proposed cap for the 2024-25 school year is the cap that was originally approved for 2023-24, and so on, until the school is fully enrolled in the 2027-28 school year with 975 students, which would be the start of the second charter term¹. If approved, TEACH's enrollment cap for the remainder of this charter term would be:

School Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Grade Levels	K-8	K-8	K-9	K-10	K-11	K-12
Total Enrollment	325	425	550	675	800	975

According to the amendment application, TEACH has faced a number of challenging circumstances since opening two years ago. Those challenges included, COVID restrictions on in-person events and sharing its campus with another charter school.

TEACH did note in their amendment application that they were able to nearly triple their enrollment in year 2 to reach the target of 325 that was originally proposed for year one. TEACH believes they are well-positioned to meet the proposed readjusted annual growth targets in future years under its current contract, thus operating one year behind the original targets and culminating in the originally proposed full capacity in the 2027-28 school year.

TEACH's second request as part of this amendment is to defer the implementation of the transportation plan until at least the 2023-24 school year. TEACH was approved to offer transportation as part of their original charter application. The transportation plan was approved to be deferred at the July 30, 2021 meeting. According to the amendment application, TEACH currently does not have available funds to purchase a vehicle for transportation in part due to the lower than expected enrollment, although the school was preparing to offer this service during the 2022 – 2023 school year. TEACH noted in its application that they are hopeful that if approved by the legislature, the increases its per pupil funding included in the Governor's proposed budget, would allow the school to offer student transportation in the 2023-24 school year. However, according to the amendment application, without this funding increase, TEACH will need to secure a private grant to offer transportation next school year. While TEACH is working on obtaining private funding for transportation, it has been unable to secure the necessary funding at this time.

According to the amendment application, staffing levels have been impacted by the school failing to meet enrollment targets, resulting in delays in the projected growth. TEACH explained that the hiring of the additional positions has been delayed one year. According to the

¹ Charter renewal will be considered by the Authority in the Fall of 2026.

amendment application, the school is currently using factoring (selling of receivables) to account for the impact of enrollment shortfalls in FY22-23. TEACH explains that although this will create a significant operating deficit and a negative ending fund balance, it projects a significant surplus for FY23-24 and future years if enrollment targets are met. TEACH believes that enrollment targets are reasonable in that they assume growth year over year that is about half of the growth that occurred between FY21-22 and FY22-23. Additionally, TEACH is projecting to reach a positive fund balance by FY25-26 according to the amendment application.

Finally TEACH noted in their amendment application that they are working with a CMO, back office provider, and other vendors on restructuring and/or eliminating parts of its 22-23 contracted debit, which could save the school up to \$300,000 in FY22-23. TEACH explained that these potential savings are not contemplated in the budget that was submitted as a part of this amendment.

Legal Authority and Requirements Related to Amendment Requests

Existing charter schools that are sponsored by the SPCSA may submit a charter school contract amendment application to the SPCSA – which is reviewed by SPCSA staff and presented for SPCSA Board action – in order to, among other things, increase enrollment, add grade levels above and beyond what the charter school is approved to serve, or add a new campus. When determining whether to approve an amendment request, the sponsor considers the charter school’s compliance with applicable local, state and federal laws and regulations and evidence relating to the academics, finance and organization of the charter school. (See NAC 388A.400(8) and NRS 388A.276).

Analysis and Staff Recommendation

When reviewing an amendment application, SPCSA staff reviews the academic, financial and organizational performance of the applicant charter school. In the case of CASLV, SPCSA staff finds the school to be meeting academic, financial and organizational performance expectations for all campuses. While TEACH has yet to be rated under the NSPF, the middle school was found to be meeting expectations on the 2021-2022 SPCSA Academic Performance Framework. The TEACH elementary school did not receive a rating under the SPCSA’s 2021 Academic Performance Framework.

Additionally, the school earned 97 points (out of 100) under the SPCSA Organizational Performance Framework for the 2021 – 22 school year as approved by the Authority on December 16, 2022. As such, SPCSA staff finds the school to be ‘Meeting Standards.’ TEACH has yet to be rated on the SPCSA’s Financial Performance Framework. However, as discussed below, the calculations under the Financial Performance Framework for fiscal year 2022 raise some concerns about the school’s financial health, which has been noticeably impacted by under enrollment in the first few years of operations.

SPCSA staff recommends that the Authority approve the two requests of TEACH. While SPCSA staff is disappointed that student transportation is not a viable option for TEACH at this time, but is hopeful TEACH will be able to offer transportation in the

23-24 school year. The SPCSA staff, along with TEACH, recognize the transportation component was a key feature of the TEACH charter application. If TEACH is able to continue on the enrollment trajectory it has shown in years 1 and 2, SPCSA staff expects transportation to be offered in some capacity beginning in the 23-24 school year. This will coincide with a continued increase in enrollment, likely assisting more families choosing to enroll at the school.

SPCSA staff continues to monitor TEACH with regard to its financial performance and does have some concerns about the impact of lower than anticipated enrollment on the school’s financial performance. More specifically, SPCSA staff believes that the school’s failure to reach past enrollment targets have created some financial distress for the school which could result in SPCSA intervention. However, TEACH was able to nearly triple its enrollment from the 21-22 school year to the 22-23 school year and if this trend continues, SPCSA staff expects the school will be on more solid financial ground to start the 23-24 school year. Because the school is showing some signs of improved enrollment levels, and that this request is a reduction of the school’s current enrollment (not an expansion), SPCSA staff recommends the Authority approve TEACH’s request to reduce its enrollment cap for the 2022-2023, 2023-2024, 2024-2025, 2025-2026, 2026-2027, and 2027-2028 school years and the defer the transportation plan until 2023-24 school year.

Proposed Motion: Grant the Good Cause Exemption request and approve the TEACH Las Vegas request to reduce its 2022-2023 approved enrollment cap from 425 students to 325 students and to further reduce the cap for the remainder of the charter contract term as detailed in this recommendation memo and to defer implementation of transportation until the 2023-2024 school year.

If approved, the enrollment cap for TEACH Las Vegas will be as follows for the remainder of the charter term:

School Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Grade Levels	K-8	K-9	K-10	K-11	K-12	K-12
Total Enrollment ²	325	425	550	675	800	975

The current, approved, enrollment caps for TEACH Las Vegas are as follows:

School Year	2022-23	2023-24	2024-25	2025-26	2026-27
Grade Levels	K-8	K-9	K-10	K-11	K-12
Total Enrollment	425	550	675	800	975

² If the school is renewed at the end of the current charter contract, TEACH Las Vegas will grow to serve 975 students in grades K-12

School Demographics change since 2021 TEACH LV

Year	Enrollment	A	B	C	H	I	M	P	IEP	ELL	FRL
21-22	112	0.0%	24.1%	15.1%	52.6%	0.0%	2.6%	5.3%	*	27.6%	93.7%
22-23	332	0.9%	22.5%	14.4%	53.0%	0.6%	6.6%	1.8%	10.8%	16.5%	61.4%

A – Asian
 B – Black
 C – Caucasian
 H – Hispanic
 I – American Indian/Alaskan Native M
 – Two or more races
 P – Pacific Islander
 IEP – Individualized Education Plan – A student with a disability/special education student
 ELL – English Language Learner
 FRL – A student who qualifies for Free or Reduced-Price Lunch

TEACH – LV Organizational Performance

Year	Rating
2021 – 2022	Meets the Standard

TEACH – LV Academic Performance

School Year	NSPF Rating
2021 – 2022	Elementary: Not Rated Middle: 62.6
2020 – 2021 ³	Not Rated

TEACH – LV 2021-22 SPCSA Academic Performance Framework Results⁴

Campus	2021-22 SPCSA Academic Framework Score	2021-22 SPCSA Academic Framework Rating
TEACH LV ES	Not Rated	Not Rated
TEACH LV MS	69.5	MEETS STANDARD

³ Due to COVID-19, the Nevada Department of Education (NDE) applied for and was granted a 2020-21 school year waiver from the U.S. Department of Education for certain requirements established by the Every Student Succeeds Act (ESSA). Nevada statewide assessments were administered in the 2020-21 school year, but the NDE did not calculate new Nevada School Performance Framework (NSPF) school ratings for the 2020-21 school year.

⁴ The Nevada Department of Education (NDE) calculated NSPF index scores for the 2021-22 school year but did not calculate corresponding star ratings (shown as N/A). 2021-22 NSPF details and rules can be found at: <http://nevadareportcard.nv.gov/DI/MoreDownload?filename=Nevada%20School%20Performance%20Framework%20Manual%202021-22%20School%20Year.pdf>