

STATE OF NEVADA

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STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 11 —Silver State Charter School Update
DATE: January 27, 2017

Background:

Due to systemic financial mismanagement at Silver State, the Authority initiated revocation proceedings in November 2015. Additionally, due to the school's history of poor graduation rates, including a zero percent graduation rate in 2015, the Agency recommended the Authority approve the issuance of a Notice of Intent to Revoke the Charter Contract of Silver State in both [February](#) and [March](#) of 2016. The Authority did not take any action on the recommendation, ultimately [voting](#) to remove it from the [agenda](#) at the March 25 meeting. Due to perceived litigation risk based on statements made by new school counsel and concern regarding potential ongoing financial issues, the Authority had previously directed staff to enter into settlement negotiations related to the financial mismanagement revocation on [March 9, 2016](#). After several months of negotiations, the Authority and Silver State agreed to a settlement that permitted ongoing operation and a renewal under the governance and oversight of a court-appointed receiver and the monitoring of a court-approved trustee to enforce the terms of the receivership appointment. The settlement agreement included clear graduation rate improvement benchmarks of 45 percent by 2017-18 and 60 percent by 2018-19. On June 28, 2016, the settlement agreement and a [joint petition](#) for appointment of a receiver was filed in Carson City District Court. The District Court [appointed](#) Joshua Kern as receiver on July 1, 2016. The initial Trustee resigned shortly thereafter and the court replaced her with Robert Cane. The court subsequently issued an order clarifying the role of the Receiver and the Trustee.

Pursuant to the charter amendment approved by the Authority in the summer of 2015, the Silver State middle school program was phased out at the end of the 2015-16 academic year. As the school voluntarily agreed to cease operation of that program via a charter amendment, the breach has already been addressed and there is no cause for issuance of a Notice of Intent pursuant to NRS 388A.330(f).

Silver State achieved the 2017-18 target early, having posted a 2015-16 graduation rate in excess of 45 percent. As the charter school is meeting its obligations pursuant to the settlement agreement, there is no cause to issue a Notice of Intent pursuant to NRS 388A.330(e).

Pursuant to these conclusions, staff would recommend that the Authority not issue a Notice of Intent notwithstanding the performance of the middle and high school programs in 2015-16 because the school has entered into a settlement agreement, is in a negotiated, court-appointed receivership, and currently meets the conditions of both the summer 2015 charter amendment phasing out the middle school and the settlement agreement through the improvement of its graduation rate. The Authority should continue to monitor both programmatic and operational improvements and school progress towards meeting its academic targets as set forth in the settlement agreement.