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BRIEFING MEMORANDUM

TO: SPCSA Board

FROM: Rebecca Feiden, Executive Director
Mark Modrcin, Director of Authorizing

SUBJECT: Agenda Item 6g: Doral Academy of Northern Nevada Charter Contract Amendment
Request: Addition of Supplemental Distance Education Courses/Future Expansion of
Enrollment in Existing Grade Levels/Facility Expansion and Acquisition/Modification
of Student Enrollment Process to Include a Weighted Lottery

DATE: December 13, 2019

Summary of Requests:

Doral Academy of Northern Nevada (DANN), operating under a charter contract entered into in 2017, is located in Reno, Nevada, and is currently rated as a 5-star school serving 814 students in Kindergarten through 8th grade.

DANN is requesting amendments to its charter contract to allow for the following:

1. Offer Distance Education Courses.
2. Expand enrollment in existing grade levels through the implementation of a weighted lottery
3. Acquire or construct a new or additional facility that will not affect approved enrollment.

The school also submitted a good cause exemption request as the amendment was submitted after the amendment window had closed.

Staff recommends that the Authority approve the good-cause exemption request as well as approve each of the above amendments, some with conditions as described below.

Background and Analysis:

Doral Academy of Northern Nevada (DANN) is a K-8 art integrated school replication of the Doral Academy Inc. (Doral Inc.) schools in Florida and the Las Vegas area. It is located in Reno, Nevada, at 3725 Butch Cassidy Drive in the South Reno, South Valleys area on the south side of the Mt. Rose Hwy and west of the I-580. This K-8 school had a SY 18-19 enrollment of 631 students in a 53,431 square foot facility space with capacity for approximately 1,000 students). DANN is currently making lease payments on the facility with the intent to ultimately acquire it.

This is DANN's first contract term. Its contract term began July 1, 2017 and is scheduled to expire on June 30, 2023.

The DANN board is made up of 7 members who meet all of the requirements under state law and are leaders in the community. Several board members are involved in the arts community in Northern Nevada, including the founding Board President of Sierra Nevada Ballet, Steven Porter. Board Member Leslie Hermann was the K-12 Principal of all three public schools in Incline Village and now serves as a consultant with the Dave & Cheryl Duffield Foundation. Doral's onsite leadership includes Angela Orr as the principal and Jamie Curtis as the assistant principal.

Vision: DANN will promote students to be participating citizens in the societal enrichment of the communities in which they live and serve. DANN will foster lifelong skills including: critical and analytical learning, confident decision making, problem solving, working collaboratively, and imaginative and creative thinking.

Mission: DANN is dedicated to creating an enhanced and engaging educational experience. DANN will provide an academically challenging learning environment with a strong emphasis on arts integration teaching strategies, which will increase literacy, as well as cognitive, social, and emotional development. Teachers, parents, students, and staff will establish and achieve individual student goals to build a foundation for all DANN students to be college and career ready.

Target Community: DANN's RFA indicates that its target community is the Greater Truckee Meadows area. DANN's RFA further states that in this "region, public schools have traditionally struggled with double-digit achievement gaps for Hispanic/Latino populations. Additionally, middle schools have experienced a significant drop in academic performance – particularly for students with individualized education plans (IEP)s, English language learners (ELL), and students who qualify for free and reduced lunch (FRL). DANN reports student enrollment from 21 zip codes across 5 Northern Nevada counties (Washoe, Lyon, Storey, Douglas and Carson City), including 14 zip codes identified by the SPCSA as areas with identified academic needs."

As of the 2018 – 2019 school year, despite articulating a local need to close achievement gaps for key subgroups, DANN's demographic data indicates that the school lags behind the Washoe

County School District (WCSD) and the comprehensive high school (Galena HS) located less than a mile away in serving all four for those subgroups:

	DANN (18-19 SY)	WCSD (17-18 SY)	Galena HS (17-18 SY)
Hispanic/Latino	13%	41%	35%
IEP	9%	14%	10%
ELL	1%	17%	12%
FRL	7%	45%	23%

With regard to academic performance, DANN received a 5 Star Rating in both the 2017-2018 and 2018 – 2019 school years according to the Nevada School Rating report. DANN’s RFA states that “[I]ts model aligns with the SPSCA’s mission because Arts Integration is proven to prepare students for college and career success and is based on a model for best practices.” DANN adds that “[b]y providing an engaging, proven model for secondary education, DANN’s Art Integration framework will help to alleviate the middle school performance drop-off South Reno schools are currently experiencing.”

Approved Enrollment

Fall	2017	2018	2019	2020	2021	2022
Spring	2018	2019	2020	2021	2022	2023
	168	545	814 ¹	690	720	720

1. Offer Distance Education Courses

According to the amendment submission, DANN hopes to provide its students with supplemental, credit retrieval and advanced level courses through distance education. These proposed courses would be offered beginning in the 2020 – 2021 school year. Stated another way, the proposed addition of distance education courses will not replace the current delivery of instruction in a brick-and-mortar atmosphere; DANN will offer distance education as a supplement for students with specific needs.

The courses to be used will be from four approved distance education providers: Accelerate Education, eDynamic Learning, FLVS Global, Fuel Education, K12 and StrongMind. DANN will not be developing any courses.

DANN is seeking to expand its high-performing school network by increasing DANN’s capacity to serve students already enrolled in grades 6-8. Through offering distance education, DANN will supplement and enhance its traditional courses with access to virtual learning opportunities for students in need of credit recovery, academic challenge such as advanced math courses, or a more diverse selection of electives such as foreign language that DANN may not otherwise be able to offer on-site.

Specifically, DANN requests to offer select students enrolled in grades 6-8 the opportunity to enroll in differentiated distance education courses to expand programming to intentionally include a

¹ Approved by the Authority on September 13, 2019.

supplemental distance education program specifically for students who are traditionally underserved or at risk for academic failure.

DANN's proposed program of distance education will be delivered using a blended face-to-face model and will comply with all legal distance education requirements pertaining to special population. To that end, DANN will provide planned staff development activities and participate in available appropriate professional development trainings to support access by students with disabilities to the distance education classroom, distance education curriculum, integration of instructional strategies and curriculum adaptations to address the diverse learner, and interaction with non-disabled peers. All DANN personnel who are necessary to provide a student with a disability a FAPE are required to attend any staff development activities or sponsor trainings.

DANN will be using both traditional and digital media to communicate the new distance education courses to students enrolled in grades 6-8.

Finally, the leadership team will use iReady and SBAC assessment data systems to determine a student's eligibility to participate in virtual coursework. DANN's Governing Board submits to a yearly financial audit by an independent third party auditor and DANN will use the audit data to determine the school's ability to provide Distance Education courses. DANN's Board will seek training at least twice per year for four hours total regarding virtual learning.

With the utilization of existing school technology equipment, the costs associated with the inclusion of a distance education program will include a range of pricing from \$30 to a maximum of \$175 per pupil per semester per course amount and a \$75 per teacher per student per course amount. Therefore, for each distance education course, the total amount per pupil would be \$250. The costs associated with the aforementioned distance education program will be paid for by DANN, and no charges or fees will be imposed on students except in accordance with Nevada law and regulations.

These distance education courses will be provided by the following approved distance education providers: Accelerate Education, eDynamic Learning, FLVS Global, Fuel Education, K12 and StrongMind.

Recommendation 1: Approve the good cause exemption request and the DANN Distance Education RFA with Conditions amendment request, with conditions

DANN has been classified as a 5-star school in both elementary and middle school since its inception.

The school is proposing to begin offering distance education courses during the fall of the 2020 – 2021 school year. As mentioned above, the school includes a number of performance monitoring strategies as part of the proposal, in addition to performance benchmarks that the school aims to achieve upon implementation.

Authority staff recommends approval, but with conditions, to ensure that the first year of implementation runs smoothly, and the school is working to ensure that it maintains strong oversight of these programmatic additions. The school should submit the following to Authority staff:

- A year-end report of the student performance against the performance expectations outlined both in the memo and on page two of this memo; and

- A student enrollment summary or course log that notes the number of students enrolling in supplemental distance education courses during the 2020 – 2021 school year.
- Submit verification that each of the proposed courses in this distance education package have been approved by the Nevada Department of Education.

Staff's proposed motion: approve the good cause exemption request and the addition of supplemental, distance education courses to be offered at Doral Academy of Northern Nevada beginning in the 2020 – 2021 school year, with conditions as outlined.

2. **Expand enrollment in existing grades through the implementation of a Weighted Lottery**

Doral Academy of Northern Nevada (DANN) is also seeking approval to amend its current charter to allow the expansion of its enrollment in existing grade levels in future years. The Authority approved an increase in the enrollment cap to 814 students for this current academic year on September 13, 2019. The current enrollment cap has no 10% flexibility as approved by the Authority.

Under this amendment, DANN is proposing the following increases to the enrollment cap in future academic years:

- 890 students during the 2020-21 school year
- 920 students during the 2021-22 school year
- 950 students during the 2022-23 school year

The requested expansion of enrollment in existing grade levels will not alter DANN's educational model or commitment to serve its target population and current student body, and provide for four sections per grade level. Currently, DANN has a waitlist of 360 students with an additional 560 students who applied for enrollment at the school after the school's lottery process for the 2019-2020 was completed.

In addition, as Federal CSP grant restrictions sunset with the end of the grant, the Board is also seeking approval for implementing a weighted lottery system to ensure the school population continues to diversify and be reflective of not just the immediate area around the school, but also the greater community. A copy of a draft policy is included with this item. In its current form, the weighted lottery would include provisions that:

- Require the school to implement a weighted lottery each year that the school's Free and Reduced Lunch (FRL) percentage is less than 90% of the FRL rate of Washoe County School District.
- In the years when a weighted lottery is required, students qualifying for free or reduced price lunch will have a 2.0 weight attached with their enrollment form according to USDA guidelines for free or reduced lunch.

- Enrollment applications at DANN will be revised to request that applying students inform the school about their eligibility for TANF, SNAP or Medicaid, qualification for free or reduced lunch at their previous school, or eligibility to receive free or reduced price lunch.

It is important to note that because charter school attendance is not limited to geographical zoned boundaries, DANN's current student body is comprised of students from a total of 21 different zip codes across multiple Northern Nevada counties. Moreover, in an effort to continue to meet the demands and needs of its target community, DANN's Governing Board has recently voted to move forward with a free & reduced lunch program and is working to implement that by the 2020-2021 school year.

Recommendation 2: Approve good cause exemption request in addition to the expansion of DANN's enrollment at existing grade levels with two conditions:

- *That the school implement the weighted lottery that was approved by the DANN Board on November 20, 2019. This policy must go into effect for students seeking to enroll for the 2020 -2021 school year.*
- *That the school develop a communication plan, in collaboration with SPCSA staff, so that current and prospective parents are notified and informed about this important change.*

DANN has been classified as a 5-star school in both elementary and middle school since its inception. The RFA to expand their enrollment in existing grade levels is supported by the academic success they have achieved in prior years. Their application supporting documents also evidence their ability to provide a high-quality education to these potential students.

The current weighted lottery proposal, as presented, provides SPCSA staff with confidence that the DANN Board is committed to diversifying the school so as to be more closely aligned with local and state demographic numbers.

Staff's proposed motion: approve the good-cause exemption request and the proposed increase of the DANN enrollment caps for the 20-21, 21-22 and 22-23 school years as presented, with the two conditions as outlined above. First, that the school implement a weighted lottery, as approved by the DANN Board, for student seeking to enroll in the school for the 2020 -2021 school year. Second, that the school develop a communication plan, in collaboration with SPCSA staff, so that current and prospective parents are notified and informed about this important change.

3. Facilities: Acquire or construct a new or additional facility that will not affect approved enrollment

Third, DANN requests SPCSA approval to construct an eight classroom expansion to its existing facility in order to meet demand and grow organically as students advance to the next grade. The physical address of the existing and proposed additional facility is the same: 3725 Butch Cassidy Dr, Reno, NV 89511.

DANN's request for a good-cause exemption to submit this after-the-fact RFA outside of the established amendment application window extends to this specific request, also.

The addition of 8 classrooms will be approximately 7,000 square feet. The budgeted and estimated costs for construction of the 8 classrooms is \$1,900,000, essentially \$238k per classroom or \$270 per square foot. Financing terms include an assumed rate of 6.5% with 25-year amortization.

The feasibility of the additional classrooms turns on DANN achieving its enrollment targets. This request ties to the previous amendment requests to increase the enrollment caps of the school as proposed on the previous pages. If the enrollment increases are approved and DANN achieves its planned enrollment levels its budget indicates it will operate in the black.

DANN indicates it "is requesting an amendment to expand its enrollment in existing grades as projected student interest and growth will increase enrollment in excess of 10% of what the charter was originally approved for.

DANN's rationale for the proposed growth plan is to serve the substantial demand for high quality arts-integration education in Northern Nevada and continue to diversify the student population at DANN.

This demand is evidenced in the growing waitlist and daily applications received at the school. Currently, DANN has a waitlist of 360 students with an additional 560 students who applied for enrollment at the school after the school's lottery process for the 2019-2020 was completed."

The specific RFA type requested here is for a new or additional facility that "will not affect approved enrollment." However, enrollment increases are being requested at other parts of this RFA application and those enrollment increases must be approved and then achieved for this financing to be successful.

Recommendation 3: Approve with Conditions the DANN RFA to acquire or construct a new or additional facility

Based on the findings herein, staff recommends the Board approve this acquisition or construction request, subject to the below conditions.

- A revised budget showing existing and planned facility lease payment amounts with planned new principal payments, under a bond issue, the current and budgeted Debt Service Coverage Ratio.
- Submission of a revised budget, with new lease payment amounts.
- Compliance with all requirements regarding submittal of financial statements approved by the school's auditor that demonstrate that the school is improving or maintaining a meets standards performance within the financial framework performance metrics. Quarterly reports must be submitted following approval of this matter by the SPCSA Board.
- Execution of a formal contract amendment acknowledging the results of the SPCSA Board's decision regarding this matter.

Staff's Proposed Motion: approve the Doral Academy of Northern Nevada (DANN) request for a Good Cause Exemption and DANN's request for approval to acquire or construct a new or additional facility, subject to the conditions contained herein.

Eligibility Requirements

To be eligible for consideration of approval of a contract amendment a school must timely submit a complete and accurate RFA, in accordance with the requirements and directions stated in the RFA application.

DANN requests a good-cause exemption to submit this after-the-fact RFA and outside of the established amendment application window.

Regarding its eligibility otherwise, the SPCSA and the Executive Director also consider "a 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 when determining whether to approve a request for an amendment to its charter contract," pursuant to NAC 388A.400.

Staff reviewed the above factors and finds:

1. Academic performance: DANN meets standards with a five-star rating.
2. Financial performance: DANN meets standards, except for its Debt to Asset ratio. The funds from the increased enrollment discussed can, if managed properly, enable DANN to correct its 104% Does Not Meet Standards Debt to Asset ratio which should be less than 90% for a Meets Standards rating.
3. Organizational performance: DANN meets standards, with no known material organizational issues except as to failing to file appropriate RFAs in advance of taking action to enroll additional students beyond the contractual enrollment cap. This will likely result in staff recommending a deduction of a small number of points on the school's Organizational Performance Framework rating for the school in the 2019 – 2020 school year, and will come before the Authority for action at a later date.

Legal Authority and Requirements Related to Amendment Requests:

Pursuant to [NRS 388A.276](#) and [NRS 388A.279](#), the Authority may, at a duly noticed public meeting, approve, approve with conditions, or deny a request to amend a charter contract.

School Profile

Total Current Enrollment Across All Campuses:

III. Enrollment by Grade Level			
Year:	17-18	18-19	19-20
Grade			
Pre-K	-	-	-
K	63	100	97
1	21	104	103
2	24	74	101
3	32	77	99
4	21	78	102
5	-	76	78
6	-	58	88
7	-	59	89
8	-	-	57
Total	161	626	814

School Performance (NSPF Star) Ratings:

Year	2018	2019	2020	2021	2022	2023
Stars (ES)	5	5	-	-	-	-
Stars (MS)	N/A	5	-	-	-	-

School Demographics:

Year	Ethnicity							Special Population		
	A	B	C	H	I	M	P	FRL	IEP	ELL
17-18	5%		72%	16%		6%	1%		6%	1%
18-19	5%	1%	74%	13%	0%	6%	1%	7%	9%	1%
19-20	5%	0.2%	73.2%	13.1%	.4%	7.9%	0.1%	0.0%	10.8%	0.4%
20-21										
21-22										
22-23										

A – Asian

B – Black

C - White

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