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BRIEFING MEMORANDUM

TO: SPCSA Board

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

SUBJECT: Agenda Item 6f: Sports Leadership and Management (SLAM!) Contract Amendment
Request: Modification of Current Enrollment Cap/Future Expansion of Enrollment in Existing Grade Levels/Future Expansion Enrollment in New Grade Levels/Facility Expansion and Acquisition

DATE: DECEMBER 13, 2019

Sports Leadership and Management Academy (SLAM), operating under a charter contract entered into in 2016, is located in Las Vegas, Nevada. The school initially opened with grades 6-9 and has, this year, reached its complete grade configuration, now serving grades 6-12 with the first class of seniors expected to graduate this spring. The middle school is currently rated 3-stars and the high school has yet to be rated. SLAM is requesting an amendment to its charter contract to:

1. Modification of current enrollment cap
2. Future Expansion of enrollment in existing grades and facilities
3. Future Expansion enrollment in new grade levels
4. Facility Expansion and Acquisition

As discussed below, Staff recommends approval of these amendment requests 1, 2 and 4 above, with conditions. Staff recommends denial of the school's request to expand in new grade levels for reasons outlined below on pages 2 – 4.

1. Summary of Enrollment Cap Modification Request in Existing Grades:

SLAM Academy of Nevada (SLAM!) is seeking approval from the Nevada State Public Charter School Authority to amend its current charter to modify the enrollment cap for the 2019 – 2020 school year from 1,600 students as originally approved by the Authority to 1,096 students during this school year. As of October 1, 2019 (Validation Day), the school currently serves 1,043 students.

The school seeks this modification so their growth trajectory accurately reflects the number of students the school plans to serve this year. Additionally, the school wants to ensure that they remain in compliance with the provisions of their current charter contract.

The demographic breakdown of the SLAM student body can be found on page 7 of this memo.

The amendment application states that this modification of the enrollment cap in existing grade levels will not alter SLAM's educational model or commitment to serve its target population and current student body.

Staff's Proposed Motion: approval of the modified enrollment cap, without conditions, for SLAM Academy for the current school year. This would reduce the enrollment cap from 1,600 students to 1,096 students during the 2019 – 2020 school year.

2. Summary of Future Enrollment Cap Modification Request in Existing Grade Levels:

Similar to the first amendment request, SLAM is also seeking approval from the SPCSA to amend the enrollment caps in its charter for current grade levels (6 – 12). SLAM began operating in the 2016 – 2017 school year. For the 2020 – 2021 school year, or year five of the current contract, the school was approved for an enrollment cap of 2,520 in both years.

SLAM is proposing to alter their enrollment cap for the 2020 – 2021 school years to 1,243 students from 2,520 students. The school seeks this modification so their growth trajectory accurately reflects the number of students the school plans to serve next school year. The amendment application states that this modification of the enrollment cap in existing grade levels will not alter SLAM's educational model or commitment to serve its target population and current student body.

Staff's Proposed Motion: approval of the modified enrollment cap, without conditions, for SLAM Academy for the 2020 – 2021 school year. This would reduce the enrollment cap from 2,520 students to 1,243 students during the 2020 – 2021 school year.

3. Summary of Expansion of Enrollment in New Grade Levels:

SLAM is also requesting to expand to serve grades K-5. According to the application, it has recently become the intent of the school to establish an elementary school for the younger siblings of currently enrolled students as well as additional elementary-aged students in the target community. According to the application, SLAM Academy is currently in the process of developing and finalizing its proposed academic program. The school intends to base the elementary school programming on similar instructional strategies currently used at the middle school and high school. While the SLAM Academy model for middle and high school is well established with more than five schools across the country, namely in Florida, the first SLAM elementary schools have just opened their doors.

The governing body of SLAM believes that by establishing a new SLAM campus with elementary school grades would not only provide families an opportunity to benefit from SLAM's unique educational model at the elementary level, but it would also create greater unity and outcomes for all students attending the school, as it would provide earlier exposure to the school's rigorous culture and educational model. As students at the elementary grades acclimate to the school's unique culture, they would be better prepared for academic success and outcomes at the middle and high school grade levels where they can focus more on academic achievement, rather than having to simultaneously acculturate.

According to the application, SLAM's educational model is derived from research-based strategies proven successful in raising student achievement nationwide. The program is based on the "career academy" concept and grounded on the philosophy of the three R's: Rigor, Relevance, and Relationships. The three R's

represent the essential components that must be in place to effectively prepare students for the demands of the 21st Century. Attributed to the work of Dr. Bill Daggett, the three R's model has been linked by research to higher attendance and graduation rates, stronger test scores, and safer schools.

The SLAM amendment states that students in grades K-5 would develop a foundation to think critically and apply knowledge across disciplines. Sports would be used as the hook to engage students and develop their love for learning. There would be an emphasis on sports science in the STEM fields through STEM project-based learning courses as well as a computer science course. Through this unique approach, students would have opportunities to engage in both predictable and unpredictable real-world situations, which ensures relevance. Students would be empowered to create positive relationships with peers, parents, teachers, and community mentors. This provides a framework for a seamless transition to middle school, high school and beyond, ultimately producing career-oriented graduates.

While the historical performance of the middle school at SLAM is noted on page 7 of this memo, the academic performance of middle school program to date has varied widely. In fact, SLAM acknowledges that there was an initial decline in performance, and that there is work to do as the middle school program is currently rated as a three-star school. More specifically, during its second year of operation, SLAM Academy experienced a dip in student performance and was rated as 2 – Stars as opposed to the 3 – Star rating the school had earned the previous year. According to the SLAM application, the school's leadership team took a closer look at the data and determined that the students, especially those within the various subgroups, did not experience much growth in their ELA (1% growth) and math (5% growth) courses and the iReady assessments were being used without much fidelity.

According to the school, the leadership team created a plan to address the deficiencies discovered through a careful review of the academic supports needed to raise student growth prior to the third year of operation. According to the 2019 NSPF results for the SLAM middle school, ELA proficiency increased by 2.2% and math proficiency increased by 3%.

Currently, the middle and high schools have dedicated math and reading intervention teachers who are licensed in those specific content areas and has two instructional coaches to help support teachers as they collaborate on lesson plans, evaluate assessment data, and create additional supports to target specific interventions. SLAM Academy earned a 3 Star rating from the State for the 2018-19 school year. Although this is a fair score, SLAM Academy acknowledges that they are not fully satisfied with the results. Moreover, the school states that more work is needed to fine tune their approach in order for students to experience greater growth in their ELA and math courses. The priorities established to drive achievement include use of the iReady assessment as it was designed to be implemented. It will be scheduled as part of the school's day-to-day operations with built-in time to carefully analyze the results. Instruction will be designed with these results in mind and additional supports will be created more plentifully. Professional Learning Communities will be instituted in order to have productive dialogue among teachers.

As the high school is anticipating its first class of seniors to graduate this year, the high school is yet to receive a rating on the Nevada School Performance Framework. While there is no graduation rate data available yet, there is some initial academic data available:

	SLAM High School	Nevada High School Average
ELA Proficiency	63.2%	47.6%
Math Proficiency	19.1%	26.3%

SLAM is located at 1095 Fielders St., Henderson, NV 89015. The owner of the property and facilities that SLAM leases already has plans to construct an additional phase of the building on a portion of unused property at the same address. This phase of construction was already contemplated as SLAM was initially approved for 1600 students, beyond the capacity of the initial construction. When first contemplated, this additional space was intended to hold part of the 6th through 12th grade program. Under this proposal, the

undeveloped portion of the lot would be the site of the elementary school, which would ultimately sit adjacent to the existing upper school building.

In summary, SLAM's middle school program has demonstrated adequate performance according to the NSPF during the most recent academic year by earning a 3-star rating, which represents an increase from the 2018 results and SLAM's high school program is yet to be rated. SPCSA staff applauds the leadership team at the school for instituting a plan that appears to have been successful. Nevertheless, SLAM's middle school results in its first three years of operation have been inconsistent and while some data is available for the high school, ultimately, the school has not yet received a rating. Additionally, SLAM Academy notes in its application that the elementary school program is still under development and has yet to be finalized. When taken together, these raise serious questions about the school's capacity to effectively implement a new program while maintaining a positive trajectory for the existing programs.

For these reasons, SPCSA staff recommends that the Authority reject the expansion request of SLAM to expand to grades K – 5 for the 2020 – 2021 school year. Stronger academic performance results for the middle school and a clear picture of the high school's results are necessary to justify the expansion of this program to new grades. Additionally, SPCSA staff expects that schools seeking to expand have a fully-developed academic program for staff's review prior to any approval. This would include more information about the curriculum, confirmation of alignment to standards and a complete description of how the elementary program would be implemented. Additionally, SPCSA staff needs to better understand how the school plans to adequately serve at-risk populations such as students qualifying for EL and SPED services. Only broad information was provided within the application, and staff believes there is significant development to do here given the proposed population the school plans to serve.

Staff's Proposed Motion: deny SLAM's request to expand to grades Kindergarten through 5th beginning in the 2020 – 2021 school year due to the underdeveloped academic plan for the proposed elementary program and past performance of the middle and high school programs.

4. Summary of Facility Acquisition and Expansion:

Finally, SLAM is requesting to purchase its existing facility. The purchasing options have opened up in SLAM Academy of Nevada's lease, which now allow the school to exit the 2-3% escalators of their current lease and enter into a fair interest rate for the next 30 years in the bond market.

The school completed a lease versus buy analysis comparing their estimated costs under their existing lease and their estimated costs under the proposed bond financing. Under a purchase option, bond payments will begin in SYE 2020. The breakeven year will be SYE 2021, after which bond payments will become more cost effective than leasing. The projected net savings as of SYE 2023 will be \$825,008.

This would be SLAM Academy of Nevada's first purchase of a facility. Member(s) of the board have experience in regard to facility acquisition and development through the issuance of bonds. SLAM will be looking to acquire their campus when the purchase option window becomes available. SLAM will look to purchase its campus through the issuance of bonds.

SLAM has partnered with professional organizations such as Nevada Sports Properties LLC, Academica Nevada, Nevada General Construction, and Ethos Three Architecture to accomplish these undertakings. Specifically, SLAM is partnered with the Nevada Sports Properties LLC to acquire and construct the SLAM facility. The SLAM board entered into a Triple Net Lease which requires the school to maintain the facility.

There is some common ownership within Nevada Sports Properties LLC and the school's educational management organization, Academica Nevada, LLC. This has been disclosed to the SLAM Board and, to ensure that an arm's-length relationship exists between the school and developer, the terms of the lease amendment for the proposed additional facilities will be evaluated for fairness by a third-party appraiser

selected by the school. Furthermore, the Lease is entirely independent of the management agreement; the school's Board could terminate the management agreement with no impact to its rights as tenant under the Lease. Neither the Lease nor the management agreement infringes on the Board's authority to independently govern the school. The school will have its independent counsel review the lease amendment, in addition to the review by SPCSA staff.

SLAM's current landlord, Nevada Sports Properties LLC expects to construct an approximately 47,000 square foot building on the site of its existing facility, designed in cooperation with SLAM for potential students in grades K-5. SLAM and its landlord would enter into an amendment to SLAM's current lease for the additional facilities by the end of Fall, 2019. SLAM would submit a copy of the lease amendment to the SPCSA in compliance with NAC 386.3265

Overall, SLAM Academy received a "Meets standards" for all eight measures under the most recent approved Financial Measure Summary, covering SY 2016-2017. The Board did not take action to confirm the ratings for all schools for this period. For the prior period, SY 2015-2016, the board did take action to accept the ratings, for all schools. For that prior period, SLAM received two "Does Not Meet Standard" ratings and six "Meets Standard" ratings.

Year-end organizational performance of SLAM Academy is not available due to recent approval by the Authority over the summer. This framework primarily covers compliance with legal requirements including Open Meeting Laws, compliance reporting, meeting reporting and other requirements. To date, staff finds SLAM Academy to be in compliance and in good standing.

Based on the findings above and the academic performance table shown below, staff recommends the Board approve this amendment request, subject to the below conditions.

- (a) 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.
- (b) Submission of a revised budget, with new lease payment amounts.
- (c) A copy of the term sheet, or other bond program documents evidencing the terms of the bonds upon approval. Staff recommends that the Board delegate staff the authority to review and approve.
- (d) 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.

It should be noted that the current charter for SLAM expires on June 30, 2022. This conditional approval does not supersede that obligation, and the renewal of the SLAM charter will be considered by the Board under a separate item before the expiration of the charter contract.

Staff's Proposed Motion: Accept staff's recommendation to approve, with conditions, SLAM Academy's request to issue bonds to acquire the current campus facility and lands they have been leasing.

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.

Background

Total Current Enrollment Across All Campuses:

III. Enrollment by Grade Level				
Year:	16-17	17-18	18-19	19-20
Grade				
Pre-K	-	-	-	-
K	-	-	-	-
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	-	-	-
6	148	186	189	191
7	117	186	190	190
8	119	152	196	192
9	88	129	153	158
10	-	85	118	143
11	-	-	71	100
12	-	-	-	69
Total	472	738	921	1043

School Performance (NSPF Star) Ratings:

Year	2016	2017	2018	2019	2020	2021
Stars (ES)	N/A	N/A	N/A	N/A	-	-
Stars (MS)	N/A	5	2 ¹	3		
Stars (HS)	N/A	N/A	N/A	N/A	-	-

¹ SLAM MS was issued a Notice of Concern as a result of 2018 NSPF ratings. The school was returned to Good Standing by the Authority on October 4, 2019 as a result of the 3-star rating under the 2019 NSPF.

School Demographics:

Year	Ethnicity							Special Population		
	A	B	C	H	I	M	P	FRL	IEP	ELL
16-17	3.1%	6.9%	29.6%	49.5%	0.2%	8.2%	2.1%	26.6%	7.6%	5.0%
17-18	2.9%	7.9%	28.5%	51%	0.6%	6.7%	1.8%	32.6%	8.5%	7.3%
18-19	3.5%	12.2%	23.5%	52.2%	0.3%	6.1%	2.3%	52%	9.6%	10.3%
19-20	3.6%	11%	21.9%	54.7%	0.6%	5.8%	2.5%	52.3%	11.3%	10.7%
21-22										
22-23										

I – American Indian/Alaskan Native

A – Asian

H – Hispanic

B – Black

C - White

P – Pacific Islander

M – Two or more races

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