

EXHIBIT Z

EXHIBIT Z

BRIAN SANDOVAL
Governor

STEVE CANAVERO, Ph.D.
*Superintendent
of Public Instruction*

STATE OF NEVADA



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April 5, 2017

GUIDANCE MEMORANDUM #17-10

TO: State Public Charter School Authority Board

COPY: Patrick Gavin, Executive Director

FROM: Steve Canavero, Ph.D., Superintendent of Public Instruction

SUBJECT: Review of Response from State Public Charter School Authority on Guidance Memorandum #16-06

Thank you for submitting a response to Guidance Memorandum #16-06. (Please see Appendices A and B.) The Nevada Department of Education (NDE) is responsible for ensuring that all sponsors of charter schools employ strong sponsorship practices and effectively oversee school improvement efforts of the schools in their sponsorship portfolio. Oversight includes regular monitoring of school performance and determination of additional actions under NRS 388A.223(1)(f)-(h). This presents an opportunity for a coordinated and collaborative partnership between NDE and State Public Charter School Authority (SPCSA), in order to significantly improve student outcomes within charter schools sponsored under SPCSA's authority that are identified as among the state's lowest performing schools.

This letter aims to facilitate strategic collaboration between NDE and SPCSA to continue to build on the strong sponsorship practices of SPCSA for the shared purpose of significantly improving student outcomes in a timely fashion at Beacon Academy, Discovery Charter School, NV Connections Academy, and Silver State Charter School. We discuss our findings and guidance from the review process in the following sections:

- 1) Summary of Findings**
- 2) Overview of SPCSA's Response**
 - A. Sponsor Support*
 - B. Summary of Response to NDE*
 - C. Summary of Evidence Provided*

3) Appendices

A. *Guidance Memorandum #16-06 - Appendix A*

B. *SPCSA Response to NDE – Appendix B*

C. *Overview of data – Appendix C*

SBAC data and graduation rates are provided for each of the schools identified in the guidance memorandum for the past five years, if available.

1. SUMMARY OF FINDINGS

In accordance with NRS 385A.650, it is the Nevada Department of Education’s responsibility to work with the District to ensure that an appropriate school improvement plan is in place to rapidly improve student performance. Based on its submission, the SPCSA has thoroughly fulfilled its sponsorship obligations. The Department commends the SPCSA for collaborating with the Boards of the charter schools identified in Guidance Memorandum #16-06 to ensure rapid school improvement or implementation of appropriate consequences for underperforming schools in a timely fashion. SPCSA provided clear strategic remediation plans to NDE that helped the Department understand how SPCSA maintains oversight and provides technical support to the charter schools sponsored by SPCSA in the areas of academic, fiscal, and organizational performance (NRS 388A.223(2)(f)). The SPCSA demonstrates a strong model for how sponsors of charter schools can effectively oversee school improvement efforts of the schools in their sponsorship portfolio and continuously monitor school performance and determine additional actions (NRS 388A.223 (1) (f)-(h)).

2. OVERVIEW OF SPCSA’S RESPONSE

A. Sponsor Support

The support SPCSA provided to Silver State Charter School, Beacon Academy, Nevada Connections Academy, and Discovery Charter School are identified in the tables below.

Table 1. Silver State Charter School

SCHOOL YEAR	ACTIONS
2015-2016	
Fall 2014	Reports of financial mismanagement from governing body members were made
December 2014	Notice of Breach
Fall 2014-Early 2015	Search for Accounting firms to assist in a more detailed audit. Deloitte was chosen
June 9, 2015	Contract approved for Deloitte to begin audit
June 12, 2015	Charter amendment approved by SPCSA and SSHS to phase out middle school by end of 2015-2016 school year
July 1, 2015	Deloitte begins review
November 1, 2015	Systemic financial mismanagement found. Authority begins revocation proceedings
November 1, 2015 - February and March 2016	The school also received ZERO percent grad rate in 2015, the NDE recommended SPCSA approve the Notice to Revoke the charter contract with SSHS
March 9, 2016	SPCSA Board directs staff to enter into settlement negotiations related to financial

	mismanagement based on perceived litigation risk
March 2016	SPCSA takes no action. Removes Notice to Revoke from agenda.
June 28, 2016	Placed in receivership after months of negotiations
January 27, 2017	Agenda for the January 27, 2017 Authority meeting includes an Agenda item request in which the SPCSA not issue a Notice of Intent because the school has entered into a settlement agreement and is in a negotiated, court-appointed receivership. The Authority will continue to monitor both programmatic and operational improvements and school progress toward meeting its academic targets as set forth in the settlement agreement.

In the contract for the 2017-18 year, Silver State Charter School needed to reach a 45% graduation rate. The school posted a graduation rate of 45% in the 2015-2016 school year—one year early. *This charter school is meeting obligations, and there is no cause for issuance of Notice of Intent for Breach.*

Table 2. Beacon Academy (contract expires 2020)

SCHOOL YEAR	ACTIONS
2012-2013	Beacon saw significant improvement in performance, but Beacon has remained at 11th or 12 th percentile
2015-2016	
February 2016	Based on grad rates SPCSA staff recommend issuance of Notice of Intent to Terminate the Charter Contract of Beacon Academy
March 2016	Based on grad rates SPCSA staff recommend issuance of Notice of Intent to Terminate the Charter Contract of Beacon Academy – Ultimately removed from agenda after SPCSA Board vote
February - June 2016	SPCSA staff meet with Beacon, as requested by SPCSA board members
July 29, 2016	School leader Tambre Tondryk presented measurable graduation rate targets (4 year adjusted cohort). Staff recommended accepting. Approved by SPCSA Board. These will be included in an amendment to the charter contract. <ul style="list-style-type: none"> • 2015: 52% • 2016: 55% • 2017: 60%
2016-2017	
August 26, 2016	Meeting vote to amend Beacon contract by September 19, 2016
September 19, 2016	Staff and school could not agree on mutually acceptable terms for amended contract
September 23, 2016	Notice of Intent to Terminate the Charter Contract of Beacon Academy based on having a graduation rate for the preceding school year that is less than 60 percent. Approved by SPCSA Board
September 30, 2016	Officially issued Notice of Intent to Terminate
October 21, 2016	Amended contract presented and approved by SPCSA <ul style="list-style-type: none"> • Amendment allows them to qualify for Alternative Framework eventually • Dismissal of Notice of Intent to Terminate
December 16, 2016	Admissions policy amendment approved
January - March 2017	Beacon has engaged Momentum Strategy and Research to develop revised academic goals which will formulate the revised transitional framework to be considered in the first quarter of 2017.
January 27, 2017	Agenda for the January 27, 2017 Authority meeting includes an Agenda item

	based on a staff recommendation that the Authority not issue a Notice of Intent notwithstanding the performance of the high school program in 2015-16 because the charter school is meeting its obligations pursuant to the revised contract and has agreed to acceptable contractual terms with the Authority (while the school did not meet the statutory graduation rate requirement of 60 percent in 2015-16, the school's 2015-16 graduation rate was consistent with the negotiated improvement plan and the current charter contract).
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There is no cause to issue a Notice of Intent pursuant to NRS 388A.330(e). The Authority will continue to monitor both programmatic and operational improvements and school progress towards meeting its academic targets as set forth in the contract and will use its contractual authority to intervene in the event that the school fails to meet its contractual targets.

Table 3. Nevada Connections Academy (charter contract expires 2019)

SCHOOL YEAR	ACTIONS															
2011-2012	NCA saw a graduation rate increase between 2011 and 2012 in its performance relative to the rest of the state, moving from the 7th percentile to the 12 th															
2014 and 2015	School declined back to the 7th percentile in both 2014 and 2015															
2016-2017																
February 2016	Based on grad rates SPCSA staff recommend issuance of Notice of Intent to Terminate the Charter Contract of Nevada Connections Academy															
March 2016	Based on grad rates SPCSA staff recommend issuance of Notice of Intent to Terminate the Charter Contract of Nevada Connections Academy – ultimately removed from agenda after SPCSA Board vote															
July 28, 2016	NCA proposes target to achieve 60% graduation rate: <table border="1" data-bbox="492 1014 1398 1188"> <thead> <tr> <th>Cohort Year</th> <th>Measurement Date</th> <th>Cohort Graduation %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>December, 2015</td> <td>37 %</td> </tr> <tr> <td>2016</td> <td>December, 2016</td> <td>45 %</td> </tr> <tr> <td>2017</td> <td>December, 2017</td> <td>52 %</td> </tr> <tr> <td>2018</td> <td>December, 2018</td> <td>60+%</td> </tr> </tbody> </table> <p>Staff determines they are SMART goals that can be used to measure school if they stay in portfolio. Recommend approval to SPCSA Board contingent on the school entering a charter contract identical to Beacon's contract.</p>	Cohort Year	Measurement Date	Cohort Graduation %	2015	December, 2015	37 %	2016	December, 2016	45 %	2017	December, 2017	52 %	2018	December, 2018	60+%
Cohort Year	Measurement Date	Cohort Graduation %														
2015	December, 2015	37 %														
2016	December, 2016	45 %														
2017	December, 2017	52 %														
2018	December, 2018	60+%														
August 26, 2016	Meeting Vote to amend NCA contract by September 19, 2016															
September 19, 2016	Staff and school could not agree on mutually acceptable terms for amended contract															
September 23, 2016	Notice of Intent to Terminate the Charter Contract of Nevada Connections Academy based on having a graduation rate for the preceding school year that is less than 60 percent. Approved by SPCSA Board															
September 30, 2016	Officially issued Notice of Intent to Revoke Written Charter of NCA <ul style="list-style-type: none"> Following the issuance of the Notice of Intent, multiple legal filings followed against the Authority 															
December 16, 2016	SPCSA held a public hearing for statutory cure. Meeting was postponed due to the location's inability to accommodate public comment. 90-day extension for meeting agreed by both parties to meet open law requirements															
January 27, 2017	Agenda for the Authority meeting includes an Agenda item based on a staff recommendation that the Authority issue a Notice of Intent based on Nevada Connections Academy's most recent graduation rate, which is also below the statutory minimum set forth in NRS 388A.330. As no Notice has been issued at															

	the time of this memo submission, the Agency cannot speculate on possible proposed cures or potential determinations made by the Authority.
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The Agency will keep the Department apprised of the Authority’s actions in this matter.

Table 4. Discovery Charter School

SCHOOL YEAR	ACTIONS
2016	Discovery is in the bottom 5% of elementary or middle schools
2016-2017	
February 1, 2017	Discovery directed to submit an application for a new charter contract (written charter expires this academic year)
January 27, 2017	Agenda for the Authority meeting includes an Agenda item based on a staff recommendation that the Authority issue a Notice of Intent pursuant to NRS 388A.330(f). If the Notice is issued, the Agency will formally notify the school via electronic and certified mail pursuant to NAC 306.330(1). The Agency will recommend that the Authority defer review of the application for a charter contract until such time as a determination has been reached with regard to revocation of the current written charter or other appropriate action pursuant to NRS 388A.330.

This is the first year that Discovery has been ranked in the bottom five percent of elementary or middle schools. *The Department requests that SPCSA provides quarterly updates regarding actions and progress in this matter.*

B. Summary of Response to NDE

SPCSA’s thorough response detailed their actions and identified how they will measure progress for each of the four charter schools. They have a clear remediation plan for each of the schools and identifiable next steps, should the schools continue to demonstrate underperformance (this was summarized above in Section A: Sponsor Support). Evidence to support their work was included in the original response letter as hyperlinks. Within their response, SPCSA also highlighted that both Silver State Charter School and Beacon Academy of Nevada are eligible for authorizer intervention that includes termination of charter contract and reconstitution of the governing board. Silver State Charter School is currently in a negotiated, court-appointed receivership. While Beacon is currently ineligible for the Alternative Framework, they are working with SPCSA to become eligible for the Alternative Framework through an amendment in the contract. Nevada Connections Academy is ineligible for the Alternative Framework.

Please see Appendix B for a copy of SPCSA’s response to NDE (this copy does not include the hyperlinks).

C. Summary of Evidence Provided

School: Silver State Charter School (SPCSA provided links)

- June 12, 2015 - Authority Meeting
- October 2015 - Deloitte findings and supporting documentation
- February 26, 2016 - SPCA Board meeting

- March 25, 2016 - SPCSA Board Meeting
- March 9, 2016 - Financial mismanagement revocation
- June 28, 2016 - Joint petition filed for receivership
- July 1, 2016 - District court appointed Joshua Kern
- January 27, 2017 - Draft agenda SPCSA
- NRS 388A.330
- SB509 Section 27

School: Beacon Academy (SPCSA provided links)

- NRS 388A.330
- SB509 Section 27
- Alternative Performance Framework Data for Board
- SB460
- Eligible student count
- February 26, 2016 - SPCA Board meeting
- March 25, 2016 - SPCSA Board Meeting
- May 2016 transcript of SPCSA Board Meeting
- June, 2016 transcript of SPCSA Board Meeting
- July 29, 2016 transcript of SPCSA Board Meeting
- August 26, 2016 transcript of SPCSA Board Meeting
- NRS 388A.330 and NAC 386.330
- September 23, 2016 - SPCSA Board Meeting
- December 16, 2016 transcript of SPCSA Board Meeting

School: Nevada Connections Academy (SPCSA provided links)

- NRS 388A.330
- SB509 Section 27
- SB460
- Eligible student count
- February 26, 2016 - SPCA Board meeting
- March 25, 2016 - SPCSA Board Meeting
- May 2016 transcript of SPCSA Board Meeting
- June, 2016 transcript of SPCSA Board Meeting
- July 29, 2016 transcript of SPCSA Board Meeting
- August 26, 2016 transcript of SPCSA Board Meeting
- NRS 388A.330 and NAC 386.330
- Beacon Academy recently amended contract (as example for NCA)
- September 23, 2016 - SPCSA Board Meeting
- Notice of Intent to Revoke the Written Charter of Nevada Connections Academy
- Legal filings by NCA for public view
- December 16, 2016 transcript of SPCSA Board Meeting

School: Discovery Charter School (SPCSA provided links)

- Link to Charter Renewal application

- January 27, 2017 draft agenda
- NAC 386.330(1) Procedure for revocation of written charter

SPCSA may elect to utilize a Student Performance Compact as a guide or template with each of the *Rising Star* charter schools it sponsors. These compacts will be considered addendums to the existing charter contract without an extension of the contract term. The Student Performance Compacts serve to address how the sponsor will hold the school accountable and appropriate consequences. The Student Performance Compact establishes targets for improving student achievement over a three year period and includes the creation of a school performance plan that identifies a non-profit partnership, local government partnership, new charter operator partnership, or some other strategy that would demonstrate a high likelihood of rapidly improving student achievement. The charter school will have these new annual targets to meet that are aligned to the dates and strategies outlined in the Student Performance Compact. If the charter school does not hit these annual measurable targets, the charter school will receive the consequences noted in the Performance Compact. Voluntary agreement to accept Student Performance Compacts for its Charter Schools would demonstrate a strong commitment to student improvement. This demonstrated commitment could be used in support of each school's application for Title I, 1003(a) funding.

Please accept this letter as a formal inquiry into whether the charter schools identified in Guidance Memo #16-06 will enter into a Student Performance Compact that will be incorporated into their charter contract. As indicated in your response, please keep the NDE apprised of the SPCSA's actions in these matters. If you need support or have any additional questions, please reach out to Seng Keo, Director of the Office of Student and School Supports, via email (skeo@doe.nv.gov) or by phone (775-687-9145).

Thank you for your attention to this matter, and the Department looks forward to working in collaboration with SPCSA to ensure that Beacon Academy, Discovery Charter School, NV Connections Academy, and Silver State Charter School become high quality schools for Nevada students and their families.

Warmest regards,

A handwritten signature in blue ink that reads "Steve Canavero". The signature is fluid and cursive, with the first name "Steve" and last name "Canavero" clearly legible.

Steve Canavero, Ph.D.
Superintendent of Public Instruction

3. APPENDICES

APPENDIX A

BRIAN SANDOVAL
Governor
STEVE CANAVERO, Ph.D.
Superintendent of Public Instruction

STATE OF NEVADA



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December 19, 2016

GUIDANCE MEMORANDUM #16-06

TO: State Public Charter School Authority Governing Board

FROM: Steve Canavero, Ph.D.
Superintendent of Public Instruction

SUBJECT: Charter School Sponsor Letter

On October 14, 2016 the Nevada Department of Education released a list of the State's lowest performing schools. These schools were identified for one of two reasons: 1) Elementary or Middle School in the bottom 5% in pupil achievement and school performance or 2) High School with a graduation rate of less than 60%. This list, previously known as the Underperforming Schools list, now called the *Rising Star Schools List*, fulfills the State Board's annual responsibility to release a report on the State's current state of student achievement.

Based on the *Rising Stars* report, below is a list of charter schools sponsored under your authority that have been identified as one of the state's lowest performing schools. It is the Nevada Department of Education's responsibility to ensure that all sponsors of those identified schools are exercising their authority to oversee school improvement as part of their general obligations to monitor performance and determine if accountability actions are appropriate under NRS 388A.223(1)(e)-(h). For all District-run, non-charter schools, the State may implement either one of its State-led intervention protocols, *Turnaround Designation* or *The Nevada Achievement School District* or work in partnership with the local District on other intervention options. **As for public charter schools, it is the responsibility of that school's charter sponsor to monitor school performance on an ongoing basis and determine additional actions under NRS 388A.223(1)(f)-(h). Evidence of material or persistent failure to carry out the powers and duties of a sponsor prescribed by NRS 388A.223(3) constitutes grounds for revocation of the entity's authority to sponsor charter schools.**

As a sponsor of public charter schools, you have the following schools identified as *Rising Star Schools* in 2016:

School Name	2015 Status	2016 Status
Beacon Academy	-	Below 60% Graduation Rate
Discovery Charter School	-	Bottom 5% Elementary/Middle Schools
NV Connections Academy	Priority School	Below 60% Graduation Rate
Silver State Charter School	One-Star	Bottom 5% Elementary/Middle Schools

Please accept this letter as a formal inquiry into your actions on school accountability that are either in place or planned for all public charter schools under your sponsorship authority that are noted above. Response to this inquiry shall be submitted to the Office of the Superintendent of Public Instruction no later than January 15, 2017.

Your responses should include any past or current accountability actions taken with these schools that are available to you through your sponsorship authority and shall align to NRS 388A.300 et seq. Please provide artifacts to support those actions, as available. It is the opinion of this office that there are four pathways available:

1. Revocation or termination of charter contract and students are re-assigned throughout the host district.
2. The school enters receivership with a third-party entity to manage remediation planning and transfer of authority.
3. The charter school chooses to seek a transformation partner and opt in to be considered by the NV Achievement School District.
4. For schools that have been identified for the first time, development of a remediation plan with clear student achievement targets that lead the school to removal from the *Rising Star* designation in a specific period of years and prescribe consequences for failure to meet the specified targets.

Should you or your staff require consultation on how to move forward with either response to this inquiry or activation of a school remediation strategy, you may work directly with Seng-Dao Keo (skeo@doe.nv.gov) under the direction of the Superintendent of Public Instruction.

Thank you in advance for your attention to and cooperation with this matter.



APPENDIX B

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: Steve Canavero
Superintendent of Public Instruction

FROM: Patrick J. Gavin
Executive Director

CC: Members, State Public Charter School Authority

SUBJECT: Charter School Sponsor Memo

DATE: January 15, 2016

Silver State Charter School

In the fall of 2014, the State Public Charter School Authority (the "Authority") received multiple reports of financial mismanagement from governing body members at two charter schools, Quest Academy and Silver State Charter School. Based on those reports and issues with the timeliness and completeness of the 2014 independent audits of both schools, Authority staff (the "Agency") served both schools with Notices of Breach in December 2014.

During late 2014 and early 2015, the Agency contacted each of the big four accounting firms (PricewaterhouseCoopers, Ernst & Young, Deloitte, and KPMG) to assist in more detailed audit reviews of both schools. After discussions, the Agency was only able to agree to acceptable terms with Deloitte.

In early 2015, the Interim Finance Committee approved a Work Program transferring funds from the Agency's reserve category to Professional Services to fund the proposed contract with Deloitte.

On June 9, 2015, the Board of Examiners approved the Agency's contract with Deloitte to perform audits of Quest and Silver State. During the same month, Silver State Charter School submitted an amendment request to the Authority proposing the elimination of its middle school. That amendment request was considered at the June 12, 2015 Authority meeting and was approved by the Authority. Under that amendment, the school did not admit any new 7th grade students for 2015-16 and notified families of its intent to phase out the middle school program by the summer of 2016 with the promotion or transfer of all eighth grade students.

Deloitte began its review of both schools in July 2015. The firm prepared and submitted reports on their findings and supporting documentation related to Silver State in October 2015. Those materials may be found at <https://goo.gl/A841fA>.

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).

As the Department is aware, 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, the draft agenda for the January 27, 2017 Authority meeting includes an Agenda item based on a staff recommendation 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 will continue to monitor both programmatic and operational improvements and school progress towards meeting its academic targets as set forth in the settlement agreement.

Beacon Academy of Nevada

Pursuant to NRS 388A.330, as amended by Section 27 of SB509 of the 2015 Legislative Session, a graduation rate below 60 percent is grounds for termination of a charter, or the revocation of a written charter, or the reconstitution of the governing body of a charter school.

Beacon Academy of Nevada was approved by the State Board of Education in 2008 and was renewed by the Authority in 2014. It currently operates pursuant to a charter contract. The charter contract expires in 2020.

For each of the preceding five years, Beacon’s graduation rate has been below 60 percent.

	2011	2012	2013	2014	2015
Graduation Rate	16.38%	14.30%	37.61%	56.52%	52.63%
Rank in State	104/106	108/110	100/111	104/117	104/117
Position from Bottom	3 rd lowest in state	3 rd lowest in the state	12 th lowest in the state	14 th lowest in the state	14 th lowest in the state
Percentile Rank	3 rd	3 rd	11 th	12 th	12 th

While Beacon saw a significant increase between 2012 and 2013 in its performance relative to the rest of the state, the school has remained at the 11th or 12th percentile since then.

Based on a review of data submitted to the Agency by the school, Beacon is ineligible for the alternative state performance framework authorized under SB460 of the 2015 Legislative Session, as it has a 48.48 percent unduplicated count of eligible students. That unduplicated count is well below the 75 percent minimum in such categories of students set forth in statute.

Pursuant to statute, traditional public schools with graduation rates similar to Beacon are eligible for inclusion in the Achievement School District. As a charter school, this graduation rate rendered Beacon eligible for authorizer intervention, including termination of its charter contract or reconstitution of its governing body.

Based on the school’s graduation rate, the Agency recommended the Authority approve the issuance of a Notice of Intent to Terminate the Charter Contract of Beacon Academy 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. Individual members of the Authority requested Agency staff to engage in discussions with the school regarding its plan for improvement and asked that the Agency report back on the progress of those discussions. The school made multiple presentations to the Authority since February 2016, including an extensive dialogue with members in May and June. The most recent plan, submitted to the Agency on July 24, 2016, incorporated the school’s most recent written proposal. Based on discussion at the table during the July 29, 2016 Authority meeting, school leader Tambre Tondryk proposed the following measurable graduation rate targets:

Year	2016	2016	2017
4 Year Adjusted Cohort Graduation	52%	55%	60%

Based on that proposal, staff recommended that the Authority accept those targets and require that they be memorialized in an amended charter contract. In recognition of the school’s willingness to set annual adjusted cohort graduation targets for the next three years, staff recommended that the contract provide that the Authority would not terminate the charter contract based on any failure to meet those targets, and that only reconstitution and receivership could be imposed if the targets

were not met in addition to other changes. The Authority approved the goals proposed by the school and the staff recommendation, requiring that the school and the Agency negotiate a contract acceptable to both parties. At the August 26, 2016 Authority meeting, the Authority voted to direct staff and Beacon Academy to negotiate an amended charter contract by September 19, 2016. Staff and the school did not agree to mutually agreeable terms by the deadline.

Pursuant to NRS 388A.330 and NAC 386.330, the Authority later directed staff to Issue a Notice of Intent to Terminate the Charter Contract of Beacon Academy based on having a graduation rate for the preceding school year that is less than 60 percent. After discussion, the Authority approved the issuance of this Notice on September 23, 2016 and the Notice was officially issued on September 30, 2016.

Subsequently, Agency and Beacon representatives negotiated a contract acceptable to the Authority. The contract language provides a mechanism for Beacon to transition to serve a more high need student population via an amendment to its admissions policy to exclusively serve at risk youth. This will be accompanied by revisions to the graduation rate benchmarks to provide appropriate and rigorous achievement goals for that new population. This amendment will also permit the school to eventually qualify for the alternative performance framework. This amended contract was approved by the Authority on October 21, 2016. Due to the execution of this agreement and in accordance with guidance from counsel and staff recommendation, the Authority also voted to dismiss the Notice of Intent to Terminate the Charter Contract of Beacon Academy.

The Authority received the admissions policy amendment request in December 2016 and approved that amendment on December 16, 2016. Following Agency guidance, the school has also engaged with Momentum Strategy and Research to develop and propose revised academic goals which are applicable to all students enrolled under the new policy. Those goals will form the basis for a revised transitional framework which will be considered by the Authority in the first quarter of 2017.

While the school did not meet the statutory graduation rate requirement of 60 percent in 2015-16, school's 2015-16 graduation rate was consistent with the negotiated improvement plan and the current charter contract. Pursuant to these conclusions, the draft agenda for the January 27, 2017 Authority meeting includes an Agenda item based on a staff recommendation that the Authority not issue a Notice of Intent notwithstanding the performance of the high school program in 2015-16 because the charter school is meeting its obligations pursuant to the revised contract and has agreed to acceptable contractual terms with the Authority. Consequently, there is no cause to issue a Notice of Intent pursuant to NRS 388A.330(e). The Authority will continue to monitor both programmatic and operational improvements and school progress towards meeting its academic targets as set forth in the contract and will use its contractual authority to intervene in the event that the school fails to meet its contractual targets.

Nevada Connections Academy

Pursuant to NRS 388A.330, as amended by Section 27 of SB509 of the 2015 Legislative Session, a graduation rate below 60 percent is grounds for termination of a charter, or the revocation of a written charter, or the reconstitution of the governing body of a charter school.

Nevada Connections Academy (NCA) was approved by the State Board of Education in 2007 and was renewed by the Authority in 2013. It currently operates pursuant to a written charter. The written charter expires in 2019.

For each of the preceding five years, NCA’s graduation rate has been below 60 percent.

	2011	2012	2013	2014	2015
Graduation Rate	26.5%	36.08%	33.91%	37.19%	35.63%
Rank in State	99/106	98/110	100/111	110/117	110/117
Position from Bottom	8 th lowest in state	13 th lowest in the state	11 th lowest in the state	8 th lowest in the state	8 th lowest in the state
Percentile Rank	7 th	12 th	10 th	7 th	7 th

While the school saw a graduation rate increase between 2011 and 2012 in its performance relative to the rest of the state, moving from the 7th percentile to the 12th, the school declined back to the 7th percentile in both 2014 and 2015.

Based on a review of data submitted to the Agency by the school, Nevada Connections Academy is ineligible for the alternative state performance framework authorized under SB460 of the 2015 Legislative Session, as it has a 23.02 percent unduplicated count of eligible students. That unduplicated count is well below the 75 percent minimum in such categories of students set forth in statute. Pursuant to statute, traditional public schools with graduation rates similar to NCA are eligible for inclusion in the Achievement School District. As a charter school, this graduation rate renders NCA eligible for authorizer intervention, including termination of its charter contract or reconstitution of its governing body.

Based on the school’s graduation rate, the Agency recommended the Authority approve the issuance of a Notice of Intent to Revoke the Charter Contract of Nevada Connections Academy 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. Individual members of the Authority requested Agency staff to engage in discussions with the school regarding its plan for improvement and asked that the Agency report back on the progress of those discussions. The school made multiple presentations to the Authority from February 2016 onwards, including an extensive dialogue with members in May of this year. The school presented a plan and staff raised significant concern around the lack of measurable annual performance targets. Consequently, the school was directed to propose targets for review by Agency staff.

Following the May meeting, Agency staff discussed NCA’s improvement plan with NCA staff regarding the proposed improvement plan and graduation rate targets. On Thursday, July 28, 2016, the school proposed targets to achieve the 60 percent target within three years:

Cohort Year	Measurement Date	Cohort Graduation %
2015	December, 2015	37 %
2016	December, 2016	45 %
2017	December, 2017	52 %
2018	December, 2018	60+%

Staff determined that these targets were consistent with the guidance set forth by the Authority in May and determined that they were SMART (specific, measurable, achievable, relevant, and time bound) goals which the Authority could use as an objective mechanism to evaluate student achievement and determine if the school should remain in the Authority portfolio.

Agency staff expressed concerns about the broad language that is included with the school's goals. The school proposed, for example, that there be an external validation of student academic record data and other characteristics to verify some of the contentions that the school has made regarding the purported unique characteristics of the student body. Staff concurred that external validation of information which is not tracked and reported by NDE is essential to ensuring that the Authority is receiving factual information. However, it was unclear how the Authority would be able to assess the relevance of such information as there is no ability to compare these data points at other schools and in other school systems. Consequently, staff urged the Authority to avoid committing to consideration of such data in making high stakes decisions regarding the school.

Staff recommended that the Board approve these goals contingent upon the school entering into a charter contract which contains terms identical to those agreed to by Beacon Academy in their recently amended charter contract. The recommendation also specified that the contract identify the approved goals and provide that the school and the Authority will use the graduation rate calculated by the Department and that both parties agree to abide by any changes in the calculation rate approved by the US Department of Education. The recommendation provided that accountability consequences shall be imposed if the school does not achieve a particular annual target. Given the school's willingness to collaborate with the Authority in setting annual performance targets, Agency staff also recommended that the Authority agree to take a charter contract termination that results in closure of the school off the table for the duration of the charter contract, provided that the contract require that the Authority could require that the school enter receivership or have its governing body reconstituted if the school does not meet an annual performance target.

In recognition of the school's willingness to set annual adjusted cohort graduation targets for the next three years, staff recommended that the contract provide that the Authority would not terminate the charter contract based on any failure to meet those targets, and that only reconstitution and receivership could be imposed if the targets were not met in addition to other changes. After extensive discussion, the Authority conditionally approved the goals set forth by Nevada Connections Academy and required that the school and the Agency negotiate a contract acceptable to both parties. At the August 26, 2016 Authority meeting, the Authority directed staff and Nevada Connections Academy to negotiate an amended charter contract by September 19, 2016.

After extensive discussions with the school and its counsel, Staff and counsel were unable to agree to mutually agreeable terms. On September 23, 2016, the State Public Charter School Authority voted to direct staff to issue a Notice of Intent to Revoke the Written Charter of Nevada Connections Academy pursuant to NRS 388A.330 and NAC 386.330 based on having a graduation rate for the preceding school year that is less than 60 percent. This determination was made after extensive discussion, as detailed in the transcript. The Notice of Intent to Revoke the Written Charter of Nevada Connections Academy was officially issued on September 30, 2016.

Following the issue of the Notice, the Agency was notified of multiple legal filings against the Authority by the school. Copies of the main set of filings and Agency responses are publicly available for Department review. As this is an ongoing legal matter, the Authority has been advised to limit its commentary regarding this matter.

As detailed in the Notice, the Authority scheduled a public hearing following the statutory cure period for its December 16, 2016 meeting. As noted in press accounts and detailed in the transcript of the court reporter retained by the Agency, the Authority postponed that hearing due to an inability to accommodate the several hundred parents who turned out to provide public comment and monitor the proceedings. The Authority and the school agreed in writing to a waiver of the 90 day limitation imposed by statute due to this constraint and the Agency is actively working to identify a facility and technology solution that will comply with the Open Meeting Law under these circumstances. As this matter is still under review, the Agency cannot speculate on potential determinations made by the Authority. The Agency will keep the Department apprised of the Authority's actions in this matter.

At the present time, the draft agenda for the January 27, 2017 Authority meeting includes an Agenda item based on a staff recommendation that the Authority issue a Notice of Intent based on Nevada Connections Academy's most recent graduation rate, which is also below the statutory minimum set forth in NRS 388A.330. As no Notice has been issued at this time, the Agency cannot speculate on possible proposed cures or potential determinations made by the Authority. The Agency will keep the Department apprised of the Authority's actions in this matter.

Discovery Charter School

Pursuant to NRS 388A.330(f), a charter school sponsor has the authority to revoke a written charter or terminate the charter contract of a charter school which performs in the bottom five percent of all elementary and middle schools. Such performance may also result in the reconstitution of the governing body of a charter school.

Discovery Charter School has been identified by the Department as an elementary or middle school which performs in the bottom five percent and is thereby eligible for revocation of its written charter. This is the first year that Discovery has been ranked in the bottom five percent of elementary or middle schools. Additionally, the written charter expires this academic year and the school has been directed to submit an application for a new charter contract on February 1.

At the present time, the draft agenda for the January 27, 2017 Authority meeting includes an Agenda item based on a staff recommendation that the Authority issue a Notice of Intent pursuant to NRS 388A.330(f). If the Notice is issued, the Agency will formally notify the school via electronic and certified mail pursuant to NAC 306.330(1). Consistent with timelines set forth in state law, the school would then be subject to a cure period and the Authority would hold a public hearing to determine whether the cure is satisfactory and whether the deficiency merits revocation. The Agency will recommend that the Authority defer review of the application for a charter contract until such time as a determination has been reached with regard to revocation of the current written charter or other appropriate action pursuant to NRS 388A.330. As no Notice has been issued at this time, the Agency cannot speculate on possible proposed cures or potential determinations made by the Authority. The Agency will keep the Department apprised of the Authority's actions in this matter.

APPENDIX C

Graduation Rate Data

Graduation Rate	2011-12	2012-13	2013-14	2014-15	2015-16
Silver State Charter School	22%	22%	22%	0%	10%
Beacon	14%	38%	57%	53%	52%
Nevada Connections	36%	34%	37%	35%	40%

Discover Charter

Math	3 rd : 35% 4th: 33% 5th: 50% 6th: 36% 7th: 47% 8th: 29%	No data available	3rd: 33% 4th: 23% 5th: 19% 6th: 19% 7th: 18% 8th: 26%
Reading	3rd: 53% 4th: 47% 5th: 63% 6th: 61% 7th: 71% 8th: 57%	No data available	3rd: 53% 4th: 35% 5th: 48% 6th: 35% 7th: 43% 8th: 61%