

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

**1749 North Stewart Street Suite 40
Carson City, Nevada 89706-2543
(775) 687 - 9174 • Fax: (775) 687 – 9113**

BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin, Executive Director
Mark Modrcin, Director of Authorizing
Ryan Herrick, General Counsel
SUBJECT: Agenda Item 7: Quest Preparatory Academy: Amendment Request and Possible
Remedy to the Deficiencies Identified in Agenda Item #6
DATE: February 16, 2018

Joshua Kern, the receiver for Quest Preparatory Academy, is requesting that the SPCSA Board approve his request to amend Quest's charter contract in order to implement a new, structured turn-around plan in response to current academic performance deficiencies. Mr. Kern submitted an amendment request on January 18, and some additional information on February 5 in response to some clarifying questions from SPCSA staff. The amendment is based on his previously-submitted reports, and his proposal to retain an affiliated entity, TenSquare, a charter school improvement and support organization, for the next three years, to boost Quest's admittedly poor academic performance. As part of a plan submitted by Mr. Kern, the fundamental goal is to move Quest to a 3 Star rating in 3 years.

As discussed in greater detail below, with significant concerns and reservations, Staff recommends that the SPCSA Board approve Mr. Kern's amendment request.

Background:

Beginning in 2008, Quest Preparatory Academy opened under a written charter. The school initially contracted with Imagine Schools, an educational management organization, and subsequently severed that relationship. In 2014, the SPCSA executed a charter contract with Quest, under which Quest continues to operate.

Following that renewal, Quest's governing body made a series of precipitous changes, including rapidly acquiring new facilities without prior Authority knowledge or approval and entering into a series of costly transactions, including the lease of hundreds of tablet devices as part of an undisclosed migration from an academic and instructional program that had resulted in 3 and 4 star status and had merited renewal in 2014. During a forensic audit commissioned by the Authority in

2015, the Quest board again relocated a campus without Authority approval and requested an amendment after the fact. As a condition to amend its charter contract to relocate that campus, and in light of the Authority's serious financial and operational concerns, the governing body of Quest agreed to allow the SPCSA to appoint a receiver to oversee the school. As a result, on October 26, 2015, the SPCSA and Joshua Kern entered into an agreement on behalf of the SPCSA and the charter school whereby Mr. Kern was appointed the receiver over Quest. Subsequently, the remaining members of the Quest governing body legally permitted to serve and work with the receiver under the initial receiver agreement failed to assemble as a board, thus abdicating their role as a governing body.

Quest currently operates three campuses in Las Vegas. At its peak, Quest served nearly 1,500 students during the 2014 – 2015 school, and operated four campuses. Since that time, attendance has dropped, and Quest now serves approximately 738 students at three campuses. An enrollment breakdown is as follows:

- Alexander Campus – Kindergarten, serving approximately 56 students;
- Bridger Campus – Kindergarten through fifth grade, serving approximately 147 students; and
- Northwest Campus – Kindergarten through sixth grades, serving approximately 535 students.

In regard to academic performance, with few exceptions, Quest's current academic performance across its three campuses can only be described as poor. ***Quest is one of the lowest performing schools in the State of Nevada.*** This ranking includes SPCSA-sponsored charter schools, as well as other charter schools and traditional public schools. There is no getting around the fact that the education that Quest students are receiving is below par.

The current state of Quest's academic performance indicates a decline over the past five years. As late as 2014, before the ratings of the Nevada State Performance Framework were frozen, the elementary, middle and high school programs were rated as at least 3-star programs. Since this time, Quest students have not achieved results that could be considered marginally satisfactory. Historically, less than half of Quest's students have met grade-level benchmarks. Most concerning is that the data suggests that the longer a student is enrolled at Quest the more the student falls behind in every academic metric. Put another way, even the school's own analysis reveals that ***students at Quest test lower on standardized tests the further they progress through grade levels at Quest.***

The details related to Quest's failure to provide students with an adequate education is detailed in greater detail in Mr. Kern's previously-submitted report. Quest was recently ranked as a one- and two-star school for the 2016-217 school year under Nevada's Department of Education's statewide system for school accountability.

Summary of the Receivership Proposal:

The charter amendment proposal submitted to SPCSA staff outlines plans to significantly improve student outcomes at Quest Academy by continuing to leverage the TenSquare firm. According to the proposal, TenSquare plans to:

- Improve programmatic quality

- Strengthen instruction curriculum, assessment and use of data;
- Build a culture of high expectations and achievement for students;
- Foster a culture of high performance for adults and strengthen human capital;
- Cultivate high-performing data practices, compliance and school operations; and
- Develop the capacity of school leadership.

Accomplishing the above goals requires tremendous effort for a new school, let alone one that is undergoing a transformation. To be successful, the proposal outlines turnaround pillars—principles, programs, structures—to support rapid improvement in the following areas: academics, school culture, school operations and human resources, and leadership. Key elements of each pillar as outlined in the proposal are highlighted below:

	<u>Principles</u>	<u>Programs</u>	<u>Structures</u>
Academics	<ul style="list-style-type: none"> - High quality resources and training - Strategic interventions addressing skill gaps - Data-driven instruction 	<ul style="list-style-type: none"> - Implementation of high quality ELA and math anchor curricula - Targeted, intensive PD - Data cycles and aligned, interim assessments 	<ul style="list-style-type: none"> - Development of PLCs - Low stakes, frequent coaching for teachers - Maximized instructional time

	<u>Principles</u>	<u>Programs</u>	<u>Structures</u>
School Culture	<ul style="list-style-type: none"> - All adults must adhere to core values - Consistent, school-wide classroom systems - Parents are partners - Educators should track and use behavior data 	<ul style="list-style-type: none"> - Full implementation of a “Culture of Achievement” - In-depth PD - Leveraging PBIS 	<ul style="list-style-type: none"> - PBIS pyramid of behavior supports for students - Tiered system for progressive discipline - New family orientation - Regular assemblies and meetings to build community

	<u>Principles</u>	<u>Programs</u>	<u>Structures</u>
School Operations and Human Resources	<ul style="list-style-type: none"> - School budget heavily allocated to staff and program - Operational focus on key indicators - Clear, measurable benchmarks 	<ul style="list-style-type: none"> - Focus on talent and recruitment - Long-term, conservative budget planning 	<ul style="list-style-type: none"> - Human resources timelines and tools to ensure recruitment and retention of top talent - An efficient and high-performing staffing structure

	<u>Principles</u>	<u>Programs</u>	<u>Structures</u>
Leadership	<ul style="list-style-type: none"> - School leaders own and drive student achievement - Leaders invest staff in school turnaround initiatives - Teachers are developed as leaders 	<ul style="list-style-type: none"> - Direct, hands-on leadership coaching for school leaders - Direct support with prioritization and goal-setting 	<ul style="list-style-type: none"> - High-quality school goals - Weekly leadership team meetings and 1:1 check-ins with key staff

As highlighted in the tables above, the proposal includes large programmatic shifts in both curriculum and professional development. Previously, Quest had attempted to implement the Core Knowledge model, but some curriculum resources were not updated to meet the Common Core State Standards, textbooks were old and dated, and the model was not implemented faithfully, limiting the number of opportunities students had to master key foundational skills.

Quest is proposing a re-design to ensure that curriculum resources and supports in mathematics and ELA are aligned to *both* Common Core and the rigors of SBAC. Furthermore, the proposal outlines steps needed for the school to effectively implement resources and supports for students and teachers to be successful. To ensure that teachers and leaders are prepared to fully implement a new curriculum and approach to instruction, professional development will be embedded through weekly, real-time coaching that will occur throughout the year. If approved, there will also be additional trainings that occur through the end of the year and over the summer to ensure that staff has improved capacity to perform data analysis, identify possible interventions, and leverage best instructional practices.

Quest leadership also recognizes that, to expedite and increase the likelihood for success in their turnaround effort, an effective performance management system must be in place to evaluate staff. This includes more intense evaluation practices that include weekly walk-through cycles for all teachers. Furthermore, to increase the likelihood of hiring high-performing candidates to fill vacancies, Quest plans to advertise all positions on a rolling basis, evaluate the teacher pay scale for alignment, and make decisions about retaining and exiting current staff by mid-May of each year.

The proposal also outlines performance benchmarks for the measures used to calculate ratings for the Nevada State Performance Framework. These benchmarks will, according to the proposal, lead to a 3 Star rating under the Nevada State Report Card by the 2020- 2021 school year.

Area	Metric	SY 1718 GOAL	Nevada Report Card (SY1718)	SY18-19 Goal	Nevada Report Card (SY18-19)	SY20-21 Goal	Nevada Report Card (SY19-20)	SY 20-21 Goal	Nevada Report Card (SY20-21)
Academic Achievement	Math CRT	32%	n/a	37%	n/a	42%	n/a	45%	n/a
	ELA CRT	32%	n/a	37%	n/a	42%	n/a	45%	n/a
	Science CRT		n/a		n/a		n/a		n/a
	Pooled Average	33%	4	37%	5	42%	8	45%	9
	Read by Grade 3	30%	2	40%	3	43%	3	65%	5
Student Growth	Math CRT MGP	45%	4	47%	4	47%	4	50%	5
	ELA CRT MGP	32%	1	35%	2	40%	3	45%	4
	Math CRT AGP	31%	3	35%	4	37%	4.5	38%	4.5
	ELA CRT AGP	33%	0.5	38%	1.5	42%	2	35%	1
English Language	ELPA	30%	1	37%	3	37%	3	40%	4
Closing Opportunity Gap	Math CRT	25%	4	30%	6	30%	6	30%	6
	<i>%meeting AGP</i> ELA CRT	25%	1	30%	2	30%	2	35%	4
Student Engagement	Chronic Absenteeism	16%	3	12%	6	10%	7	10%	7
	Climate Survey	≥55	2	≥55	2	≥55	2	≥55	2
STAR Points			26.5		38.5		44.5		51.5
Star Rating			1		2		2		3

While this proposal potentially represents a significant shift for the school, it is important to note that Mr. Kern was initially tasked with resolving a myriad of legal, financial, and organizational issues related to Quest. The initial agreement that the Authority entered with the School’s governing body was based on representations from the school’s then governing body and leadership that the school’s improved performance was likely to be both sustainable and would continue on a similar trajectory. The existential organizational and financial challenges detailed in Mr. Kern’s regular reports to the SPCSA Board far exceeded those that school’s staff and board members disclosed in the Deloitte audit. It is the opinion of SPCSA staff that almost all of the legal, financial, and organizational issues have been resolved at this time. Only a single litigation matter remains from the numerous court cases Mr. Kern was tasked with resolving. Likewise, only a

single administrative proceeding is currently pending in regard to Quest. While these are positive steps, the school has yet to demonstrate strong, sustainable academic growth and achievement. Mr. Kern is proposing to begin this work leading up to the 2018-2019 school year.

Please note that Mr. Kern is the managing member of TenSquare. While potentially concerning, this is one of the primary reasons – in addition to Mr. Kern’s expertise and experience with charter schools and turning around low-performing charter schools – that the SPCSA retained Mr. Kern as the receiver for Quest.

It is important to note that Staff has spent significant time discussing with Mr. Kern alternatives to his proposals. In addition to authorizing Mr. Kern to proceed with his proposal, or closure, Staff has researched and analyzed whether Mr. Kern’s proposal could be negotiated to save public monies while at the same time achieving the results that the SPCSA Board seeks. SPCSA Staff has also looked at other alternatives to Mr. Kern’s proposal, including retaining another charter school improvement organization to assist with turning around Quest’s academic performance, negotiating a less costly proposal with Mr. Kern, or staying the course and proceeding with the status quo.

Based on the foregoing, it is Staff’s belief that the SPCSA Board is faced with two alternatives: (1) authorize Mr. Kern to proceed with his proposal, which still may not adequately address the systemic underperformance of Quest in a short time; or (2) close Quest.

Legal Framework:

As the SPCSA Board is well-aware, SPCSA-sponsored charter schools are generally governed by local, state, and federal education statutes and regulations; in addition to Nevada-specific charter school laws, regulations, SPCSA requirements and guidelines; as well as the charter school’s charter contract. However, charter schools that are placed under receivership – either by statute or, in the case of Quest, by agreement of the governing board of the charter school and the SPCSA – also operate under the legal framework of the receivership order or agreement.

In this case, Quest is currently operating under both a charter contract and the Receivership Appointment agreement entered into between the SPCSA and Mr. Kern as a result of the resolutions and agreements made by and between both the SPCSA Board and the governing body of Quest at the time of Mr. Kern’s appointment.

Furthermore, if the SPCSA Board rejects Mr. Kerns proposal and determines that closure of Quest is in the best interest of Quest’s students, the SPCSA Board should be aware of the statutory and regulatory framework governing the closure of a charter school. Closure will task Mr. Kern with following Nevada statutes and regulations to shutter the affairs of Quest. SPCSA staff, to the extent allowed by laws and regulations, may assist the receiver and Quest community in this process.

Staff Recommendation: Approve Proposal

The SPCSA strives to provide high-quality, public education choices for Nevada’s parents and students. Since Mr. Kern has acted as the receiver for Quest, SPSCSA staff has been pleased to see that a myriad of legal, financial, and organizational problems related to Quest have been resolved.

Despite the improvements under the receivership, and the merits behind this charter amendment request, it should be noted that SPCSA staff has serious reservations regarding this proposal. The goal to improve Quest to a 3 Star school within 3 years would be a positive sign of not only improved student outcomes, but also the overall school climate. The proposal also outlines clear and measurable benchmarks that create a path toward achieving the 3 Star status by the end of the 2020 – 2021 school year. These include improving the percentage of students meeting the CRT standard in math and ELA by 5 percentage points annually during the 2018 – 19 and 2019 – 20 school years. Nevertheless, it would be remiss of staff to not acknowledge that even this level of growth, which is significant, may not be enough to achieve a 3 Star status in three years. In fact, if growth targets are not met after the 2018 – 2019 school year, it will be exceedingly difficult to meet future benchmarks.

Staff also remains concerned Quest’s performance in relation to its charter term. The current charter contract expires at the end of the 2019 – 2020 school year. As such, SPCSA Staff must acknowledge that even if the proposed plan is successful, Quest will likely not have achieved a 3-star rating at the time of renewal. While Staff believes that the above plan can steer Quest to a 3-star rating under the Nevada Performance Framework by 2020 – 2021, they are less confident that this level of progress can be attained by the end of Quest’s current charter term.

SPCSA Staff also remains concerned about employee turnover and school culture given that turnaround work will be a severe departure from previous teacher practices and mindsets. The proposal highlights many positive steps to establish a positive culture of continuous development, including authentic coaching cycles focused on improvement and data-driven instruction. Nevertheless, it is likely that Quest will face challenges on two fronts. It will be extraordinarily difficult to recruit, hire, develop and train a high-quality staff that can lead change of this magnitude in such a short timeframe. Second, current school employees may be less inclined to fully embrace the level of change necessary, which could lead to above average staff turnover at an already-struggling school.

With significant reservations, SPCSA Staff recommends that the SPCSA Board approve Mr. Kern’s charter amendment request. SPCSA staff believes that approving this proposal at this time affords the receiver the best chance to improve the academic performance of the school, and provide Quest students with the educational opportunities that the SPCSA desires to provide Nevada’s public charter school students.