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BRIEFING MEMORANDUM

TO: Jaimarie Dagdagan, Program Analyst
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FROM: Jason Guinasso, Chair
State Public Charter School Authority Board
Brian Scroggins, Acting Interim Executive Director
State Public Charter School Authority

SUBJECT: Response to Information Requested from the Interim Finance Committee

DATE: November 30, 2018

This memorandum is the State Public Charter School Authority's (SPCSA) official response to questions presented to the Authority by the Interim Finance Committee (IFC) on October 29, 2018. This response was prepared and approved by the SPCSA Board with the assistance of SPCSA staff. technique

It is our understanding that at the IFC meeting on October 24, 2018, the Committee expressed concerns regarding the SPCSA allegedly "*not having performed evaluative site visits on sponsored charter schools due to a lack of a site visit protocol.*" Further, it is our understanding that testimony was provided by a member of the SPCSA staff that "*indicated this is primarily due to the SPCSA Board's direction to revise the performance framework based on additional stakeholder engagement meetings with sponsored charter schools.*" Moreover, the SPCSA staff member apparently further testified during the IFC meeting that "*sponsored charter schools have provided feedback indicating they would like to be notified of the date the evaluative site visit would occur, how the charter schools would be evaluated, and the rubric by which the charter school would be measured.*"

Based on the testimony provided by the person from the SPCSA staff, IFC members understandably expressed concerns with the representation that charter schools somehow play a

role in how they would be regulated. Therefore, the IFC sent the October 29, 2018 letter with questions to the SPCSA Board regarding the testimony.

BRIEF BACKGROUND INFORMATION REGARDING SPCSA

The primary consideration of the Nevada Legislature in enacting bipartisan legislation to authorize charter schools is to serve the best interests of all pupils, including pupils who may be at risk. The specific intention of the legislature was to provide:

- Authorizers with a method to experiment with providing a variety of independent public schools to the pupils of this state;
- A framework for such experimentation;
- A mechanism by which the results achieved by charter schools may be measured and analyzed; and
- A procedure by which the positive results achieved by charter schools may be replicated and the negative results may be identified and eliminated.

It was further the intention of the legislature to provide teachers and other educational personnel, parents, legal guardians and other persons who are interested in the system of public education in this state the opportunity to:

- Improve the learning of pupils and, by extension, improve the system of public education;
- Increase the opportunities for learning and access to quality education by pupils;
- Encourage the use of different and innovative teaching methods;
- Establish appropriate measures for and assessments of the learning achieved by pupils who are enrolled in charter schools;
- Provide a more thorough and efficient system of accountability of the results achieved in public education in this state; and
- Create new professional opportunities for teachers and other educational personnel, including, without limitation, the opportunity to increase the accessibility and responsibility of teachers and other educational personnel for the program of learning offered.

In accordance with the foregoing policy objectives of the Nevada Legislature, the mission of the SPCSA is to improve and influence public education in Nevada by sponsoring high-quality public charter schools that prepare all students for college and career success and by modeling best

practices in charter school sponsorship. The SPCSA's stated goals in fulfilling this mission are to: (1) Open and sustain quality schools that reflect the demographics of their community; (2) Maintain an unwavering commitment to High Quality Schools (4 & 5 Star Schools); (3) Ensure Fulfillment of Public School Obligations; and (4) Facilitate a Community of Practice Among Charter School Operators and Leaders to Build a Culture of Innovation and Collaboration.

As the only statewide authorizer in Nevada, the SPCSA is responsible for maintaining and promoting high standards of school performance, upholding school autonomy, and protecting student and public interests. This is a tremendous charge, but one that can be done effectively by setting high expectations and holding schools accountable for results. A quality authorizer engages in responsible and effective performance management.

To do this successfully, an authorizer must communicate agreed-upon goals to a public charter school's governing board, usually through a performance contract that includes three distinct frameworks: academic, financial, and organizational. Instead of dictating how a school must achieve goals within each component, an authorizer entrusts the Board to manage how these results are achieved. This includes effectively managing public funds, complying with legal obligations and, perhaps most importantly, providing a quality education to the students in its care. (see [NACSA Core Performance Framework and Guidance](#) document)

The academic performance component sets out to address the question: is the educational program a success? Best practices around the country signal that this is frequently done by measuring student proficiency levels, student progress over time (growth), and post-secondary readiness.

The financial performance component sets out to address the question: is the school financially viable? Quality authorizers around the country normally seek to measure the health of public charters in the near-term as well as understand their long-term viability.

The organizational performance component sets out to address whether or not the organization is effective and well run. Specifically, this section defines the operational standards to which a charter school should be accountable to both the authorizer and the public. It is designed to ensure that all public schools are meeting minimum legal and contractual requirements. This includes the protection of student, staff and family rights and maintaining proper governance of a public entity.

While monitoring the academic, financial and organizational performance of a public charter school can be done without physically visiting a school, an on-site evaluation can be a strong mechanism to reaffirm performance findings if done effectively. The National Association of Charter School Authorizers (NACSA) states that as part of its ongoing oversight and evaluation of charter schools, an effective authorizer should visit each school as may be appropriate for collecting data while ensuring that the frequency, purposes, and methods of such visits respect school autonomy and avoid operational interference. The SPCSA staff and Authority Board intend to leverage site evaluations as complement to the performance frameworks. Through both performance contracting and effective site evaluations, both the Authority Board and individual public charter schools will more fully understand their strengths and opportunities for improvement.

COMPLETE RESPONSE TO ORIGINAL LETTER OF INTENT

Director Gavin lobbied the legislature in 2017 for a budget that included four new positions. To justify the new positions, he made several representations regarding the need of the SPCSA. This testimony he provided included a representation that there was a 120-day backlog in reviewing charter application; the agency had not performed site visits required by the SPCSA's performance framework since FY 2013; the SPCSA was 18 months overdue in revising its academic and organizational framework, there was a 60-day backlog in providing written feedback to applicants that were notified of an intent to recommend denial of an application and the Authority was 39 months overdue in performing its compliance checklists that would ensure consistent enforcement of applicable laws, regulations and policies. Consequently, the Legislature approved the budget with the four new positions.

After the legislative session, something called a "Letter of Intent" was sent to Director Gavin by the Chair of Senate Finance, Senator Woodhouse on September 29, 2017. In reviewing the records of responses provided to the IFC, the SPCSA Board has determined that the responses provided to the letter of intent appears to be incomplete. Therefore, the SPCSA now provides a complete response to the original Letter of Intent.

The initial Letter of Intent noted that the 2017 Legislature approved four new positions to create a new Authorizer Unit of the SPCSA to implement effective application review, contracting, monitoring and renewal processes. Testimony provided indicated that:

- There was a 120-day backlog in reviewing charter applications;
- The agency had not performed site visits required by the SPCSA's performance framework since FY 2013;
- The SPCSA was 18-months overdue in revising its academic and organizational framework;
- Had a 60-day backlog in providing written feedback to applicants that were notified of an intent to recommend denial of an application; and
- 39-months overdue in performing its compliance checklists that would ensure consistent enforcement of applicable laws, regulations, and policies.

SPCSA is pleased to report the following results:

- Regarding the 120-day backlog in reviewing charter applications, the SPCSA has filled all four newly- approved roles since the 2017 session. Since the first of these staff members were hired in late 2017, three application cycles have been completed. A backlog in reviewing charter applications no longer exists, largely due to the increased capacity of the

authorizing unit. As a result, applicants are receiving more timely feedback on their applications, which allows them to better serve Nevada students.

- Regarding the elimination of written correspondence backlog to applicants recommended for denial, new staff has worked diligently to develop strong internal protocols to ensure timely communication to all applicants recommended for denial. At this time, the backlog in written correspondence no longer exists. All applicants from previous cycles have received requested feedback from the application process. As previously stated, this provides actionable feedback to the authors of proposals, and hopefully results in future submissions that are more robust. Staff plans to present applicant recommendations for the current application cycle to the SPCSA Board at the November 30, 2018 Board meeting. Any written feedback for these applicants will be provided no later than December 21, 2018.

Both the SPCSA staff and Authority Board recognize that there is still important, ongoing work related to the development of a robust site visit protocol. The authorizing division began working on the evaluative site visit protocol in the spring of 2018, with significant progress occurring in the summer when the authorizing division was fully-staffed. A first draft of the protocol (see Exhibit 3) was circulated for review on August 15. The proposed site evaluation protocol and schedule was presented to the Authority Board at the November 30, 2018 Authority Board meeting. SPCSA staff will participate in critical training on the evaluation protocol so that site evaluations can commence in January of 2019. The SPCSA staff anticipates that per the Board-approved protocol process, over half of the SPCSA portfolio will receive an evaluation before the end of April of 2019.

SPCSA staff continues to work diligently to revise the academic, financial and organizational components of the framework. Staff intends to incorporate a mechanism similar to a compliance checklist into the new organizational framework so as to ensure consistent enforcement of applicable laws, regulations and policies. SPCSA staff anticipates that a revised financial framework will be presented to the Authority Board no later than January of 2019. Additionally, SPCSA staff has already begun to overhaul the academic and organizational components and anticipates bringing recommendations to the Board in the spring. This would allow the Authority to have a fully-functioning framework that includes clear expectations for all schools heading into the 2019 – 2020 school year.

RESPONSE TO QUESTIONS PRESENTED BY THE IFC ON OCTOBER 29, 2018

- 1. Please indicate the factors that prompted the SPCSA Board to direct SPCSA staff to revise the performance framework.**

The current academic performance framework has been defunct for some time, relying on dated measures and duplicative data that is already captured in the current Nevada School Performance Framework (NSPF), which is issued annually by the Nevada Department of Education. The academic framework is also reliant on mandated state testing. When the state transitioned to SBAC and subsequently suffered a statewide test failure, the SPCSA was unable

to populate the data required by the framework. The current performance framework is attached to this memo as exhibit 4.

These factors have led the Authority Board, SPCSA staff and sponsored schools to agree that changes are necessary to create a tool that is effective and timely for all parties. Moreover, as a result of the new NSPF released for the first time in December of 2017, the SPCSA framework should work as a complement to this information and data.

With regard to the financial framework, the sector has matured and evolved since the original financial framework was approved by the Board. As a result, school leaders and current authority staff have expressed concerns about the current framework's ability to accurately convey the performance and financial viability of individual schools. For example, when this framework was approved there were not any schools that had accessed the bond market to purchase property and facilities. As such, the SPCSA Board requested that there be stakeholder engagement so as to strengthen the current tool. This engagement has helped the SPCSA staff formulate recommendations with regard to the financial framework. Most importantly, SPCSA staff and sponsored schools agree that the proposed changes are fair, accurate and informative. These are to be presented in January of 2019 to the Authority Board, and staff plans to recommend implementation for the 2019 – 2020 school year.

The current version of the organizational framework functions as a simple checklist solely dedicated to compliance. While this is a critical and important element of any organizational framework, more detail can be added to the current version so as to provide schools, the Authority Board and the general public with information about what compliance means and looks like. Currently, SPCSA staff plans to present recommendations on the Organizational framework to the Authority Board in the coming months. Furthermore, staff plans to have a fully-functioning organizational framework ready for implementation in the 2019 – 2020 school year.

2. Please indicate the concerns sponsored charter schools have expressed with the existing performance framework.

SPCSA staff and school leaders agree that all three components of the performance framework, in its current iteration, are problematic for the following reasons:

- Financial framework measures and thresholds do not accurately capture the financial health and viability of a school it attempts to measure given the evolution of the public charter sector. Minor tweaks, such as an adjusted standard for schools in their first or second year, and a clear accounting of pension liabilities, would help both the authorizer and the schools understand their financial position.
- The academic framework includes many measures that are already embedded into the NSPF. Both the SPCSA staff and the school community question how valuable the academic framework is given that it is duplicative and does not provide comparisons to the geographic peers. Additionally, the current performance framework relies on some dated assessments that are no longer in use within the Authority's portfolio.

These issues will be remedied by an overhaul of the framework. Due to the fact that the NSPF, as it stands today, does a sufficient job of measuring and informing schools of their academic performance, the academic framework was prioritized behind the financial and organizational frameworks, as well as the site visit protocol.

3. Please describe the role of SPCSA staff and the role of the SPCSA Board in developing the revised performance framework and the evaluative site visit protocol.

In preparing an evaluative site visit protocol, staff has taken the following actions thus far:

- Researched the work of leading authorizers throughout the country on evaluative site visits.
- Completed conversations with leaders of leading authorizing agencies across the country. The focus of these discussions was to learn about best practices, effective rollout strategies, and garner lessons learned.
- Received training on best practices on site evaluations from the National Association of Charter School Authorizers (NACSA). This work was facilitated by the Nevada Department of Education.
- Scheduled staff training on the Authority's site evaluation protocol for the month of December in order to build internal capacity and ensure that evaluations are conducted in a fair, transparent, and consistent manner.
- Established an evaluative site visit protocol, presented to the Authority Board on November 30, 2018 (attached to this memo as Exhibit 3).
- Engaged with a variety of stakeholders for general feedback, comments, and concerns.

As mentioned above, the Authority Board was presented with detailed information on staff's findings at the November 30, 2018 Board meeting. SPCSA staff plans to bring findings from these evaluative visits to the Board for information and discussion in early 2019.

As with the evaluative site visit protocol, SPCSA staff has engaged with a number of stakeholders in revamping the financial performance framework. Stakeholders included leading authorizers from around the country, various financial experts and school leaders during the months of August, September and October. SPCSA staff facilitated conversations at multiple Authority Board meetings and anticipates engaging with many of the same stakeholders to overhaul the current academic and organizational frameworks as well.

4. What are the planned duties of the new Education Programs Supervisor for Academic Quality position and Management Analyst position that were approved by the 2017 Legislature? Will the positions conduct the evaluative site visits as indicated by the SPCSA during the 2017 Legislative Session?

Both the Education Programs Supervisor and the Management Analyst positions will conduct evaluative site visits along with other members of the Authorizing division. The different skill sets of both will be integral to completing a thorough and fair evaluation of each school that is evaluated.

The Education Programs Supervisor currently manages the following projects and workstreams in addition to managing the evaluative site visit protocol and process:

- Analyze and develop staff recommendations regarding new public charter school applications for both winter and summer cycles annually;
- Monitor the academic impact of public charter schools through an understanding of the academic framework and performance metrics on an ongoing basis;
- Develop and implement review protocols and processes on an ongoing basis;
- Monitor the Nevada State Performance Framework and other leading, national frameworks so as to ensure alignment with state standards and other leading authorizers;
- Supervise a small, professional staff.

The Management Analyst position currently manages the following projects and workstreams in addition to assisting with the evaluative site visit protocol and process:

- Analyze and develop staff recommendations regarding new public charter school applications for both winter and summer cycles annually;
- Monitor the financial and organizational health of public charter schools;
- Develop and implement review protocols and process on an ongoing basis to determine if schools are complying with local, state and federal statutes;
- Monitor governing Board activity frequently for schools;
- Supervise a small, professional staff.

5. Please indicate the role and involvement sponsored charter schools have in the development of the revised performance framework and the evaluative site visit protocol.

Because effective performance frameworks and evaluative site visit protocols must be beneficial to both the charter school authorizer and the schools themselves, SPCSA staff has spent time engaging with sponsored schools. Specifically, feedback was sought from seven

school leaders, identified by the Charter School Association of Nevada (CSAN), to gather feedback and build investment in the final product. SPCSA staff responded collectively to their feedback, and where appropriate, has worked to incorporate changes so that the final product will be mutually beneficial to all parties.

6. Please indicate the factors that prompted the SPCSA Board to include charter schools in the discussion to revise the performance framework and develop the site visit protocol. Please also indicate how the SPCSA Board will utilize the input from the sponsored charter schools in its final decisions regarding the establishment of a revised performance framework and a site visit protocol.

As previously stated, effective regulatory tools must be mutually beneficial to both the authorizer and the sponsored schools. With regard to the performance frameworks, school leaders have expressed concerns about the current financial component's ability to accurately convey the performance and financial viability of individual schools. This engagement has helped the SPCSA staff formulate recommendations with regard to the financial framework. Most importantly, SPCSA staff and sponsored schools agree that the proposed changes are fair, accurate and informative.

With regard to site evaluative visits, school leaders expressed concern about that evaluations would infringe upon their autonomy, and that it might be an overreach by the SPCSA staff. In an effort to educate school leaders and build investment, SPCSA staff developed a Site Evaluation Handbook based on best practices. This was shared with identified school leaders so as to inform them of the purpose and to build understanding.

To be clear, evaluative site visits should be objective and model-agnostic, thereby respecting the high-degree of autonomy that public charter schools enjoy. This is reflected in the current iteration of the evaluative site visit protocol, and the Board will be the ultimate decision-maker as to whether as to how to weigh the findings and evidence gathered from this tool. Stated another way, staff will present conclusions from these evaluations, and the Board (not sponsored schools) will determine how to best proceed.

7. Please explain how the SPCSA Board determined that it was appropriate policy to allow regulated entities (sponsored charter schools) to assist in determining the means and methods by which they would be regulated and measured. What other state charter school authorizing agencies utilize a similar policy whereby input is provided by sponsored charter schools?

In order to build an effective, transparent performance framework and evaluative site visit protocol, SPCSA staff firmly believes that sponsored charter schools must be invested in the process. Any tool that is not informative for both parties is not valuable. It is in this spirit that SPCSA staff has engaged with its sponsored charter schools.

The SPCSA staff and Board would like to clearly articulate that regulated entities (sponsored schools) have been engaged in the review of the evaluative site visit protocol but are not the final decision makers in this process. Each school to be evaluated will be asked to pull

information that is not otherwise available so that SPCSA staff is fully informed. As a result, schools have been involved in the development of the protocol to review these requirements. Schools have offered their opinions on a number of small issues but recognize that the final decision lies with the Authority. This may have been misrepresented previously.

For example, sponsored schools have expressed that findings and feedback during an evaluative visit should be shared as soon as SPCSA staff capacity allows. As such, the current protocol provides for a short, but reasonable, window by which staff will be required to report out findings to the school being evaluated.

8. Please provide the timeline for which the SPCSA Board anticipates the revised performance framework and the evaluative site visit protocol would be finalized.

Prior testimony erroneously stated that there is no timetable or plan to launch the evaluative site visit protocol. Both SPCSA staff and the Authority Board apologize for the confusion created by this prior misinformed testimony. SPCSA will visit 15 schools by the end of this school year and will have visited all schools by the end of the 2019-2020 school year.

The authorizing division began working on the evaluative site visit protocol in the spring of 2018, with significant progress occurring in the summer when the authorizing division was fully-staffed. A first draft of the protocol (see Exhibit 3) was circulated for review on August 15. It continued to be revised in September and early October, when it was determined that it would be appropriate to share with the SPCSA Board at the public meeting on November 30, 2018. According to the developed plan, staff will engage in training related to the rubrics and protocol in December with visits to follow in January. Per the protocol process, schools have already been identified for site evaluations over the next 18 months, with over half of the SPCSA portfolio receiving an evaluation before the end of April of 2019.

This concludes the SPCSA's written responses to the questions presented. The SPCSA would welcome the opportunity to be present to testify at the next IFC meeting to provide any additional information the IFC may require.

Very truly yours,

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