

**REPORT TO SPCSA  
FOR ARGENT PREPARATORY ACADEMY**

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**REPORT TO SPCSA BY RECEIVER**  
**FOR ARGENT PREPARATORY ACADEMY**

**I. INTRODUCTION:**

Argent Preparatory Academy (“APA” or “Argent”) is a charter high school located in Carson City, NV that was formerly known as Silver State Charter High School (“Silver State”). The school has a hybrid program model that combines online, distance learning and a brick-and-mortar school with on-site staff.<sup>1</sup> Silver State suffered fiscal management issues and, by agreement with the Nevada State Public Charter School Authority (SPCSA) was placed into Receivership on July 1, 2016.<sup>2</sup> The Nevada State Court appointed Joshua Kern – the head of TenSquare, a national firm specializing in charter school management and support – as Receiver for the school.<sup>3</sup>

The purpose of this report is to update the SPCSA about the Receiver’s and Argent’s work to date, specifically regarding changes and improvements at the school, the school’s progress towards meeting the SPCSA’s specific conditions for reauthorization, and other legal and fiduciary matters relating to the discharge of the Receiver’s duties. The broader goal of this report is to frame the current state of the school and its future challenges in a manner to best assist the SPCSA in determining the best path forward for APA and to set forth necessary next steps in that evaluation effort.

**II. RECEIVER OVERVIEW**

The challenges facing the school at the time of the Receiver’s appointment in July 2016 were many and complicated. These challenges have been assessed and memorialized at various times, not only by the SPCSA but by a Performance Audit performed by TenSquare in the fall of 2017 (“the Performance Audit,” see Appendix A) and other documents. The challenges fall into three primary categories: (1) school leadership (2) finances and (3) academic program. These have been the three areas of focus of the Receiver to date.

With respect to the first two categories - school leadership and school finances – the Receiver has spent significant time resolving various legal and other matters in these areas. Those challenges as well as the actions taken, status and outlook of these matters, are further described in sections III (Leadership) and IV (Finances) below.

The last of the three categories – the academic program – is the most important to assessing the current health of the school and its prospects for success. Some of the more concerning aspects of the academic program include:

- a graduation rate below 50%

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<sup>1</sup> In a distance learning program, students take all courses online and remotely. The curriculum is designed for students to be able to accomplish all course objectives without going to an actual classroom. In some programs, students “meet” online at a designated time for an in-class, albeit remote, experience. In other programs, students complete all coursework individually at their own pace (within expectations set by the curriculum and teacher) and, for the most part, without interaction with other students and without “real-time” interaction with a teacher. Argent’s program fits more in the latter model. In Argent’s “hybrid” model, all courses are still 100% distance learning as described above, but the school offers a physical campus at which students can receive mentoring, help, and occasional (but rare) direct instruction on the curriculum.

<sup>2</sup> Supplemental Order for Appointment of Receiver, First Judicial District Court for the State of Nevada in and for Carson City.

<sup>3</sup> Id.

- a program model that did not require consistent attendance or measure progress towards proficiency
- weak or non-existent systems to collect, analyze and act upon student academic data
- instruction not aligned with standards, assessments, or grade-level expectations
- curriculum lacking appropriate rigor
- a current transiency rate of 83%
- declining enrollment, currently at 141 students

The SPCSA has addressed some these concerns initially by establishing a minimum set of conditions that the Receiver and school must meet this school year and next in order for the school to avoid charter revocation.<sup>4</sup> For the 2017-18 school year, these conditions are that the school will:

1. reconstitute its board that the Receiver believes is capable of completing a transformation
2. achieve a 45% graduation rate
3. obtain clean financial audits

The SPCSA minimum conditions for 2018-19 are that the school will:

1. achieve a rating of “adequate” on SPCSA’s academic performance framework
2. achieve a 60% or greater graduation rate
3. earn a 3-star rating on the alternative framework
4. continue to obtain clean financial audits

This report will serve, in part, to update the board on progress towards meeting those conditions. However, while necessary, meeting the SPCSA’s current conditions alone may not be sufficient to ensure the health of the school and to justify its continued operation. Therefore, the report will also address additional markers – particularly with respect to the academic program – that the school may need to address to ensure continued viability. The report will also assess the progress towards, challenges surrounding, and likelihood of meeting those markers.

### **III. SCHOOL LEADERSHIP**

#### **a. Background**

At the time of the Receiver’s appointment in July 2016, the Executive Director of the school was Dr. Kit Kotler. The Receiver and Dr. Kotler’s initial interactions raised questions for the Receiver about Dr. Kotler’s fitness for her role and potential mismanagement of the school. The Receiver placed her on administrative leave pending investigation in August of 2016. That investigation revealed serious and troubling behavior. Upon being placed on administrative leave, Dr. Kotler launched a series of legal petitions and other actions against the school and against the Receiver personally that has dominated much of the Receiver’s time between the time of his appointment to the present.

#### **b. Actions Taken by Receiver and Current Status**

In early July 2016, after his appointment, the Receiver and Dr. Kotler had several conversations about the state of the school and which priorities to address immediately. By

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<sup>4</sup> Settlement Framework approved by SPCSA on March 25, 2016. See Appendix B.

early August 2016, certain events suggested to the Receiver both that Dr. Kotler was unfit for the role of Executive Director and that the school could not properly function with her at the helm. Accordingly, before the start of the school year, the Receiver placed Dr. Kotler on paid administrative leave, pending further investigation.

The investigation revealed a variety of troubling information about Dr. Kotler's job performance and integrity. In perhaps the most egregious incident, the evidence suggests that, in June of 2016, Dr. Kotler coerced employees to submit falsified parent and student surveys related to a Turnaround Grant from the Nevada Department of Education. The employees were school bus drivers who were apparently directed, upon finishing their driving shifts, to log onto school computers and to pose as parents and students and falsely fill out as many positive surveys as possible. It appears that Dr. Kotler even threatened that if the employees did not falsify parent and student surveys, the employees would lose their jobs.

In December 2016, after completing most of the investigation, the Receiver placed Dr. Kotler on unpaid administrative leave. In what appeared to be an effort to harass Silver State and coerce a financial settlement, Dr. Kotler then instituted a barrage of frivolous legal actions against the school. Responding to these actions in coordination with legal counsel has demanded a great deal of the Receiver's attention. The legal actions filed by Dr. Kotler and their outcomes (in italics) are as follows:

(1) an action with the Nevada Department of Administration disputing whether the school could terminate her employment, despite overwhelming evidence; *after five days of evidentiary hearings, the parties await a recommendation from the hearing officer.*

(2) two EEOC complaints for alleged disability discrimination, although she failed to disclose the fact or nature of her alleged disability to anybody at the school, including the Receiver; *the first EEOC complaint was dismissed and the second EEOC complaint is still pending.*

(3) a petition to compel the school to produce certain documents to her; *the Court dismissed the petition as "moot, frivolous and only intended to harass and burden" the school;* and

(4) a lawsuit filed in Nevada state court against the school and the Receiver personally alleging fraud, breach of contract, and related claims; *dismissed by the Court with prejudice.*

Given the nature of Dr. Kotler's conduct and in particular evidence of fraudulent behavior, the Receiver petitioned the Nevada State Board of Education for revocation of her license, which is currently pending.<sup>5</sup>

In addition to draining time and resources from the Receiver between 2016 and spring 2017, Dr. Kotler's mismanagement contributed to a period of continued deterioration at the school. In addition to severely declining enrollment, financial challenges, and the serious deficiencies in the academic program detailed in the Performance Audit, Dr. Kotler failed to report graduation rates to state authorities, who therefore recorded the rate as 0% during the 2015-2016 school year. The mismanagement during Dr. Kotler's tenure, as well as the additional burdens of her post-termination actions, added significantly to the challenges faced by the Receiver and subsequent leadership.

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<sup>5</sup> Petition and Recommendation for Revocation of License and Notice of Right to Hearing, September 5, 2017.

**c. Current Leadership and Future Outlook**

Krystal Hoefling has been the Principal of the school since Dr. Kotler was placed on leave in August 2016. Prior to assuming this role, Ms. Hoefling was a social studies teacher and dean at the school. The Receiver has experienced the following with respect to Ms. Hoefling's leadership:

- i. She has made efforts to address immediate school's needs.
- ii. She is respected by her staff and has built on a culture of strong staff relationships.
- iii. She has been cooperative and responsive in working with the Receiver.

The Receiver will conduct a formal performance review of Ms. Hoefling before the end of 2017-18 school year. The review would be not only for the purpose of assessing her leadership performance, but also to move the school towards an accountability- and growth-based approach that would be necessary to long-term success of the school. The Receiver believes that strong leadership, intentionally developed and regularly evaluated, is a necessary component to ensure a viable academic program at the school.

**IV. SCHOOL FINANCES – KEY UPDATES**

- a. The refinancing of the current Bank of America loan is ongoing. The school is engaged with a CDFI to replace the loan with a higher interest rate. This process has yet to come to conclusion. As a result, Bank of America will proceed with shifting the school's loan status into their 'high risk' category, which results in yet higher interest costs. Additionally, the school's auditor has placed the full amount of the loan as a current liability in the government-wide statements. This is a requirement under GASB accounting rules, and the school does not contest this position. The anticipated conclusion of the refinancing process is projected to take place within the next 90-120 days.
- b. The school implemented a Reduction in Force early in fiscal 2018 due to an enrollment shortfall. This resulted in the elimination of both administrative and classroom staff to help better align the expenses with the revised revenue forecast.
- c. The financial health of Argent will be dependent on several factors. Most important will be an increase from the current enrollment. Also, the school is currently holding two vacant parcels of land and are actively marketing these unnecessary properties. There has been interest expressed in both parcels of land, but that process is still ongoing in conjunction with the refinancing.
- d. The school has a strong cash balance (equal to approximately one year of expenses) which will allow it to overcome short-term under-enrollment. If under-enrollment persists for a period of years, then cash could become an issue.

## V. ACADEMIC PROGRAM

### a. Overview

The academic program, of course, is the most important – and complex – element of the school on which the Receiver has focused. The deficiencies of the academic program at Argent have been detailed in a variety of sources, including the Performance Audit and Accreditation Report, as well as noted by the Receiver in the course of his work with the school. The challenges of the school’s program can be seen across numerous key indicators, most notably its low graduation rate, which has ranged between 10 and 45%, its high transiency rate of 83%, and its decreasing enrollment numbers.<sup>6</sup> Student testing and transcript data, which is perhaps the most well-accepted evidence of school success or failure, has not been kept, tracked, or used in a manner that holds students accountable or allows the school to be appropriately responsive to student needs. What can be determined is that there is a high rate of course failure or of receiving Ds in a program which is already considered low in rigor and, in execution, not ultimately aligned with grade-level standards.<sup>7</sup>

In the Receiver’s view, the school’s problems are deeply rooted in two factors: the absence of effective structures and systems for student accountability and progress, and even more important, a program model which is potentially untenable. The current leadership has taken initial steps to address the former, including a new attendance policy, mentorship program, and school day structure, and these changes are detailed below (see section V(b)). However, these changes, as currently implemented, may be insufficient for achieving the desired improvement in student outcomes. Moreover, if such changes were implemented to their fullest and most effective extent, they would possibly exacerbate certain unintended consequences. (see section V(c) below). As currently envisioned, it’s not clear that Argent’s distance learning “hybrid” model can both attract and successfully educate enough of the students it is designed to serve to remain both financially and educationally viable. As such, the Receiver wonders whether the program model has a proper place in the Nevada charter school system.

### b. Structures and Systems: Four Program Changes

At the time of the Performance Audit, the school lacked effective systems and structures across almost every aspect of a well-functioning program. Most notably, students were required to be on campus for a minimum of only four hours per week, even though the vast majority were failing.<sup>8</sup> Although, in theory, students had pre-assigned days for mandatory attendance, in practice attendance was poorly tracked and students could show up when, and for as long as, they wished.<sup>9</sup> Teachers were unable to anticipate which students would attend on what days and therefore could neither group nor plan appropriate lessons for students in order to support their academic progress.<sup>10</sup> In addition to student attendance, the school also

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<sup>6</sup> See table on p 13, *infra*.

<sup>7</sup> Performance Audit, p. 14-15.

<sup>8</sup> Performance Audit, p. 11.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

failed to monitor student academic achievement. The school had no coherent or comprehensive data system for academic data, and Argent did not use a benchmarking or interim assessment system, so teachers had “no way to know what students do or don’t know.”<sup>11</sup> Thus, the school had no consistent system for identifying a student’s level of needed support. Even if it had, the school in turn had no system for delivering that support in a focused, consistent manner.

The school has attempted to address some of these major systemic deficiencies. It has implemented three interrelated measures to address program structure and student accountability. First, the school instituted a new attendance policy which requires students to spend more time overall on campus and, in theory, tailors attendance requirements to a student’s particular level of need. Second, the school created a mentorship program providing a case-management approach to supporting students. Third, the school re-structured the school day to better support the case-management approach. Each of these program changes is described below and assessed for its impact on the academic program and its prospects for future success. The school implemented a fourth program change to support college and career readiness which is also discussed below.

**i. Attendance Policy**

As mentioned above, at the time of the Performance Audit, student on-site attendance requirements were minimal, did not take account of the level of support actually needed by a student, and were poorly monitored. During the 2016-17 school year, the school instituted a new attendance policy to try to match student attendance requirements to a student’s assessed need for support. Currently, students are required to participate in one of three structured programs:

1. the General Studies program, which requires the student to be on campus 3x weekly
2. the Independent (also called Distance Learning) Program, in which students who have demonstrated greater success can sign a Personalized Attendance Contract that requires them to be on site only 1 or 2 days a week
3. the Road to Success Program which includes closer mentoring and accountability and a 4<sup>th</sup> day on campus if deemed necessary by the school

Student attendance, which is an element of the Nevada School Performance Framework (NSPF), is now measured by the school on a weekly basis, and truancy is determined based on how many days a student attends compared with what that student’s particular program requires.<sup>12</sup>

The school’s new attendance framework requires students to be on campus more than before, which provides more time for in-person support. While a big step in the right direction, the new policy is insufficient for several reasons. First, it is not yet clear whether the program is being implemented as robustly as necessary given student performance levels. For example, despite a high rate of failed classes, only twelve students are currently enrolled in the Road to Success Program.

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<sup>11</sup> Id at 15.

<sup>12</sup> While progress towards weekly goals is, in theory, considered part of successful attendance, it is not clear how or whether this is measured and/or reported.



The current attendance policy also fails to solve one of the most fundamental challenges of the program model: while students may be required to be on campus a certain number of days, those days are not specified or assigned as mandatory. Teachers therefore still cannot plan ahead in order to either group students or create lesson plans aligned to students' needs and progress goals. Indeed, teachers must continue to teach ad hoc content for the students who show up on a given day, which can mean teaching multiple different courses, content lessons, and or student proficiency levels in a given class period.<sup>13</sup>

Likewise, without the ability to regularly and predictably group students, teachers cannot implement many instructional and curricular best practices, such as heterogeneous student groupings, properly paced lessons targeted to specific standards-aligned objectives, and collaborative project-based learning (see curriculum section below). Such practices are key features of functional, if not high-performing, schools, and are even more important when attempting to engage and make meaningful progress with a disenfranchised student population.

In short, requiring more frequent, but not scheduled, on-campus attendance still does not enable teachers to effectively anticipate which students will be in attendance, and therefore, which students they will be teaching, making students time on campus less valuable.

Finally, while making student time on campus more routinized and predictable would likely lead to significant improvements, it would also potentially create additional challenges. While the goal would be to get students to campus more so they could experience more, higher-quality, standards-based instruction, it appears that Argent's staff and staffing model, as currently constituted, may not be prepared to deliver that, and students may be choosing Argent to avoid such a school model. (see section V (c) below).

## ii. Mentor Program

Another change to the school's program starting last year has been the addition of a mentorship program that brings a case-management approach to student success. The mentor program addresses two glaring needs in the school: a one-to-one, relationship-based intervention for high-need students and a mechanism by which to track key student data across all students.

Under the program, each student is assigned a teacher-mentor who meets with the student while on campus, tracks his/her daily and weekly progress, and communicates and partners with the student's parent or guardian. The mentor tracks attendance (which includes truancy), progress towards credit recovery as needed, and progress towards proficiency as measured by whether the student is passing his/her classes. In a school with such a struggling student population, a tracked, individualized case-management approach such as this seems to be the best – and in fact the only proper – approach.

The mentor helps the student track his/her work with a weekly log and, every three weeks, tracks attendance, progress towards credit recovery, percentage of classes with passing grades, among other indicators of student progress. The tri-weekly log is a shared Google doc allowing all faculty members to access and share student data and to

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<sup>13</sup> Performance Audit, p. 11.

sort data for a school-wide snapshot of progress. If kept with fidelity, it would be the school's most significant improvement in gathering and tracking basic, but critical student data.

Prior to the receivership, the school did not meaningfully keep, track, or refer to student data to make program decisions. (It is difficult to overstate how profound both a symptom and cause of school dysfunction the lack of student data has been at Argent.) The school is now adding to and improving the google doc log system, but has a long way to go before that system provides quick, accurate, and comprehensive student data at both the student and school level. Such a data system would be a minimum requirement to meet the SPCSA's conditions for next school year, when the school would have to achieve satisfactory ratings in the state performance framework. Finally, even in the event a strong data system could be developed and implemented, the school's high transiency rate of 83% diminishes the utility of the data. The utility of data for a school is to know its students and to craft interventions and lessons for them; when the students change faster than the data can be tracked, it is a serious challenge indeed.

### iii. School Day Structure

The final change supporting improved program structure is the change in what a day of attendance on campus looks like. Under the new structure, students both start and end the day with their mentor in a 30-minute homeroom setting, checking in on course progress and completing the weekly logs. Such a check-in/check-out (CICO) approach has been identified as a best practice intervention for chronically low-performing students, and could be a critical lever for improved student outcomes. That said, to be ultimately successful, such a procedure must be followed regularly and consistently. It is not clear that it can be meaningfully implemented with students who are on campus a limited number of times a week.

In between the homerooms, students attend all four of their core "classes." It is important to note that these are rarely traditional direct-instruction classes, but rather chances for the students to get help and discuss progress on their distance learning work. The Performance Audit noted that classes are most often used for credit recovery work and rarely involve the driving of student progress towards grade-level, standards-aligned achievement characteristic of a functioning school.<sup>14</sup>

### iv. Academic Pathways Program

One other area of programmatic improvement has been the creation of the Argent Academic Pathways program, which offers a three-tiered approach to college and career readiness. In this program, Argent has partnered with Western Nevada College to offer juniors and seniors three distinct pathways ranging from education about and exposure to college programs ("Bridge to Success") to the ability to obtain an Associate's Degree at the college simultaneous with earning their high school diploma. While a promising improvement, the Argent Pathways program is only one year old and only a handful of students have pursued its advantages beyond the general Bridge to Success education/exposure offering. Because participation in the other pathways

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<sup>14</sup> Performance Audit, p 11.

requires a certain minimum of credits and academic success, many of Argent’s students at current levels of performance will not be able to take advantage of the Pathways program.

**c. Areas of Persistent Concern: Program Model, Curriculum and Enrollment,**

**i. Program Model**

The school should be commended for meaningful improvements to the school’s program over the last several months, including but not limited to its attendance policy, mentor program, school day structure and academic pathways program.

Notwithstanding these school’s recent and laudable efforts to improve the academic program as just described, the Argent program model itself continues to impede the school’s progress towards better educational outcomes. Understanding the precise nature of the program model, especially in the context of the student population it is designed to serve, is critical to understanding its struggles and any opportunities for improvement.

The Argent “hybrid” program model is a distance learning school with a physical campus that offers on-site and in-person support. It is important to understand that the physical school site does not operate as a traditional school with online offerings. Rather, Argent is an online school, with a 100% distance learning curriculum, that offers in-person support (and limited and occasional instruction) at a physical site.

The schools’ target student population is also a key element of the program model. Although the school states that it is for “high-achieving students,”<sup>15</sup> the data make clear that Argent’s program model is specifically targeted to – and attracts – the following types of students: (1) students who historically had and/or currently have difficulty attending school because of physical disability, medical condition, or children of their own or because of regular travel (such as children in migrant farming families or rodeo students) (2) students who have been bullied or have not succeeded at their traditional school (3) students who are under-credited and disengaged.<sup>16</sup> The Accreditation Report also describes the student body as suffering from “academic apathy and home lives not conducive to healthy development.”<sup>17</sup> Students in each of these categories are potentially more likely to lack the foundational knowledge, skills and habits for high school grade-level achievement, and likely much more in need of strong, structured interventions and repeated and regular touch-points in order to close educational gaps. The available data showing a high course failure rate at Argent seems to confirm this.

The Argent program model, therefore, is essentially a distance-learning program that attracts a high percentage of students who appear to be the most ill-equipped to succeed in a distance learning setting. Whether because of lack of skills, preparation, motivation, work habits, and/or family supports, many Argent students fail or barely pass many of their online courses. The student body in general has an exceedingly high rate of transiency, fails to obtain or make up course credits, is not accustomed to or sufficiently prepared to do grade level work, and has a rate of IEPs three times the state

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<sup>15</sup> Accreditation report p. 4. (Appendix C)

<sup>16</sup> Performance Audit pp 9-10.

<sup>17</sup> Accreditation report p. 5.

average.<sup>18</sup> In short, with distance learning as its centerpiece, the Argent program model seems to be the model least likely to succeed with much of Argent’s population.<sup>19</sup>

In theory, the “hybrid” element of the school – the physical campus that offers on-site and in person support – is the element that would counterbalance the challenges of the distance learning approach for this population. The idea is that the on-campus program could provide the necessary supports to allow Argent students to overcome the challenges of, and to succeed in, a distance learning program. However, the school only recently implemented important new structures and systems and it is not clear whether they will be sufficient to make the on-site school successful. Furthermore, as discussed below, it seems that the development of such structures and systems might require fundamentally changing the model and/or not attract sufficient student demand to make the school sustainable.

Low-performing students need intensive and consistent interventions to help them overcome the factors that lead to their low performance. They need both one-on-one attention to help close gaps and they need high quality, standards-based instruction to push them towards grade-level achievement. The attendance framework – though improved – still leaves students with too much out-of-school, unstructured and unsupported time. Furthermore, because it is unpredictable when students will be on campus, the school cannot properly structure what in-person time it does have to maximize student progress.

Finally, the Argent model creates significant challenges with respect to delivering quality instruction. The staffing model currently relies on only four teachers to “teach” all of the core classes and most electives across all four grade levels. This spreads teachers too thinly across too many content standards and administrative burdens to be effective either as tutors and mentors or as quality instructors, much less both.<sup>20</sup> Three of the school’s fifteen FTE positions – one-fifth of the staff -- are allotted to bus drivers who are needed to get the far-flung students to school. Without the bus drivers, the school cannot get students to the physical campus and the badly needed in-person support and accountability cannot take place.

## ii. Curriculum

Another area of concern in the Argent academic program is the quality of its online curriculum. Teachers note that it is low quality, and it does not appear to be strongly standards-aligned or rigorous.<sup>21</sup> Likewise, neither the curriculum nor the program structure is designed to maximize instructional best practices, particularly those that would be most likely to reach underperforming or higher need students. For example, there appears to be little opportunity for discussion among students, and the curriculum relies heavily on multiple choice answers with limited writing assignments or opportunity for feedback and practice.<sup>22</sup>

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<sup>18</sup> Accreditation report p 8.

<sup>19</sup> Just as inner-city schools with failing programs have been described as “warehousing” students, a distance learning environment can have the effect of “virtually warehousing” underperforming students by keeping them from an academic program that truly meets their educational needs.

<sup>20</sup> Performance audit p 11.

<sup>21</sup> Performance audit pp.12-13.

<sup>22</sup> Performance audit, p. 13.

The Receiver has investigated one possible solution to this critical challenge which is a potential partnership with Summit Learning, an organization based in Northern California that offers its personalized learning curriculum and learning management platform free of charge to partner schools. Summit is well-funded and widely recognized as a national leader in the relatively new field of personalized learning curriculum and platform development.<sup>23</sup> Summit’s curriculum is project-based, with a strong focus on both skill-building and content knowledge acquisition, as well as mentorship and goal-setting.

In order to qualify as a Summit Partner, Argent would need to complete a detailed application and enrollment process that would require a high level of attention and commitment, including out-of-state trainings. Most important, to adopt the curriculum, Argent would need to significantly revise its program structure to mandate that students attend on specific days, likely for longer periods of time than now required, in order to fulfill collaborative group work and pacing requirements.

If the application were successful, it would, at first, affect only a part of the school, as Summit’s practice is to start the partnership with a single grade-level or department-level pilot before committing to a whole school partnership.

One potential obstacle to pursuing a partnership with Summit is the question of whether Summit could meet the procedural hurdles to having its curriculum approved for use in Nevada. The Receiver is currently researching this question and others relating to the feasibility of a partnership with Summit for Argent.

### iii. Enrollment

The challenge of declining enrollment and the possible connection to program model is another threat to the school’s viability going forward. Without sufficient enrollment, the school cannot sustain itself financially. The enrollment history, summarized in the Performance Audit Report on pp. 23-24, shows that enrollment has declined markedly, from a high of more than 400 students in the 2013-14 school year to 180 students in 2016-2017. Although the closure of the middle school contributed to the declining enrollment, this was only a partial factor (see table below). Enrollment for this school year, 2017-2018, is currently at 141 students, with higher numbers in the junior and senior classes than in freshman and sophomore classes, suggesting that enrollment may continue to decline precipitously, as the larger classes graduate leaving smaller classes behind.

#### **Overall and Grade Level Enrollment Over Time**

	SY 2013-14	SY2014-15	SY2015-16	SY2016-17	SY2017-18
Grade 7	22	17			
Grade 8	76	67	28		
Grade 9	93	43	44	20	18

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<sup>23</sup> Summit Learning receives funding from the Chan Zuckerberg Initiative and has partnered with Facebook engineers to develop its platform. While the Summit schools in Northern California have been developing the curriculum and platform for ten years or more, the Summit Learning partnership program is only in its 3<sup>rd</sup> year.

Grade 10	93	72	61	29	31
Grade 11	91	75	96	39	43
Grade 12	51	134	130	90	49
All Students	426	408	359	180	140

The reasons for the enrollment decline are not necessarily as clear as they might appear. The Audit Report noted that factors included a competing school and bad publicity relating to fiscal mismanagement and appointment of the Receiver. While these factors could potentially be mitigated over time, it is possible also that the program model itself – particularly in its more structured form since the recent changes were made -- is also contributing to the decline in interest in the school. Each of the evaluations of the school, including the Performance Audit, Accreditation Report, and observations of the Receiver and leadership, highlighted the problem that, historically, students were not achieving proficiency through the online curriculum but then were not held accountable through the on-site campus because of a lax attendance policy and limited program structure there. Since the school has begun addressing this situation, however, enrollment has continued to drop significantly and has not yet shown signs of turning around. This is despite a concerted marketing and outreach campaign last spring. In the context of distance learning, it is worth at least considering whether higher levels of accountability, including increased requirements for students to be on-site, more meaningful and rigorous expectations, and more student testing and tracking, might be a deterrent to increased enrollment.

## **VI. RECEIVER’S CONCLUSIONS**

In short, although Argent is making meaningful improvements, a case can be made that Argent should simply be closed. The charter school movement was driven by a desire to bring market principles to the education sector; it may be that in the case of the Argent program model, the market has spoken.

On the other hand, the public education system was created to serve students, whether the market would serve them or not. The Argent school model was initially envisioned to serve a perceived need – a high school for students for whom a traditional brick-and-mortar school might not be the optimum, or even a realistic, setting. The SPCSA must therefore determine whether Argent continues to represent an opportunity – albeit one in need of a continued overhaul– to meaningfully serve those students. or whether given the many challenges, it will be unable to improve sufficiently to adequately educate its vulnerable population.

In light of this assessment, the Receiver respectfully suggests four potential paths forward for Argent. In summary, these four paths are to (1) continue on its current trajectory and pace of reform hoping to be able to meet the SPCSA’s current conditions (2) continue with the Receivership while finalizing a more aggressive retooling of the model (3) transition the school to a credit recovery and temporary student support model for students lagging far behind in credit acquisition, or (4) close the school at the end of the 2017-2018 school year.

The SPCSA might also want to consider any action in Argent's case in light of the Nevada landscape for online and distance education. The analysis and recommendations in this report are not

made relative to other online and distance education offerings<sup>24</sup> and there might be implicit policy implications of any SPCSA action that could impact other charters.

In more detail, the options are as follows:

### **Path One: Receiver and School Continue under the Current SPCSA Conditions**

Under this plan, the Receiver would continue to work towards the current conditions set by the SPCSA. The Receiver's primary focus in the next 3-6 months would be to reconstitute the Board and to support program reforms and administrative actions that would place the graduation rate at a minimum of 45% for this year.

The Receiver wonders whether it is appropriate to reconstitute a board when fundamental questions remain about the school's model and viability. There is good reason to question whether a new Board would be able to adequately and dispassionately assess the model and viability and the school may sink further into decline in the fall of 2018 when its largest cohort of students will have graduated/left. The likelihood of the school meeting the SPCSA's conditions for 2018-19 under this scenario is probably low.<sup>25</sup>

### **Path Two: Receivership Assesses Options to Significantly Modify and Improve Program**

Under this option, the school would continue in Receivership with the explicit understanding that the Receiver's chief focus in the next 3-6 months will be to finalize an aggressive retooling of the model. Some initial steps in such a plan would be to:

- (1) evaluate the student body and adopt a framework that classifies students according to their level of need and performance ("Response to Intervention" (RTI) is an example of such a framework), then cross-reference this with each student's ability to regularly attend school (e.g., taking into account physical disabilities vs. general disengagement), and use this data to reframe attendance expectations for students
- (2) evaluate the existing curriculum and assess the possibility of becoming a Summit Schools partner. If some subset of students are thriving under the distance learning model, the school can identify the best standards-aligned curriculum
- (3) put in place steps to adopt MAP testing as soon as possible
- (4) assess existing data systems and envisioned program changes to create a reliable, functional student data system that can guide instructional priorities and student interventions
- (5) create a budget for the new program and identify minimum enrollment targets that must be met to sustain the program, then create an FTE plan based on that model and budget

The Receiver would report back to the SPCSA in the spring of 2018 with a further assessment of prospects for success of such a plan.

In order to properly pursue this path, it would be advisable for the SPCSA to revisit its current minimum conditions for the school. In particular, the Receiver would ask to postpone until a later date

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<sup>24</sup> One resource that assesses the performance of distance learning and hybrid schools in the national landscape is The National Alliance for Public Charter Schools Report: A Call to Action To Improve the Quality of Full-Time Virtual Charter Public Schools (2016), (see Appendix D).

<sup>25</sup> Due to recent changes and the complexity of the Nevada Performance Framework, Argent might have trouble both identifying the components that would lead them to achieve an "adequate" rating much less achieving the rating.

reconstitution of the Board. In his next report, the Receiver would likely request that the conditions for 2018-19 also be modified to be more consistent with turnaround expectations and timelines.

### **Path Three: Dramatically Alter School Model and Mission to Emphasize its Competencies**

Under this plan, the SPCSA would consider taking steps to either have Argent serve the function of a credit recovery program, rather than a four-year high school where students earn diplomas, or to partner with a credit recovery program. There are a variety of possibilities that could be explored, including:

- having Argent partner with a credit recovery program to take that function out of its responsibilities
- converting Argent to a solely credit recovery program
- creating a “charter-wide” credit recovery program at Argent to partner with traditional schools

The Receiver would spend the next 3-6 months exploring the possibilities and making recommendations to the SPCSA.

### **Path Four: School Closure**

Under this plan, the SPCSA would determine that the long-term likelihood of success and the need for such a program in the Nevada charter school landscape were both so low as to dictate conservation of resources and closure of the school.



## Appendix

Appendix A: The TenSquare Performance Audit

Appendix B: Settlement Framework

Appendix C: Accreditation Report