



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

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**TO:** SPCSA Board  
**FROM:** Mark Modrcin, Director of Authorizing  
**SUBJECT:** Founders Academy of Las Vegas - Charter Renewal Recommendation  
**DATE:** January 31, 2020

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**1. Background and Summary**

Founders Academy of Las Vegas has submitted an application to renew its charter contract as the current charter contract expires on June 30, 2020. The school operates one campus that currently serves 779 students in grades K-12 in Las Vegas.

After a thorough review of the historical data and charter renewal application, staff recommends that the Authority approve the charter renewal of Founders Academy of Las Vegas for a five-year term, beginning July 1, 2020.

**2. The Process Related to Renewal Applications and the Standards Under Which an Application for Renewal of a Charter Contract Will Be Granted**

The first step in the renewal process is the submission of a renewal report by SPCSA staff to the charter school.<sup>1</sup> Specifically, on or before June 30 immediately preceding the final school year prior to expiration of a charter school's charter contract, the SPCSA submits to the governing body a report regarding renewal. The Founders Academy renewal report was sent to the board chair on June 28, 2019 and can be found within the supporting documentation for the item.

The renewal report summarizes the performance of the charter school under the terms of the charter contract, identifies any deficiencies related to performance of the charter school that might lead to non-renewal of the charter contract, sets forth the requirements for the renewal application, and identifies the criteria that the

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<sup>1</sup> Charter school regulations provide for an expedited and streamlined renewal process for high-performing charter schools. Generally, charter schools qualifying for expedited renewal review are those charter schools that are consistently rated as four-and five-star schools under the NSPF and have received no notices of concern or notices of breach for academic, organizational or financial performance. See [NAC 388A.415\(2\)](#).

sponsor will apply in making a determination on the application for renewal. The charter school may submit a response to the renewal report. See [NRS 388A.285\(1\) and \(2\)](#).

Next, the governing body of the charter school must submit a written notice of intent to submit an application for renewal to the SPCSA 45 days prior to submitting a renewal application. See [NAC 388A.415\(1\)](#). Founders Academy submitted its notice of Intent to Renew its charter contract on August 14, 2019 and Founders Academy's notice of intent to renew can be found along with the supporting documents.

In regard to the renewal application, the window to submit the actual renewal application is October 1 through October 15. See [NRS 388A.285\(3\)](#) and [NAC 388A.415\(1\)](#). The application for renewal must include, without limitation:

- (a) The requirements for the application identified by the sponsor in the performance report prepared by the sponsor;
- (b) A description of the academic, financial and organizational vision and plans for the charter school for the next charter term;
- (c) Any information or data that the governing body of the charter school determines supports the renewal of the charter contract in addition to the information contained in the performance report prepared by the sponsor and any response submitted by the governing body; and
- (d) A description of any improvements to the charter school already undertaken or planned.

See [NRS 388A.285\(3\)](#). On October 14, 2019 Founders Academy submitted its renewal application, which can be found included with the supporting documents.

Founders Academy's renewal application provides background on their classical education model, charter management contract with Founders Education Legacy, academic performance and financial performance. The application also describes their plans to maintain stable enrollment over the next six years, contracting with outside vendors for professional development, instituting specific CTE and College and Career readiness initiatives, among other plans outlined in the executive summary and throughout the application.

Decisions to renew a charter school contract or deny a renewal application are made and based upon the Nevada's charter school statutes and regulations related to charter school renewal (see [NRS 388A.285](#)) and the collective record of a school's academic, financial, organizational, findings from the site evaluation process, and all data and information provided by the Department of Education.

Note that no factor may be given more weight than the academic performance of pupils at the charter school, and the academic performance of the charter school is the touchstone of any renewal decision. See [NAC 388A.415\(10\)\(b\)](#).

In making its recommendation to the Authority regarding a renewal application, SPCSA staff considers the past performance of the charter school, including information contained in the application for renewal, any site evaluations, academic achievement of pupils, and any other information that is determined to be relevant to whether the charter contract should be renewed. See [NAC 388A.415\(9\)](#).

When determining whether to grant an application for renewal of a charter contract, the Authority Board considers the foregoing factors, any other information that the Authority Board determines is relevant to whether the charter contract should be renewed. The Authority Board will consider the "totality of the evidence" presented to it when making a renewal decision. See [NAC 388A.415\(9\)](#). Again, as stated above, no factor is to be given more weight than the academic performance of pupils at the charter school.<sup>2</sup> See [NAC 388A.415\(10\)\(b\)](#).

At its sole discretion, the Authority Board may renew a charter contract for a term of three (3) to ten (10) years, or, alternatively, deny the renewal application. See Senate Bill 451 (2019) and [NAC 388A.415\(11\)](#).

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<sup>2</sup> See [NAC 388A.415\(10\)](#). With regard to a second renewal, the Authority is required to place an even greater weight on academic performance than was assigned to it on the first renewal.

Note that a variable term length upon renewal was discretion afforded to the Authority under Senate Bill 451 during the 2019 Legislative Session.

The Authority Board may accept or reject, in whole or part, the recommendation of the Executive Director. See [NAC 388A.415\(10\)\(a\)](#). If a charter contract is renewed, that Authority Board may include a provision for a high stakes review during the term of the renewed charter contract which may result in the termination of the renewed charter contract prior to its expiration, or renew the charter contract and include any additional provisions, requirements or restrictions which the State Public Charter School Authority determines are appropriate. See [NAC 388A.415\(b\) and \(c\)](#).

Alternatively, the Authority Board may deny the renewal application for the purpose of reconstituting the governing body of the charter school pursuant to [NRS 388A.330](#) and assigning the charter contract to a charter management organization or a new governing body which may include, without limitation, the governing body of another charter school or a governing body assembled by the Executive Director; deny the renewal application for the purpose of restarting the charter school and issuing a new charter contract pursuant to [NRS 388A.300](#) to a charter management organization or a new governing body, including, without limitation, the governing body of another charter school, which will inherit any assets of the charter school which remain following dissolution; or deny the renewal of a charter contract for the purpose of closing the charter school. See [NAC 388A.415\(11\)\(d\),\(e\) and \(f\)](#).

### **3. Analysis**

#### *Academics*

Founders Academy of Las Vegas currently offers instruction at the elementary, middle and high school levels at one campus. NSPF results for the 2018 – 19 school year were released in mid-September of 2019. The elementary program earned a 4-star rating, the middle school earned a 5-star rating, and the high school program earned a 3-star rating. The elementary program was previously operating under a Notice of Breach due to academic underperformance during the 2016 – 17 and 2017 – 18 school years. On October 4, 2019, the Authority voted to restore the elementary program at Founders Academy to academic good standing. It is noteworthy that both the middle school and high school programs have not earned less than a 3-star rating during the current charter term according to the NSPF.

The Founders elementary school program was rated as a 2-star program for the 2017 – 18 and 2018 – 19. As noted in the NSPF guidance document, a 2-star school identifies a school that has partially met the state’s standard for performance. Students and subgroups often meet expectations for academic performance or growth but may have multiple areas that require improvement. Additionally, a 2-star school in consecutive years is subject to state intervention. The school has since improved, earning a 4-star rating for the 2018 – 19 school year. The NSPF guidance document defines a 4-star school as commendable, performing well for all students and subgroups. Furthermore, a 4-star school is successfully promoting academic progress for all student groups as reflected in closing opportunity gaps.

As previously stated, the middle school program has maintained performance levels above the 3-star level according to the NSPF, earning a 5-star rating during the 2016 – 17 school year, a 3-star rating in the 2017 – 18 school year, and another 5-star rating in 2018 – 19. According to NSPF guidance, a 5-star program is recognized as superior and exceeds expectations for all students and subgroups on every indicator category with little or no exception. A 3-star program is identified as an adequate school that has met the state’s standard for performance. The all-students group has met expectations for academic achievement or growth.

The Founders high school program has also maintained at least adequate performance over the last two years, earning ratings of 5-stars for the 2017 – 18 school year and 3-stars for the 2018 – 19 school year. Additionally, the school had a graduation rate of 81.82% for the 2017 – 18 school year. This number increased to 100% for the 2018 – 19 school year.

With regards to the financial performance and viability of the school, the Authority issued a Notice of Concern in 2017 due to financial underperformance during the 2015 – 16 school year. Additionally, SPCSA

staff recommended a Notice of Breach be issued in 2018 due to continued financial concerns, but the Authority elected to table this agenda item on June 28, 2018.

With regards to the organizational health and performance of the school has been strong over the current charter term. The school has not received any notices regarding organizational performance.

Overall, the academic performance in the most recent year raises some concerns, particularly for the elementary program. According to the NSPF, this program appears to be trending in a positive direction but there has yet to sustain at least adequate results for consecutive academic years.

The NSPF results for this current charter term are summarized and provided in the table below:

| School Year | NSPF Rating  |
|-------------|--|
| 2018 – 19   | Elementary: 4 stars<br>Middle: 5 stars<br>High: 3 stars              |
| 2017 – 18   | Elementary: 2 stars<br>Middle: 3 stars<br>High: 5 stars              |
| 2016 – 17   | Elementary: 2 stars<br>Middle: 5 stars<br>High: N/A <sup>3</sup>     |
| 2015 – 16   | No Star Ratings published by the Nevada Department of Education      |
| 2014 – 15   | Elementary: Not Rated (new school)<br>Middle: Not Rated (new school) |

*Organizational*

Until the Authority approved a more robust organizational framework this past summer, the previous version of the SPCSA Organizational Framework was a rolling evaluation of school organizational performance. Based on verified complaints and spot checks of school organizational performance, the Authority issues Notices of Concern or Notices of Breach for Organizational Performance. Schools which have not received such notices are presumed to be in Good Standing. Founders Academy of Las Vegas has not received a Notice of Breach or Notice of Concern under this framework during the current charter term.

**SPCSA Organizational Programmatic Audit Findings**

|      |               |
|------|---------------|
| 2018 | Good Standing |
| 2017 | Good Standing |
| 2016 | Good Standing |
| 2015 | Good Standing |

*Financial*

The SPCSA Financial Framework monitors a variety of indicators of financial health. Founders Academy of Las Vegas has a history of clean audit findings, but the school was issued a Notice of Concern due to financial underperformance during the 2015 – 2016 school year. At this time, staff finds the school to be in good standing against performance standards within the financial framework.

**SPCSA Financial Programmatic Audit Findings**

|      |                   |
|------|-------------------|
| 2018 | Good Standing     |
| 2017 | Good Standing     |
| 2016 | Notice of Concern |
| 2015 | Good Standing     |

**4. Recommendation: Renew Founders Academy for a 5-year term**

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<sup>3</sup> In order for a high school to be rated under the NSPF, it must meet the minimum n-size requirements and earn points in all of the following indicators and/or measures: Academic Achievement and Graduation (4-year ACGR). A school that does not meet the minimum n-size requirements will receive a “Not Rated” classification.

Despite the issuance of a Notice of Concern due to academic underperformance at the elementary school in the 2016 – 17 school year, a Notice of Breach due to continued academic underperformance at the elementary school in the 2017 – 18 school year, Founders Academy of Las Vegas has shown commendable academic performance throughout its initial charter term in the eyes of staff. This is best exemplified by consistent 4- and 5-star ratings under the NSPF throughout the charter term at the middle school. Additionally, the reported graduation rate for 2019 shows significant improvement when compared to the prior year. It is also noteworthy that the school has not exhibited any financial or organizational concerns. SPCSA staff is confident the school will improve upon its most recent rating for the elementary school while maintaining strong performance at the middle and high school levels. Despite some poor financial indicators in 2016 that resulted in a financial Notice of Concern, Founders Academy currently has strong enrollment and is financially viable.

Recent improvements in performance supports staff’s recommendation that the Authority renew Founders Academy of Las Vegas for a five-year term, beginning July 1, 2020.

*School Demographic since 2015*

| Year  | Total Enrollment <sup>(1)</sup> | A    | B    | C     | H     | I    | M     | P    | IEP  | ELL  | FRL   |
|-------|---------------------------------|------|------|-------|-------|------|-------|------|------|------|-------|
| 15-16 | 486                             | 3.1% | 4.3% | 61.7% | 21.0% | 0.4% | 8.8%  | 0.6% | 6.6% | 1.9% | 15.6% |
| 16-17 | 564                             | 2.8% | 5.0% | 59.2% | 23.2% | 0.4% | 8.9%  | 0.5% | 8.3% | 3.5% | 11.9% |
| 17-18 | 618                             | 2.9% | 6.6% | 54.9% | 25.1% | 0.3% | 9.7%  | 0.5% | 8.1% | 2.6% | 18.6% |
| 18-19 | 714                             | 2.9% | 7.0% | 49.6% | 29.7% | 0.1% | 10.5% | 0.1% | 6.3% | 5.0% | 17.1% |
| 19-20 | 779                             | 3.5% | 7.6% | 44.9% | 34.8% | 0.0% | 9.1%  | 0.1% | 6.4% | 4.9% | 27.0% |

- A – Asian
- B – Black
- C – Caucasian
- H – Hispanic
- I – American Indian/Alaskan Native
- M – Mixed/Two or more races
- P – Pacific Islander
- IEP – Individualized Education Plan –A student with a disability/special education student
- ELL – English Language Learner
- FRL – A student who qualifies for Free or Reduced-Price Lunch

Additionally, Founders Academy of Las Vegas projects strong continued enrollment through a renewed charter term.

|                                 | 2020-2021 | 2021-2022 | 2022-23          | 2023-24 | 2024-25 | 2025-2026 |
|---------------------------------|-----------|-----------|------------------|---------|---------|-----------|
| <b>Planned Total Enrollment</b> | 785       | 820       | 855 <sup>4</sup> | 890     | 925     | 956       |
| <b>Grades Served</b>            | K – 12    | K – 12    | K – 12           | K – 12  | K – 12  | K – 12    |

<sup>(1)</sup> Enrollment as of Validation Day each year (October 1).

<sup>4</sup> Founders Academy of Las Vegas has a current enrollment cap of 750 students. The school understands that enrollment figures that are greater than 10% of this number will require approval by the Authority.