



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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ACTION MEMORANDUM

TO: SPCSA Board
FROM: Danny Peltier, Management Analyst I
Mike Dang, Manager, Financial and Organizational Performance
SUBJECT: Quest Preparatory Academy Amendment Request to
- Reduce 2022-2023 Enrollment Cap
DATE: June 27, 2022

Summary of Request and Recommendation

Quest Preparatory Academy (Quest) currently operates one campus in northwest valley of Las Vegas, located at 4025 N. Rancho Drive, Las Vegas, NV 89130. Quest currently serves 475 students in grades K – 8 according to the most recent Validation Day information. The school has submitted an amendment application to reduce its approved enrollment cap for the 2022 – 2023 school year.

After a thorough review of the amendment application, SPCSA staff recommends that the Authority grant Quest a Good Cause Exemption and approve the amendment request to reduce its approved enrollment cap for the 2022 – 2023 school year.

Background and Analysis

The mission of Quest is to be “an academic institution that is dedicated to growth, perseverance, and academic achievement. The vision of Quest is to be a school that “provides a uniquely designed, academically rigorous, caring, and nurturing learning experience in a tuition-free, public school setting.

As of February 2022, the governing board consists of five volunteer non-compensated members, including a Board Chair, a Vice Chair and a parent member that meets a minimum of every other month. The school leader, Janelle Veith, has led the school since the spring of 2016 as it implemented a school improvement effort and exited receivership.

According to the amendment application, Quest is seeking this reduction in its enrollment cap to align and remain consistent with enrollment of previous years. Currently, Quest’s approved enrollment cap for the 2022-2023 school year is 565 students, with a 10% allowance above and below that number. Quest seeks to reduce

this cap 500 students with the allowance of 10% above or below that enrollment number. According to the amendment application leadership at Quest feel this change will allow for greater focus to be placed on the current student population and their academic growth as the school emerges from the pandemic. Also, according to amendment application, Quest's enrollment has remained consistent over recent academic years. In 2018-2019 enrollment was 463, in 2019-2020 enrollment was 484, and 2020-2021 enrollment was 486. Quest is located in a business park and must share the entrances and common travel ways with others. Quest is mindful of traffic not impeding thoroughfares such as Rancho Drive and Alexander Road. According to the amendment application, Quest staggers drop off and pick up for Elementary and Middle school and even with that measure, a large increase in traffic would cause traffic concerns. Inside the facilities, classroom space is restricted as well. In the elementary school buildings, all rooms are being utilized. In the middle school building, there are only 9 classrooms to support students.

Quest was issued a Notice of Concern for Financial Underperformance in the 2019-2020 and 2020-2021 school years, and SPCSA staff did take this into consideration during review of this amendment application. SPCSA Staff noted during the charter school financial performance hearing at the January 28, 2022, SPCSA board meeting that Quest had made "significant improvement as it relates to the school's financial performance. One area of significant improvement was to Quest's Total Margin. The school had run a deficit in each of its prior three years but turned in a surplus for FYE 21. Another area of significant improvement was to Quest's Unrestricted Days of Cash On Hand (UDCOH). During the fiscal year, Quest improved its UDCOH to 36 days, more than doubling its prior year ratio of 16 days. This means it doubled the number of days it could pay expenses at the average daily expense level of the school during FYE 21." SPCSA staff continues to work with leadership at Quest to monitor the financial health, and improvement of the school, and staff does not believe this amendment approval will negatively impact the continued financial improvement of the school.

Legal Authority and Requirements Related to Amendment Requests

Existing charter schools that are sponsored by the SPCSA may submit a charter school contract amendment application to the SPCSA – which is reviewed by SPCSA staff and presented for SPCSA Board action – in order to, among other things, increase enrollment, add grade levels above and beyond what the charter school is approved to serve, or add a new campus. Only those existing charter schools that are meeting expectations in regard to academics (under both the Department of Education's Nevada School Performance Framework -- the "Star Ratings" -- and the SPCSA's Academic Performance Framework), are compliant in regard to the SPCSA's Organizational Framework, and are fiscally sound may be approved for expansion. Furthermore, the academic, organizational, and financial performance of other charter schools that contract with the same Charter Management Organization or Educational Management organization is taken into account when reviewing an expansion application. In this case, SPCSA staff finds that a reduction in an enrollment cap of a charter school represents a material change to the charter contract, necessitating consideration and possible approval by the Authority.

Applicant Eligibility

For this specific type of Amendment request, the sponsor of the charter school shall review the written request to determine if the written request: (a) Complies with NRS 388A.010 to 388A.640, inclusive, and the regulations applicable to charter schools; and (b) Is complete in accordance with regulations of the Department. This review also includes an assessment of the charter school's compliance with regards to such applicable law, regulations and SPCSA requirements including those described in the Academic Performance Framework, Organizational Performance Framework, and the Financial Performance Framework.

When reviewing an amendment application, SPCSA staff reviews the academic, financial and organizational performance of the applicant charter school. Academically, the current Nevada School Performance

Framework (NSPF) Report Card for the elementary, middle and high school are at or above the 3-star level. A table summarizing the academic performance of Quest is provided on page 4 of this memo¹.

As noted above Financially, SPCSA staff continues to monitor and work with Quest leadership to further improve performance standards as adopted by the Authority under the Financial Performance Framework. The results from the 2020 – 21 school year indicated that the Quest would remain under a Notice of Concern issued in 2019-2020 but noted improvement in metrics measured under the Financial Performance Framework. These results were approved by the Authority on January 28, 2022.

From an organizational perspective, SPCSA staff finds Quest to be ‘Meeting Standards’. The school earned 96 points under the 2021 Organizational Performance Framework as approved by the Authority on January 28, 2022.

Given the historic academic and organizational performance, the recent results under the Financial framework, and that the request is to reduce enrollment, SPCSA staff finds Quest to be eligible for this amendment request.

Recommendation

SPCSA staff recommends the SPCSA board approve the request of Quest Preparatory Academy to reduce its approved enrollment cap from 565 students to 500 students for the 2022-2023 school year. The school has provided sufficient information in the amendment and in the submitted budget to demonstrate that a reduced enrollment cap will not put the school under additional financial distress.

At this time, SPCSA staff anticipates receiving a renewal application for Quest Preparatory Academy later this calendar year, and that will be considered by the Authority at a separate, duly-noticed board meeting.

Proposed Motion:

Grant Quest a Good Cause Exemption Request and approve the amendment request to reduce its approved enrollment cap from 565 students to 500 students for the 2022-2023 school year.

If approved, the enrollment cap for Quest will be as follows for the remainder of the charter term:

	2022 – 2023
Enrollment Cap	500

Historical Performance and Demographic Information

Nevada School Performance Framework (NSPF) – Quest Preparatory Academy

Year	NSPF Ratings
2017 – 2018	Quest Academy Alexander Elementary School: Not Rated ²
	Quest Academy Bridger Elementary School: 2 Stars
	Quest Academy Torrey Pines

² Quest Academy Alexander was not rated in 2017-18 due to their grade configuration as preschool only.

	Elementary School: 2 Stars Middle School: 3 Stars
2018 – 2019	Quest Academy Northwest ³ Elementary School: 2 Stars Middle School: 3 Stars
2019 – 2020 ⁴	Quest Academy Northwest Elementary School: 2 Stars Middle School: 3 Stars
2020 - 2021 ⁵	Quest Academy Northwest Elementary School: 2 Stars Middle School: 3 Stars

School Total Enrollment and Demographics since 2017⁶

Year	Enrollment ⁷	A	B	C	H	I	M	P	IEP	ELL	FRL
17-18	738	3.5%	33.6%	17.2%	34.9%	0.5%	8.1%	2.0%	53.1%	9.2	11.2
18-19	505	2.3%	46.5%	10.8%	30.0%	0.7%	8.1%	1.1%	69.9%	7.3	10.0
19-20	484	2.0%	50.2%	8.4%	29.7%	0.8%	8.4%	0.2%	>95.0	8.6	9.9
20-21	486	1.8%	49.3%	12.1%	27.7%	1.2%	6.7%	0.8%	>95.0	11.3	8.2
21-22	475	2.1%	50.1%	11.7%	26.5%	1.2%	7.3%	0.8%	>95.0	8.6	8.8

A – Asian

B – Black

C - White

H – Hispanic

I – American Indian/Alaskan Native

M – 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

* - Suppressed data due to n-count

³ Campus renamed from Torrey Pines to Northwest in the 2018-19 school year.

⁴ Due to COVID-19, the Nevada Department of Education (NDE) applied for and was granted a 2019 – 20 school year waiver from the US Department of Education for certain assessment, accountability, school identification, and reporting requirements established by the Every Student Succeeds Act (ESSA). Accordingly, for the 2019 – 20 school year, Nevada statewide assessments were not administered and the NDE did not calculate Nevada School Performance Framework (NSPF) school ratings.

⁵ Due to COVID-19, the Nevada Department of Education (NDE) applied for and was granted a 2020 – 21 school year waiver from the US Department of Education for certain requirements established by the Every Student Succeeds Act (ESSA). Nevada statewide assessments were administered in the 2020 – 21 school year, but the NDE did not calculate Nevada School Performance Framework (NSPF) school ratings for the 2020 – 21 school year.

⁶ *indicates a population size >0 and <10; count and rate data are suppressed to protect privacy. <5 is shown for rates below 5% to protect student privacy.

⁷ 2017-2018 combined enrollment includes the Alexander, Bridger, and Torrey Pines campuses. 2018-2019 combined enrollment includes the Alexander and Northwest (formerly Torrey Pines) campuses. The enrollment for 2019-2020, 2020-2021 and 2021-2022 includes only the Northwest campus.