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ACTION MEMORANDUM

TO: SPCSA Authority Board
FROM: Danny Peltier, Management Analyst III, SPCSA
SUBJECT: **Signature Preparatory– Charter Amendment Request to Change the Education Management Organization**
DATE: April 14, 2023

Summary of Request and Recommendation

Signature Preparatory (Signature Prep) has submitted an amendment application requesting that the State Public Charter School Authority (SPCSA) approve a change in the school’s Education Management Organization through the termination of its Education Management Organization (EMO) agreement with Charter One LLC and approve a new EMO agreement with Charter One NV.

SPCSA staff has reviewed the application, and recommends that the Authority approve the request, with conditions. A proposed motion along with conditions can be found on page 8 of this memo.

Background and Overview of the Amendment

Signature Prep is a charter school located in Clark County which began operations during the fall of 2019. As of Validation Day 2022, Signature Prep had 978 students enrolled in grades K – 8.

According to the amendment application, Signature Prep seeks the Authority’s approval to terminate its existing EMO contract with Charter One, LLC, and replace it with Charter One NV, LLC. According to the amendment application, the proposed EMO comprises the same leadership that has been with the school since inception and will provide the same high-quality services that the current EMO, Charter One, has offered for the last four years. The amendment

goes on to state that the name change is merely for liability purposes, as Charter One incorporates in states where it operates. Also, according to the amendment application, the transition from Charter One LLC to Charter One NV will not have any impact on the academic operations, mission, vision, or overall academic plan of the school.

The following table lists the responsibilities that were held by Charter One LLC, which will now be handled by Charter One NV. Overall, the services that Charter One LLC has been responsible for will closely mirror the services that will now be provided by Charter One NV.

| | <u>Responsibilities of Charter One LLC</u> | <u>Responsibilities of Charter One NV</u> |
|--|--|---|
| Education and Instruction-Related Services | <ul style="list-style-type: none"> • Service Provider shall assist in aligning its curricula standards with applicable Nevada state academic standards and any federal program standards in accordance with Board approval. In addition, Service Provider shall recommend and provide oversight to curriculum mapping, pacing guides, and other specialized programs of instruction as such shall be approved and adopted by the Board for the benefit of all students attending the School. | <ul style="list-style-type: none"> • Service Provider shall assist Signature Prep in aligning its curricula standards with applicable Nevada state academic standards and any federal program standards in accordance with Board approval. In addition, Service Provider shall recommend and provide oversight to curriculum mapping, pacing guides, and other specialized programs of instruction as such shall be approved and adopted by the Board for the benefit of all students attending the School. |
| | <ul style="list-style-type: none"> • Service Provider shall assist in understanding state and federal special education laws, and suggest policies and procedures to the Board that will assist the school in complying with such laws. • Service provider, in accordance with Board policies and procedures, and in compliance with state and federal law and the terms and conditions of this Agreement, shall coordinate with the school to ensure the maintenance of all special education records. | <ul style="list-style-type: none"> • Service Provider shall assist Signature Prep in understanding state and federal exceptional student services laws, and suggest policies and procedures to the Board that will assist Signature Prep in complying with such laws. Ultimately, Signature Prep is solely responsible to ensure compliance with all applicable local, state, and/or federal laws. • Service provider, in accordance with Board policies and procedures, and in compliance with state and federal law and the terms and conditions of this Agreement, shall coordinate with Signature Prep to ensure the maintenance of all exceptional student services records. |
| | <ul style="list-style-type: none"> • Service Provider shall assist the school in understanding state and federal laws relating to Section 504, and suggest policies and procedures to the Board that will assist the school in complying with such law | <ul style="list-style-type: none"> • Service Provider shall assist Signature Prep in understanding state and federal laws relating to Section 504, and suggest policies and procedures to the Board that will assist Signature Prep in complying with such laws. Ultimately, Signature Prep is solely responsible to ensure compliance with all applicable local, state, and/or federal laws. |
| | <ul style="list-style-type: none"> • Service Provider shall create, maintain and oversee all enrollment policies and processes, subject to approval by the Board, that are compliant with applicable federal, state and local law. The primary responsibility for enrollment and retention of students shall reside with the school, but Service Provider shall provide ongoing support and training for such efforts. All student records, including enrollment records, are the property of the School and shall be | <ul style="list-style-type: none"> • Service Provider shall create, maintain and oversee all enrollment policies and processes for Signature Prep, subject to approval by the Board, that are compliant with applicable federal, state and local law. The primary responsibility for enrollment and retention of students shall reside with Signature Prep, but Service Provider shall provide ongoing support and training for such efforts. All student records, including enrollment records, are the property of the School and shall be maintained |

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| | maintained by the School and stored on-site. | by the School and stored on-site. |
| Business Operations | <ul style="list-style-type: none"> • Service Provider shall manage and provide support for all information systems of the School including the following <ul style="list-style-type: none"> • Student Information System • Infrastructure Support | <ul style="list-style-type: none"> • Service Provider shall manage and provide support for all information systems of the School including the following <ul style="list-style-type: none"> • Student Information System • Infrastructure Support |
| | <ul style="list-style-type: none"> • Service Provider shall conduct in-house teacher training programs in subject content, classroom management, assessment design and state and federal law compliance including special education compliance to all teaching personnel on a regular basis. Instructional personnel shall receive at least the minimum hours of professional development required by applicable laws. Non-instructional personnel shall receive such training as Service Provider determines reasonable and necessary. Service Provider shall ensure that such training and development is consistent with the guidelines released by the Nevada Department of Education. | <ul style="list-style-type: none"> • Service Provider shall conduct in-house teacher training programs in subject content, classroom management, assessment design and state and federal law compliance including special education compliance to all teaching personnel on a regular basis. Instructional personnel shall receive at least the minimum hours of professional development required by applicable laws. Non-instructional personnel shall receive such training as Service Provider determines reasonable and necessary. Service Provider shall ensure that such training and development is consistent with the guidelines released by the Nevada Department of Education. |
| | <ul style="list-style-type: none"> • Service Provider, as enumerated below, shall oversee the many aspects of marketing and branding for the school and will develop an effective marketing plan to promote ongoing enrollment. Such work may include the use of internet, social media, public announcement, print and email advertising • Website • Costs: For purposes of clarification, the school shall be solely responsible for all costs of marketing including but not limited to: (i) Printing fees for marketing materials specific to each campus including but not limited to, flyers for enrollment drives, fundraising documents and forms, shipping costs for mailers and other wide-scale distribution, etc., and (ii) Service Provider may charge the school for the use of an outside marketing agency if said agency work directly benefits the school and is deemed by Service Provider to be necessary to promote full enrollment for the schools, to the extent such work has been approved by the school or the Board | <ul style="list-style-type: none"> • Service Provider, as enumerated below, shall oversee the many aspects of marketing and branding for Signature Prep and will develop an effective marketing plan to promote ongoing enrollment. Such work may include the use of internet, social media, public announcement, print and email advertising. Service Provider's role in all marketing is strictly managerial in nature and any and all costs associated with marketing, branding, and website development shall be the sole responsibility of Signature Prep and approved by the Board. • Website • For purposes of clarification, Signature prep shall be solely responsible for all costs of marketing including but not limited to: (i) Printing fees for marketing materials specific to each campus including but not limited to, flyers for enrollment drives, fundraising documents and forms, shipping costs for mailers and other wide-scale distribution, etc., and (ii) Service Provider may charge Signature Prep for the use of an outside marketing agency if said agency work directly benefits Signature Prep and is deemed by Service Provider to be necessary to promote full enrollment for the schools, to the extent such work has been approved by Signature Prep or the Board. |

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| | <ul style="list-style-type: none"> • Service Provider shall be responsible for the school’s Food Service Program and shall provide lunch and other a la carte food items for purchase by students and staff at the school facilities. Any revenues generated from food service programs provided by Service Provider are the property of the Service Provider. Moreover, Service Provider shall assist the School by providing management and oversight in the following areas: <ul style="list-style-type: none"> • Staff • Training • Accounting • Kitchen and Food Preparation Equipment • Third Party Vendors | <ul style="list-style-type: none"> • Service Provider shall be responsible for Signature Prep’s Food Service Program and shall provide lunch and other a la carte food items for purchase by students and staff at the school facilities. Any revenues generated from food service programs provided by Service Provider are the property of the Service Provider. Moreover, Service Provider shall assist the School by providing management and oversight in the following areas: <ul style="list-style-type: none"> • Staff • Training • Accounting • Kitchen and Food Preparation Equipment • Third Party Vendors |
| | <ul style="list-style-type: none"> • Service Provider shall be primarily responsible for the management and maintenance of all School physical facilities. Service Provider shall find and interview qualified professionals with expertise in facilities management, custodial, landscaping, and facility improvements, and make recommendations to the Board for the hiring of the same. | <ul style="list-style-type: none"> • Service Provider shall be primarily responsible for the management and maintenance of all School physical facilities. Service Provider shall find and interview qualified professionals with expertise in facilities management, custodial, landscaping, and facility improvements, and make recommendations to the Board for the hiring of the same. |
| Human Resources & Employment | <ul style="list-style-type: none"> • Service Provider shall assist with all aspects of human resources including hiring and management of school employees. Such assistance shall include but not be limited to: <ul style="list-style-type: none"> • Staffing • Benefits | <ul style="list-style-type: none"> • Service Provider shall assist Signature Prep with all aspects of human resources including hiring and management of Signature Prep employees. Such assistance shall include but not be limited to: <ul style="list-style-type: none"> • Staffing • Benefits |
| Budgeting, Financial Services & Reports | <ul style="list-style-type: none"> • Service Provider shall manage all accounts, finances, and financial records related to the operation of the School(s) including but not limited to <ul style="list-style-type: none"> • Annual Audit • Taxes • Record Keeping • Payroll • Banking • Purchasing • At the request of the Board, Service provider may solicit grants available for the funding of the school from various government and private institutional sources that may be available | <ul style="list-style-type: none"> • Service Provider shall manage all accounts, finances, and financial records related to the operation of the School(s) including but not limited to <ul style="list-style-type: none"> • Annual Audit • Taxes • Record Keeping • Payroll • Banking • Purchasing • At the request of the Board, Service provider may solicit grants available for the funding of Signature Prep from various government and private institutional sources that may be available. |

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| | <ul style="list-style-type: none"> • Service Provider agrees to provide its services in a manner consistent with said laws and regulations. Should the school be found to be out of compliance, Service Provider shall work to remedy such non-compliance and shall oversee any corrective action plan imposed by the State Charter Authority or other state or federal agency insofar as such non-compliance findings or corrective action plans are related to the Services provided herein | <ul style="list-style-type: none"> • Service Provider acknowledges that this Agreement is subject to the terms of the Charter School Contract and any other laws and regulations applicable to charter schools in Nevada. Service Provider agrees to provide its services in a manner consistent with said laws and regulations. Should Signature Prep be found to be out of compliance, Service Provider shall work to remedy such non-compliance and shall oversee any corrective action plan imposed by the State Public Charter School Authority or other state or federal agency insofar as such non-compliance findings or corrective action plans are related to the Services provided herein. |
| | <ul style="list-style-type: none"> • Service Provider is hereby granted authority to contract or subcontract with qualified entities, persons, expert or professional advisors. Service Provider agrees to bear the costs of such contracts unless the school agrees, in writing to bear such cost burdens | <ul style="list-style-type: none"> • Service Provider is hereby granted authority to contract or subcontract with qualified entities, persons, expert or professional advisors. Service Provider agrees to bear the costs of such contracts unless Signature Prep agrees, in writing to bear such cost burdens. |

As previously listed in the table above, the services that will be provided by Charter One NV are essentially the same as those currently provided by Charter One LLC. Additionally, according to the amendment application, Charter One NV will provide additional support and resources to Signature Prep’s board members. The application noted that one such resource will be Charter Vision, which allows school administrators and board members to automate the emailing of board financial reports and provide print materials for board meetings. The amendment application also noted that Charter One NV, and its various departments, will attend board meetings and provide financial reports and analyses to aid in decision-making and oversight. according to the amendment application. Charter One NV’s legal team will assist the board in staying in compliance with the Open Meeting Law and provide board training on a range of topics. It also plans to apply for SPCSA Certification to continue to provide necessary and required training.

Charter One NV also plans to provide regular reports to the board on a monthly basis, which will cover financial, operational, and academic performance. The financial report will include a detailed analysis of the school's budget and financial health, including any variances from the budget and any corrective actions taken to address these variances according to the amendment application. The application stated that the operational report will cover all aspects of the school's operations, including facilities management, transportation, and food services. Charter One NV also plans to provide an academic report that will offer an update on student performance, including assessment results, student progress, and any interventions or supports provided to students according to the amendment application.

Regarding school leader training and coaching, the amendment application explained that Charter One NV plans to provide ongoing professional development opportunities, such as leadership workshops and training sessions, to ensure that the school leader is equipped with the skills and knowledge needed to succeed in their role and that the Signature Prep board will provide regular feedback to the school leader through performance evaluations, which are based on established

competencies and goals. Signature Prep's school leader will also work with Charter One NV to identify, recruit, and retain qualified teaching staff.

According to the amendment application, Charter One NV has added an additional employee to the finance department to enhance the turnaround time on grant and compliance submissions. Signature Prep and Charter One NV have also modified other aspects of staffing. The amendment application noted, in a bid to streamline its operations, Charter One NV will decrease the marketing department's staff to one employee. Signature Prep and Charter One NV believe this adjustment is appropriate for a single site school.

Charter One NV is also placing a high priority on recruiting and hiring highly qualified teachers to implement the school design successfully. The amendment application explained that the prospective EMO recognizes the critical role teachers play in delivering quality education to students, and it is committed to identifying, attracting, and retaining the best possible talent. In order to do this, the HR department will utilize a variety of strategies to attract, hire and retain top talent. According to the application, one key strategy is the use of traditional and mass-market job boards such as Indeed, LinkedIn, and Monster, as well as job boards that are targeted to teachers and other education professionals. In addition to job boards, the HR department plans to maintain a list of "passive candidates" who have expressed interest in working at Signature Prep at some point in the future according to the application.

Charter One NV's financial department plans to assist Signature Prep in negotiating financial agreements, such as business terms, grant management, salary schedules, health benefits, event management, etc. They also provide financial analyses to support the Charter School's position, ensuring that the school is financially stable and can provide quality education to its students.

Charter One NV also plans to work closely with school leadership and the board to maintain the current facility and identify potential new facilities in the event the board, and school leadership, wish to pursue a new facility.

Finally, to fund the provision of these services, Charter One NV plans to continue to work closely with the school principal and board to develop a comprehensive financial plan. Specific terms of the agreement can be found in the draft services agreement that was submitted along with the amendment application, but the proposed fees for the agreement will total \$760.00 per fully enrolled student.

Legal Authority

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. When determining whether to approve an amendment request, the sponsor considers the charter school's compliance with applicable local, state and federal laws and regulations and evidence relating to the academics, finance and organization of the charter school. (See NAC 388A.400(8) and NRS 388A.276).

Analysis and Staff Recommendation

When reviewing an amendment application, SPCSA staff reviews the academic, financial and organizational performance of the applicant charter school. Academically, Signature Prep was not rated under the 2018-2019 Nevada School Performance Framework. However, the school did receive NSPF index scores for the 2021-2022 school year, and the elementary school received 37.5 points and the middle school received 57.2 points. Signature Prep's elementary school received 38.5 points and the middle school received 63.3 points under the 2021-2022 SPCSA Academic Performance Framework. The elementary school was found to not be meeting standards and the middle school was found to be meeting standards under the SPCSA Academic Performance Framework.

According to the most recent organizational data, Signature Prep earned 100 points (out of 100) on the 2021 – 22 Organizational Framework which was approved at the December 16, 2022 SPCSA Board meeting. Signature Prep is currently operating under a Financial Notice of Concern due to not meeting performance expectations in FY21. However, while SPCSA staff did not recommend lifting the Notice of Concern at the March 3, 2023 board meeting, staff noted improved performance during FY22,

Regarding this amendment request, SPCSA staff's analysis is broken down by section here, and corresponds to the five sections within the chart on pages 2 – 5.

Education and Instruction Related Support

According to the amendment application, and detailed above, the Education and Instruction Related Support will continue to be similar to the support that was received under Charter One LLC. Charter One NV will work with Signature Prep's school leader and the board to both assist in execution of the school's model, while also providing data and reports during board meetings so both school leaders and board member can gauge strengths and weaknesses and make adjustments when necessary. Additionally, SPCSA staff notes that the change to Charter One NV will not affect the model or mission of Signature Prep. According to the amendment application, Signature Prep will continue utilizing the Fastbridge Assessment, MobyMax software, Professional Learning Community (PLC) grade-level meetings, and overall the overall progress of the school will continue to be monitored by school leadership, the school's board, and the Academic Parent Teacher Team (APTT) meetings, where parents and classroom teachers work together to ensure students' success.

Business Operations

The amendment submission notes that the services provided via Charter One LLC will be identical to those provided by Charter One NV. Charter One NV will continue to support Signature Prep in the back office, financial, and reporting requirements of the school. There are some planned adjustments to staffing that will support the school, but overall, staff find the Business Operations of Charter One NV to be the same as those with Charter One LLC

Human Resources & Employment

Again, as previously stated, the Human Resources and Employment will continue to be the same under Charter One NV as they were under Charter One LLC with the exception of minor

staffing adjustments. According to the amendment application, Charter One NV will maintain established key selection criteria that include a Bachelor's or Master's degree in Education or a related field, a valid teaching certificate, and experience teaching in a similar school environment. The Charter One NV HR department plans to continue to conduct background checks and will require candidates to provide references and undergo multiple interviews to ensure they meet the desired criteria. Additionally, as seen under the previous agreement with Charter One LLC, Charter One NV plans to work closely with the school leadership team to ensure that hiring needs are met in a timely and efficient manner, and that staffing levels are appropriate to meet the needs of the students.

Budgeting, Financial Services & Reports

SPCSA staff find the Budgeting, Financial Services, and Reporting services to be provided by Charter One NV to be similar to the services provided by Charter One LLC. The amendment application notes that Charter One NV plans to manage all accounts, finances, and financial records related to the operation of Signature Prep.

SPCSA staff would also note that since Charter One NV is defined as an EMO pursuant to [NRS 388A.030¹](#) the Signature Prep board will be responsible for oversight and compliance reporting such as the EMO Revenue and Expenditure Report and the EMO evaluation annually.

SPCSA staff is supportive of Signature Prep’s request to transition from Charter One LLC to Charter One NV and finds the proposed service agreement to be almost identical to the agreement Signature Prep has operated under during the previous years. Signature Prep has met the standard under the SPCSA’s Organizational Performance framework every year. SPCSA staff continues to monitor Signature Prep’s financial progress but as stated previously, the school has shown improvement from FY21 to FY22. As such, SPCSA staff recommends the Authority approve Signature Prep’s request to change the school’s EMO by terminating its agreement with Charter One LLC and enter into a new agreement with Charter One NV with an effective date of July 1, 2023 with the conditions outlined below.

Proposed Motion: Grant the Good Cause Exemption request of Signature Prep and approve the school’s plan to change its EMO by terminating its service agreement with Charter One LLC and enter into a service agreement with Charter One NV, effective July 1, 2023, with the following conditions:

- **That by May 1, 2023 Signature Prep provides SPCSA staff with a final, executed agreement, with Charter One NV**

The currently approved enrollment cap for Signature Prep is listed below. Under the proposed amendment, this would not change if approved.

| School Year | 2023-24 | 2024-25 | 2025-26 |
|------------------|---------|---------|---------|
| Grade Levels | K-8 | K-8 | K-8 |
| Total Enrollment | 1080 | 1080 | 1080 |

Historical Performance and Demographic Information – Signature Prep

¹ <https://www.leg.state.nv.us/nrs/NRS-388A.html#NRS388ASec030>

School Total Enrollment and Demographics since 2019

| Year | Enrollment | A | B | C | H | I | M | P | IEP | ELL | FRL |
|-------------|-------------------|----------|----------|----------|----------|----------|----------|----------|------------|------------|------------|
| 19-20 | 548 | 3.6% | 21.5% | 23.7% | 38.6% | 1.4% | 9.8% | 1.0% | 13.3% | 12.2% | 66.2% |
| 20-21 | 819 | 5.8% | 10.6% | 31.8% | 39.3% | 0.8% | 9.7% | 1.7% | 12.4% | 8.6% | 41.8% |
| 21-22 | 971 | 6.7% | 10.8% | 30.1% | 40.2% | 0.4% | 10.4% | 1.1% | 11.8% | 7.5% | 64.4% |
| 22-23 | 978 | 6.5% | 10.7% | 25.7% | 44.2% | 0.3% | 10.9% | 1.4% | 11.8% | 9.2% | 55.9% |

- A – Asian
- B – Black
- C – Caucasian
- 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

Signature Prep Charter School Financial Performance

| Year | Rating |
|-------------|--------------------|
| 2021 – 2022 | Notice of Concern |
| 2020 – 2021 | Notice of Concern |
| 2019 – 2020 | Meets the Standard |

Signature Prep Charter School Organizational Performance

| Year | Rating |
|-------------|--------------------|
| 2021 – 2022 | Meets the Standard |
| 2020 – 2021 | Meets the Standard |
| 2019 – 2020 | Meets the Standard |

Signature Prep Academic Performance

| Year | Rating |
|--------------------------|----------------------|
| 2021 – 2022 Index Scores | ES: 37.5 MS: 57.2 |
| 2020 - 2021 ² | N/A |

² 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.

| | |
|--------------------------|-----|
| 2019 – 2020 ³ | N/A |
|--------------------------|-----|

Signature Prep 2021-22 SPCSA Academic Performance Framework Results⁴

| Campus | 2021-22 SPCSA Academic Framework Score | 2021-22 SPCSA Academic Framework Rating |
|-------------------|---|--|
| Signature Prep ES | 38.5 | DOES NOT MEET STANDARD |
| Signature Prep MS | 63.3 | MEETS THE STANDARD |

³ 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

⁴ The Nevada Department of Education (NDE) calculated NSPF index scores for the 2021-22 school year but did not calculate corresponding star ratings (shown as N/A). 2021-22 NSPF details and rules can be found at: <http://nevadareportcard.nv.gov/DI/MoreDownload?filename=Nevada%20School%20Performance%20Framework>