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**ACTION MEMORANDUM**

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**TO:** SPCSA Authority Board  
**FROM:** Mark Modrcin, Director of Authorizing, SPCSA  
Danny Peltier, Management Analyst III, SPCSA  
**SUBJECT:** **Elko Institute for Academic Achievement – Charter Amendment Request to Relocate to a New Facility**  
**DATE:** May 19, 2023

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**Summary of Request and Recommendation**

Elko Institute for Academic Achievement (EIAA) has submitted an amendment application requesting that the State Public Charter School Authority (SPCSA) grant a Good Cause Exemption and approve the school to relocate to a new, permanent facility, beginning in early 2024.

SPCSA staff has reviewed the application and recommends that the Authority grant the Good Cause Exemption and conditionally approve the amendment request. A proposed motion with conditions can be found on page of 4 this memo.

**Background and Overview of the Amendment**

EIAA opened in the Fall of 2009 and is currently the only public charter school operating in Elko County. As of Validation Day 2022, EIAA had 197 students enrolled in grades K – 8. EIAA’s mission “is to provide students, K through 8<sup>th</sup> grades, with an education that is differentiated and addresses the academic ability in each subject area while ensuring high academic standards.”

By way of background, EIAA was approved by the Authority to relocate, and expand at the January 28, 2022 SPCSA board meeting. The initial, approved plan for EIAA was to construct a new facility on land that was purchased near Great Basin College. EIAA was unable to relocate

its campus to the approved site and was recently presented with an opportunity to purchase a 32,000 square foot warehouse as an alternative. EIAA was also approved to expand its enrollment in existing grade levels served at the January 28, 2022 meeting. Specifically, the Authority granted approval for EIAA to expand its enrollment cap from 190 students to 396 students beginning in the 2023-24 school year.

At the March 3, 2023 Authority board meeting, EIAA was approved to move its 5 – 8<sup>th</sup> graders to a temporary facility and to continue to use the current facility for K – 4<sup>th</sup> graders in order to increase the enrollment in grades K – 4<sup>th</sup> and bridge the gap between until they could move into their permanent facility. This approval is for the 2023 – 24 school year to ensure that the school can accommodate all students during the upcoming academic year in an existing facility while construction is ongoing.

EIAA is now requesting final approval from the Authority to relocate to the permanent facility beginning as early as February 2024 if the construction is completed as planned. The location of the permanent facility will be 905 W. Main Street Elko, NV 89801. As previously stated in this memo as well as in prior recommendations related to the EIAA expansion, the school successfully acquired an \$8.1 million-dollar Direct Loan for construction of a new facility from USDA and a Construction Loan from Greater Nevada Credit Union at a rate of 2.75%. EIAA explained in their amendment application that the initial construction project was put out to bid in April of 2021 and two bids were received. After receiving the bid, it was determined one of the bids was ineligible and the bidding process needed to be redone. According to the amendment application, when the construction bids were opened again, the same project's construction costs increased to over \$13 million, taking the project well above the allocated loan amount and the school's financial means according to the amendment application. It was at that point that EIAA determined the original plan to construct the facility would not be possible.

However, around the time EIAA determined it would be unable to pursue its original construction plans, the amendment notes that the school was presented with an opportunity to purchase an existing, recently vacated, 32,000 square foot building. According to the amendment application, EIAA worked with city department heads, USDA, and its construction team to determine if this facility would meet the requirements of all agencies and the school's needs. Additionally, EIAA had to find a lender willing to lend the purchase of the facility on a short-term basis since USDA and the construction loan would not become available until all stipulations of the federal program were met.

According to EIAA, they were able to obtain a six-month bridge loan from Elko Federal Credit Union that would then roll into Greater Nevada Credit Union's construction loan, and finally transfer to the USDA's long-term loan at 2.75% interest for 40 years.

According to the amendment application, EIAA plans to recruit and enroll students in a similar manner as they have done in previous years and will communicate the plan regarding the permanent facility to families throughout the remainder of the 2022-23 school year and the beginning of the 2023-24 school year. It should be noted that EIAA has already been approved by the Authority to increase enrollment to 316 students for the 2022-23 school year, and to further increase their enrollment in subsequent school years to 396 students. EIAA will serve grades K – 8 at the 905 W. Main St. facility once construction is completed.

## **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. 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. In the case of EIAA, SPCSA staff finds the school to be meeting academic, financial and organizational performance expectations for all campuses. While the EIAA elementary school was rated as 2-star on the most recent 2019-2019 NSPF, the elementary school was found to be exceeding the standards on the 2021-2022 SPCSA Academic Performance Framework, and if ratings were issued under the NSPF for the prior academic year, the school would be rated at least 4-stars. The middle school also was found to be exceeding standards on the 2021-2022 SPCSA Academic Performance Framework and has consistently been rated as 5-stars under the NSPF.

Additionally, the school earned 100 points (out of 100) under the SPCSA Organizational Performance Framework for the 2021 – 22 school year as approved by the Authority on December 16, 2022. As such, SPCSA staff finds the school to be ‘Meeting Standards.’ EIAA has also been found to ‘Meet the Standards’ on the most recent 2021 SPCSA Financial Performance Framework and the calculations for the 2022 SPCSA Financial Performance Framework show that the school is meeting standards in seven of the seven rated indicators.

SPCSA staff is supportive of the request by EIAA and recommends the Authority approve. EIAA has continued to communicate with SPCSA staff throughout this facility process and this approval to occupy the facility at 905 West Main St. is the final step in this endeavor. EIAA has also continually communicated the facility transition to its families and they have found their families to be overwhelmingly supportive of the move.

As the Authority will recall, EIAA was approved to occupy both its existing location, and the temporary facility, for all of the 2023-24 school year if needed. According to EIAA, school leadership is confident they will be able to occupy the permanent facility sometime in the early part of 2024 and families are eager and willing to move locations after the end of the fall semester. SPCSA staff would reiterate that if there are delays in moving to the permanent location, EIAA is approved to continue to use the existing and temporary facility through the 2023-24 school year. Stated another way, if this construction is delayed, EIAA would move to this permanent location for the 2024 – 25 school year.

Finally, EIAA has provided SPCSA staff with evidence of all loans including the bridge loan by Elko Federal Credit Union, the construction loan, and the USDA loan which will ultimately serve as the long-term loan for the permanent facility. This request does not contemplate any further enrollment increases beyond what has already been approved by the Authority, and furthermore does not contemplate any changes to the academic or operational aspects of EIAA’s model. Thus, SPCSA recommends that the Authority approve EIAA’s request to relocate to the 905 West Main St. location beginning once the permanent facility is completed.

**Proposed Motion: Grant the Good Cause Exemption request and approve Elko Institute for Academic Achievement’s request to relocate to the proposed permanent facility located at 905 West Main Street, Elko, NV 89801 when construction at the facility has been completed with the following conditions:**

- **That by August 1, 2023 EIAA provides SPCSA staff with a final copy of construction/renovation schedule demonstrating that school will have a TCO or COO in place 30 days before the first day of school.**
- **That EIAA provides SPCSA staff with Certificate of Occupancy or Temporary Certificate of Occupancy demonstrating compliance with NRS 388A.360, which requires a school facility to be inspected at least 30 days prior to occupancy; and**
- **That the school complete the SPSCA pre-opening process for new schools and campuses for occupation of the facility located at 905 West Main Street, Elko, NV 89801.**

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

<b>School Year</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
Grade Levels	K-8	K-8	K-8
Enrollment	316	396	396

**School Demographics change since 2017**

**EIAA**

<b>Year</b>	<b>Enrollment</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>H</b>	<b>I</b>	<b>M</b>	<b>P</b>	<b>IEP</b>	<b>ELL</b>	<b>FRL</b>
17-18	172	4.6%	0.5%	69.1%	19.1%	4.6%	1.1%	0.5%	9.3%	*	*
18-19	189	3.1%	3.1%	68.7%	18.5%	3.7%	2.1%	0.5%	9.5%	*	30.8%
19-20	198	3.5%	2.0%	65.6%	23.2%	0.5%	5.0%	-%	13.1%	*	30.8%
20-21	190	3.1%	2.1%	65.7%	16.3%	0.5%	12.1%	-%	15.2%	*	30.5%
21-22	196	2.5%	3.0%	59.1%	25.5%	0.5%	9.1%	0.0%	15.8%	*	41.8%
22-23	197	3.5%	4.0%	54.8%	26.9%	2.5%	8.1%	0.0%	17.7%	*	43.6%

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

**EIAA Financial Performance**

<b>Year</b>	<b>Rating</b>
2019 – 2020	Meets the Standard
2020 – 2021	Meets the Standard

**EIAA Organizational Performance**

<b>Year</b>	<b>Rating</b>
2019 – 2020	Meets the Standard
2020 – 2021	Meets the Standard
2021 – 2022	Meets the Standard

## EIAA Academic Performance

School Year	NSPF Rating
2021-22 Index Scores	Elementary: 78.3 Middle: 93.8
2020-21 <sup>1</sup>	Elementary: 2 Stars Middle: 5 Stars
2019-20 <sup>2</sup>	Elementary: 2 Stars Middle: 5 Stars
2018-19	Elementary: 2 Stars Middle: 5 Stars
2017-18	Elementary: 3 Stars Middle: 5 Stars

## EIAA 2021-22 SPCSA Academic Performance Framework Results<sup>3</sup>

Campus	2021-22 SPCSA Academic Framework Score	2021-22 SPCSA Academic Framework Rating
Elko Institute ES	84.9	EXCEEDS STANDARD
Elko Institute MS	96.2	EXCEEDS STANDARD

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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%20Manual%202021-22%20School%20Year.pdf>