



November 8, 2024

Via Electronic Mail to:

TPotter@spsca.nv.gov

mmackedon@spsca.nv.gov

**Nevada State Public
Charter School Authority
Board and Executive Director
Melissa Mackedon**

Re: Final Closure Report: Girls Empowerment Middle School (GEMS)

Submitted by: Jason D. Guinasso, Esq. Trustee for GEMS Closure

Attention SPCSA Board and Executive Director:

This report documents the complete and successful closure of Girls Empowerment Middle School (GEMS) in accordance with NRS 388A.306, NAC 388A.355, and all applicable Nevada statutes and regulations. As Trustee, I can confirm that the closure plan¹ was followed, all required closure procedures have been completed, all obligations have been satisfied, and all assets have been properly disposed of according to law.

Background

Girls Empowerment Middle School opened its doors in the 2020-2021 school year at 4220 S Maryland Parkway, Las Vegas, Nevada. The school's mission was to empower girls to excel academically, develop their voices, and lead fearlessly in a safe, caring educational environment, with a vision of creating a world where all young people have the tools and ability to create a better future for themselves and their communities.

Despite its compelling mission and dedicated staff, GEMS faced persistent enrollment challenges throughout its operation. The school consistently enrolled approximately 100 students per year, significantly below its targeted capacity. On March 3, 2023, the State Public Charter School Authority (SPCSA) issued a Notice of Concern due to the school's failure to meet performance standards in three critical financial measures: Total Margin, Debt to Asset Ratio, and Debt Coverage Ratio.

The situation became more challenging when projected enrollment for the 2023-2024 academic year showed only 70 students committed to attend, far below the

¹ See Exhibit 1.

school's target of 165 students. This enrollment shortfall, combined with increasing facility costs and the absence of secured philanthropic support, created an unsustainable financial situation. Following careful deliberation and consultation with legal counsel, the GEMS Board of Directors voted 5-0 on April 24, 2023, to cease operations at the end of the 2022-2023 academic year.

Closure Plan Implementation Details Initial Administrative Actions (April-May 2023)

The GEMS Board appointed me as Trustee on April 24, 2023, with approval from the SPCSA Board on May 19, 2023. Dr. Joyce Brooks was appointed as first alternate Trustee, with immediate effect following board approval.

Required Notifications

All required notifications were distributed on April 26, 2023, following SPCSA approval of the notification content. These notices were sent to:

- The SPCSA as charter sponsor
- The Director of the Department of Business and Industry
- The Clark County School District Board of Trustees
- The Nevada Department of Education
- Parents and legal guardians of all enrolled pupils
- All creditors and debtors of the school

Transition Team Establishment and Activities

The transition team was established on April 25, 2023, consisting of:

- SPCSA Lead Representative
- Charter School Trustee (myself)
- GEMS Legal Counsel
- GEMS Lead Finance Officer
- GEMS Faculty Representative

Communication and Public Relations

- Press Release: Completed and distributed on April 26, 2023, by the Trustee and legal team
- Parent Information Meeting: Conducted April 24, 2023, with follow-up sessions through May 1, 2023
- Staff Information Meeting: Held April 26, 2023
- School Choice Fair: Successfully executed on May 4, 2023

Academic Program Completion

- Regular instruction continued uninterrupted through May 19, 2023
- Summer instruction program was properly terminated as of April 25, 2023
- All final grades and academic records were completed by faculty before contract termination

Records Management

1. Student Records:
 - Secured and organized by June 1, 2023
 - Transferred to appropriate school districts by June 1, 2023
 - Electronic copies provided to SPCSA by June 1, 2023
2. Financial Records:
 - Secured and organized by June 1, 2023
 - Initial audit completed July 1, 2023
 - Six-month audit completed
 - Final audit completed
3. Employee Records:
 - Contact list completed June 1, 2023
 - Employment verification system established June 1, 2023
 - Records digitized and transferred to SPCSA June 1, 2023

Asset Management and Disposition

1. Physical Assets:
 - SPCSA inspection completed May 1, 2023
 - Inventory completed July 1, 2023
 - State-funded equipment transferred to SPCSA July 1, 2023
 - Remaining assets disposed of according to law by January 2024
2. Financial Assets:
 - Restricted funds returned July 1, 2023
 - Bank accounts reconciled December 2023
 - Final accounts closed January 2024

Financial Obligations

1. Employee Compensation:
 - Final payroll processed May 19, 2023
 - Benefits extended through contractual obligations
 - All employment contracts properly terminated
2. Vendor Obligations:

- Creditor list completed June 1, 2023
 - All vendor contracts terminated or completed
 - Final payments processed December 2023
3. Facility:
- Lease obligations satisfied
 - Facility vacated and inspected
 - Keys and access returned to property management

Regulatory Compliance

1. Required Reports:
 - Annual budget report submitted November 1, 2023
 - Income tax documentation submitted October 1, 2023
 - Final financial audit completed February 1, 2024
2. Legal Entity Dissolution:
 - Corporate wind-down will be completed in January 2025
 - Final tax returns will be filed in 2025.
 - Entity dissolution will be filed with Secretary of State in January 2025.

Insurance and Asset Protection

- Maintained all required insurance coverage through January 2024
- Secured all physical assets until proper disposition
- Maintained appropriate D&O coverage through dissolution

Verification of Completion

I hereby certify that each item in the closure plan has been completed as described above. Documentation supporting each action has been maintained and copies have been provided to the SPCSA as required. The systematic completion of these items ensures that all legal obligations have been met and all stakeholder interests have been properly addressed.

Compliance with Statutory Requirements Initial Notifications and Administration

Following the board's decision, immediate action was taken to comply with all statutory requirements. On April 26, 2023, comprehensive written notices were distributed to all required parties, including the SPCSA, the Director of the Department of Business and Industry, the Clark County School District Board of Trustees, the Nevada Department of Education, enrolled students' families, and all creditors. These notices detailed the reasons for closure, relevant dates, and the comprehensive plan for student transition support.

Throughout the closure process, we maintained a fully staffed administrative office to handle inquiries, manage records, and coordinate all aspects of the school's dissolution. We maintained all required insurance coverage and implemented strict protocols to protect the school's assets during the transition period.

Student and Staff Transitions

The welfare of GEMS students remained our highest priority throughout the closure process. Working closely with the Clark County School District and nearby charter schools, we facilitated smooth transitions for all students. We hosted a school choice fair on May 4, 2023, which included representatives from the district and all charter schools within a five-mile radius. We developed particularly strong placement partnerships with Young Women's Leadership Academy (YWLA), providing our students with comparable educational opportunities.

All student records have been properly processed, digitized, and transferred to the appropriate school districts in accordance with NAC 388A.550. We maintained detailed tracking of all record transfers to ensure no student information was misplaced during the transition.

For our staff members, we provided comprehensive support through the transition period. This included organizing employment fairs, providing letters of recommendation, and ensuring all final compensation, including benefits and accumulated leave time, was properly calculated and disbursed. All employment records have been securely archived and backup copies provided to the SPCSA for future employment verification needs.

Financial and Asset Management

The financial dissolution of GEMS has been methodically executed in full compliance with state requirements. We completed our initial financial audit and asset inventory by July 1, 2023. However, we could not get the mandatory six-month post-closure audit on October 1, 2023. We could not get any accountant to help with this task. We finally had to ask the SPCSA staff for help with the audit, which they did. The final financial audit was completed by the SPCSA.

All state-funded property and equipment, if any, has been transferred to the SPCSA. Restricted assets, including grant funds and categorical funding, have been returned to their respective sources with appropriate documentation. We have satisfied all outstanding financial obligations, including employment

Conclusion and Request for Discharge

Having fulfilled all obligations under NRS 388A.306 and NAC 388A.355, and having completed all tasks outlined in the approved closure plan, I respectfully request to be discharged from my duties as Trustee for GEMS. The closure process, while challenging, has been conducted with strict adherence to all legal requirements and with the utmost consideration for the welfare of our students, staff, and community.

I extend my sincere gratitude to the SPCSA staff, whose guidance has been invaluable throughout this process. While the closure of GEMS represents the end of a noble educational endeavor, we can affirm that the process has been handled with professionalism, transparency, and dedication to proper procedure.

Respectfully submitted,

GUINASSO LAW, LTD.



Jason D. Guinasso, Esq.
Trustee, GEMS Closure

JDG/ak
cc: SPCSA Board Members

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EXHIBIT PAGE ONLY

EXHIBIT 1

Girls Empowerment Middle School Closure Plan

Girls Empowerment Middle School (GEMS) is located at 4220 S Maryland Parkway, Bldg B- 390, Las Vegas, Nevada, 89119. The school opened for the 2020 – 2021 school year, and the mission of GEMS is, “To empower girls to excel academically, develop their voices, and lead fearlessly in a safe, caring educational environment. Its vision is “a world where all young people have the tools and ability to create a better future for themselves and their communities.”

At the Authority board meeting on March 3, 2023, the school was issued a Notice of Concern as the school failed to meet the performance standard under three measures: Total Margin, Debt to Asset Ratio and Debt Coverage Ratio. Within the staff memo, it was noted that improved financial standing and viability would require enrollment gains to provide the school with additional revenues. The memo went on to note that without higher enrollment for FY24 and beyond, it was likely that the school’s financial outlook would continue to deteriorate.

Subsequently, at the Authority Board meeting on April 14, 2023, the school was issued a Notice of Breach as the school appeared to be unable to meet its own enrollment target for the 2023 – 24 school year and had very little evidence of alternate revenue sources to offset any projected lost revenue. As part of the Notice of Breach issuance, the Authority directed the school to submit a Viability Plan to show that it could remain in operation through the 2023 – 24 school year through increased evidence of enrollment and/or evidence of philanthropic support to offset potential revenue shortfalls.

On April 24, 2023, the Board of Directors for GEMS held a meeting to decide on the viability of continuing school operations in the 2023 - 2024 school year.

The board reviewed the information on the financial projections previously presented to them in the April 10th meeting, heard input from the parent of one of our students, and discussed the ramifications of closure and continued operations with the Board’s attorney, Jason Guinasso. Ultimately, the Board voted 5 - 0 in favor of closure due to the dire financial situation facing the school should operations continue.

This means that GEMS will cease operations with the end of the current school year on May 19, 2023.

Pursuant to NRS 388A.306, Assistant Principal Michael Taack has been appointed by the GEMS Board to act as a Trustee for the school, subject to the approval of the State Public Charter School Authority Board. Dr. Joyce Brooks has been appointed first alternate Trustee. GEMS attorney Jason D. Guinasso, Esq., of the law firm Hutchison & Steffen, is the second alternate Trustee and will be providing legal guidance and support to the school and the Trustee during the entirety of the closure process.

Mr. Taack can be reached at:

**4220 S. Maryland Parkway, Building B
Las Vegas, NV 89119
702-672-6386
mtaack@gemslv.org**

Mr. Guinasso can be reached at:

**Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, Nevada 89145
(702) 385-2500
jguinasso@hutchlegal.com**

GEMS staff have been in discussions with students on transitioning to other appropriate schools options. A school choice fair was hosted by GEMS on May 4, 2023. The Clark County School District was invited to attend, as well as every charter school serving middle school students within a five mile radius of GEMS. GEMS has worked especially close with the leaders at Young Women's Leadership Academy (YWLA) as a placement option for many of GEMS students.

Students and families can contact Mr. Taack regarding other school options and information regarding how to enroll at other charter schools or at schools within the Clark County School District. GEMS, the State Public Charter School Authority, and the Clark County School District are committed to ensuring that any current GEMS students and families have access to, and information related to other education opportunities.

GEMS is committed to helping staff with transition plans as they seek new positions for the upcoming school year. On Wednesday, April 26, 2023, GEMS had an informational meeting with staff and instructors in which they were encouraged to ask questions.

In accordance with the foregoing, NRS 388A.306 and NAC 388A.355, Nevada’s charter school closure statute and regulation, require GEMS prepare a written closure plan for approval. In addition to the mandates under state law, the National Association of Charter School Authorizers (NACSA) recommends a number of best practices to ensure a smooth closure process. These legal mandates and best practices are outlined in the GEMS charter school closure plan included below, along with statutorily defined actions and timelines.

Action Item	Responsibility for Completing Action	Completion Date	Status
Appoint an administrator of the charter school, subject to the approval of the sponsor of the charter school, to act as a trustee during the process of the closure of the charter school and for 1 year after the date of closure.	GEMS BOARD	April 24, 2023	Completed
Approval of Trustee by SPCSA	SPCSA		Pending (scheduled for May 19, 2023)
Approval of Notice of Closure by SPCSA.	GEMS STAFF & SPCSA STAFF	April 25, 2023	Completed
Give written notice of the closure to:	GEMS STAFF &	April 26, 2023	Completed

<p>(1) The sponsor of the charter school, unless the closure results from the non-renewal or termination of a charter contract;</p> <p>(2) The Director of the Department of Business and Industry;</p> <p>(3) The board of trustees of the school district in which the charter school is located, unless the board of trustees is the sponsor of the charter school and the closure results from the non-renewal or termination of a charter contract;</p> <p>(4) The Department;</p> <p>(5) The parents or legal guardians of the pupils enrolled in the charter school; and</p> <p>(6) The creditors of the charter school.</p>	<p>SPCSA STAFF</p>			
	<p>Create “Charter School Closure: Frequently Asked Questions” Document</p> <p>General document from authorizer outlining Authorizing Board’s policies, commitment to quality authorizing through supporting the transition of students and staff to new settings, overview of transition steps, general timelines, checklist for parents transitioning to a new school in the next school year and authorizer contact information.</p>	<p>SPCSA</p>		
	<p>Establish Transition Team and Assign Roles</p>	<p>SPCSA and GEMS staff</p>		<p>April 25, 2023</p>

	<p>A team dedicated to ensuring the smooth transition of students, staff and close down of the school's business populated by authorizer staff in conjunction with board members and staff of the closing charter school.</p> <p>Team to include:</p> <ul style="list-style-type: none"> – Lead person from SPCSA Staff; – Charter School Trustee; – Charter School Attorney; – Lead Finance person from the Charter School; – Lead person from the Charter School Faculty. 			
	<p>Talking Points Create talking points for parents, faculty, community and press. Focus on communicating plans for orderly transition of students and staff. Distribute to transition team.</p>	GEMS Trustee and Attorney	April 25, 2023	Completed
	<p>Press Release Create and distribute a press release that includes the following:</p> <ul style="list-style-type: none"> – history of school; – authorizing board closure policies; – reason(s) for school closure; – outline of support for students, parents and staff; and – a press point person for the authorizer and for the school. 	GEMS Trustee and Attorney	April 26, 2023	Completed

	<p>Continue Current Instruction Continue instruction under current education program per charter contract until end of school calendar for regular school year.</p>	Charter School Administrator Lead	May 19, 2023	In progress
	<p>Terminate Summer Instruction Program Take appropriate action to terminate any summer instruction, such as canceling teaching contracts.</p>	GEMS Trustee	April 25, 2023	Completed
	<p>Secure Student Records Ensure all student records are organized, up to date and maintained in a secure location.</p>	GEMS Trustee	June 1, 2023	In Progress
	<p>Forward the student records for each student enrolled or previously enrolled at the charter school to the school district in which the student resides. NAC 388A.550</p>	GEMS Trustee	June 1, 2023	In Progress
	<p>Secure Financial Records Ensure all financial records are organized, up to date and maintained in a secure location.</p>	GEMS Trustee	June 1, 2023	In Progress
	<p>Parent Contact Information Create Parent Contact List to include: – student name; – address; – telephone; and – email, if possible. Provide a copy of the parent contact information to SPCSA.</p>	GEMS Trustee	June 1, 2023	In Progress

	<p>Faculty Contact Information Create Faculty Contact List that includes:</p> <ul style="list-style-type: none"> – name; – position; – address; – telephone; and – email. <p>Provide a copy of the list to the authorizer.</p>	GEMS Trustee	June 1, 2023	In Progress
	<p>Convene Parent Closure Meeting Plan and convene a parent closure meeting.</p> <ul style="list-style-type: none"> – Make copies of “Closure FAQ” document available; – Provide overview of authorizer board closure policy and closure decision; – Provide calendar of important dates for parents; – Provide specific remaining school vacation days and date for end of classes; – Present timeline for transitioning students; – Present timeline for closing down of school operations; and – Provide contact and help line information. 	GEMS Board and Trustee	April 24, 2023 April 25, 2023 to May 1, 2023	Completed
	<p>Convene Faculty/Staff Meeting Trustee to communicate:</p>	GEMS Trustee	April 25, 2023	Completed

<ul style="list-style-type: none"> – commitment to continuing coherent school operations throughout closure transition; – plan to assist students and staff by making closing as smooth as possible; – reasons for closure; – timeline for transition details; – compensation and benefits timeline; <p>and</p> <ul style="list-style-type: none"> – contact information for ongoing questions. <p>Provide the authorizer copies of all materials distributed at the Faculty/Staff Meeting.</p>			
<p>Maintenance of Location and Communication</p> <p>Establish if the school will maintain the current facility as its locus of operation for the duration of closing out the school’s business, regulatory and legal obligations. In the event the facility is sold or otherwise vacated before concluding the school’s affairs, the school must relocate its business records and remaining assets to a location where a responsive and knowledgeable party is available to assist with closure operations. The school must maintain operational telephone service with voice message capability and maintain custody of business records until all</p>	GEMS Trustee	June 1, 2023	

	<p>business and transactions are completed and legal obligations are satisfied. The school must immediately inform the authorizer if any change in location or contact information occurs.</p>			
	<p>Insurance The school's assets and any assets in the school that belong to others must be protected against theft, misappropriation and deterioration. The school should:</p> <ul style="list-style-type: none"> – maintain existing insurance coverage until the disposal of such assets under the school closure action plan; – continue existing insurance for the facility, vehicles and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer or sale of vehicles and other assets; – negotiate facility insurance with entities that may take possession of school facility (lenders, mortgagors, bond holders, etc.); – continue or obtain appropriate security services; and – plan to move assets to secure storage after closure of the school facility. <p>If applicable under state statute, the school should maintain existing directors and officers liability (D&O)</p>	<p>GEMS Trustee</p>	<p>June 1, 2023</p>	<p>In progress</p>

	insurance, if any, until final dissolution of the school.			
	Conduct a financial audit and an inventory of all the assets of the charter school and cause a written report of the audit and inventory to be prepared for the SPCSA and the Department	GEMS Trustee	July 1, 2023	Not started
	Prepare a written list of the creditors of the charter school, identifying secured creditors and the assets in which those creditors have a security interest	GEMS Trustee	June 1, 2023	In progress
	Not later than 6 months after closure of the charter school, prepare an independent financial audit and an inventory of all the assets of the charter school (including the net assets and net liabilities of the charter school) submit a written report of the audit and inventory to be prepared for the SPCSA and Nevada's Department of Education. NRS 388A.306(1)(f)	GEMS Trustee	October 1, 2023	Not started
	Provide the SPCSA and the Department with the annual report of budget required by NRS 388A.345.	GEMS Trustee	November 1, 2023	Not started
	Prepare a written list of the creditors of the charter school, identifying secured creditors and the assets in which those creditors have a security interest. NRS 388A.306(1)(g)		June 1, 2023	In progress

	Submit to the SPCSA all records related to any indebtedness of the charter school, and any property of the charter school that is encumbered.			
	Ensure that all information required by NRS 385A.820 for inclusion in the automated system of accountability information for Nevada is current to the date of the closure.		June 1, 2023	In progress
	Return any remaining restricted assets to their source, such as grant money and money contained in restricted categorical funds.		July 1, 2023	Not started.
	Create a current and projected payroll and payroll benefits commitment, listing each employee, each employment position and the amount of money required to satisfy existing contracts.		May 19, 2023	Completed
	Submit to the SPCSA a report of the income tax documentation for the employees of the charter school.	GEMS Trustee	October 1, 2023	Not started.
	Coordinate to have the SPCSA conduct a physical inspection of the charter school to confirm that all equipment, supplies and textbooks are on the premises of the charter school.	GEMS Trustee	June 1, 2023	In progress
	Pursuant to NAC 388A.515, transfer all property or equipment	GEMS Trustee	July 1, 2023	

	purchased with State funding to the SPCSA for accounting and disposition.			
	WIND DOWN LEGAL ENTITY, CLOSE BACK ACCOUNTS AND OTHER LEGAL WINDDOWN OF THE SCHOOL	GEMS Legal Counsel	January 2024	Not started
	After the financial affairs of the charter school have been wound up and the closure of the charter school has otherwise been completed, cause a financial audit to be prepared and cause a written report of the audit to be prepared for the SPCSA of the charter school and the Department.	GEMS Trustee	February 2024	Not started
	Final closure report to SPCSA BOARD demonstrating compliance with all statutes and regulations for closure. Request by Trustee to be discharged of duties.	GEMS Trustee	May 2024	Not started

Notes:

In addition to the foregoing, the charter school must also ensure that the outstanding obligations of the charter school are settled after closure of the charter school, including, without limitation, unemployment compensation, employee benefits, resolution of the lease agreement for the charter school, if applicable, and final balances for utilities and other costs and all money received by the charter school from the State of Nevada that is

unencumbered is returned to the Department and placed in an escrow account for the purpose of satisfying any outstanding obligations of the charter school. One year after the establishment of the escrow account, the Department will transfer the balance remaining in that account to the State Distributive School Account.

Note that in the event the governing body of the charter school ceases to exist or is otherwise unable to perform the foregoing duties and responsibilities, the administrator appointed pursuant to NRS 388A.306(1)(1)(b) shall perform these duties and responsibilities (please see below). See NRS 388A.306(3). Additionally, please note that the charter school is legally obligated to protect all assets from theft, misappropriation, deterioration, or other loss. See NRS 388A.306(1)(i).

NRS 388A.306(1)(h) also requires that the charter school to supply the SPCSA with any information or documents that the SPCSA may require. In this regard, we ask that electronic copies of all student and employee records be provided to the SPCSA in the manner described below:

Student records shall be organized by district of residence and labeled with the student's last name, first name and state student identification number. Note that student records will be maintained by the SPCSA as a back-up if the local school district is unable to locate a record of a student. In addition, the SPCSA will comply with FERPA regarding the release of any student records.

Employee records shall be labeled with the employee's last name and first name and include information pertaining to the employment dates, job title and professional license. Note that employee records will only be used for the purposes of employment verification if a former employee is otherwise unable to verify employment through the charter school.