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ACTION MEMORANDUM

TO:	SPCSA Board of Directors
FROM:	Melissa Mackedon, ED
SUBJECT:	Final Closure Report and Required Action for TEACH Las Vegas Charter School and Eagle Charter School of Nevada
DATE:	August 27, 2026

Purpose

The purpose of this agenda item is for the State Public Charter School Authority (SPCSA) Board to consider acceptance of the *Closure Report TEACH and Eagle*, determine that Joshua M. Kern has satisfactorily completed his responsibilities as Closing Administrator for TEACH Las Vegas Charter School (TEACH) and Eagle Charter Schools of Nevada (Eagle), except for transferring the remaining funds to the Nevada Department of Education (NDE) and closing the schools' bank accounts, and discharge Mr. Kern from all other duties and responsibilities arising from those appointments.

Background

Following the closure of TEACH and Eagle, Joshua M. Kern of TenSquare was appointed as Closing Administrator for both schools by this Board. TEACH voluntarily relinquished its charter following action by its governing board and subsequent approval by the SPCSA Board, while Eagle ceased operations following revocation of its charter by the SPCSA Board.

The Closing Administrator was responsible for administering the orderly wind-down of each school's affairs. Those responsibilities included protecting students and public assets, administering the schools' financial affairs, addressing creditor claims, completing required audits and reports, preserving records, and satisfying applicable closure requirements.

Mr. Kern presented the Closure Report TEACH and Eagle to the SPCSA Board at its July 31, 2026, meeting. The Board received the presentation but took no action on the report. The report and supporting materials were provided to allow Board members to review them before the matter returned for final action.

Final Administrative Closeout

Since Mr. Kern presented the report to the Board on July 31, 2026, all remaining creditor payments and Public Employees' Retirement System obligations have been paid. No additional creditor, PERS, or other payments remain for either TEACH or Eagle.

The only remaining actions are to transfer the final balances, if any still remain, in the TEACH and Eagle accounts to NDE, close the schools' remaining bank accounts, and provide written confirmation to the Executive Director that the transfers and account closures have been completed.

These actions are limited ministerial components of the bank-account closeout. Upon the Board's acceptance of the report, Mr. Kern will be discharged immediately from all other duties and responsibilities associated with the closures and will retain authority solely to complete the remaining bank-account closeout.

Upon the Executive Director's receipt of written confirmation that the final balances have been transferred and the bank accounts have been closed, Mr. Kern's remaining limited duties will terminate automatically.

Summary of the Final Closure Report

The Final Closure Report documents the administration of both closures and concludes that the material responsibilities assigned to the closing administrator have been completed. The report also discusses the principal legal, financial, and operational issues encountered during the closures.

Among the principal activities and outcomes documented in the report are:

- Student transition and records. The closing administrator coordinated with the SPCSA, school leadership, and receiving schools to support students and families, preserve educational records, facilitate transitions, and respond to records requests. The report indicates that several months have passed since the closing administrator received a records request for a former TEACH or Eagle student.
- Financial stabilization and creditor payments**.** Both schools were insolvent prior to closure, creating significant challenges in completing the closure requirements. Through collection of receivables and management of expenditures, the closing administrator reports that both schools were able to satisfy secured and priority creditors at 100 percent of principal amounts owed, while general unsecured creditors received 10 percent of their valid principal claims.

- Preservation and disposition of assets. The closing administrator inventoried, preserved, sold, transferred, or otherwise disposed of school assets while distinguishing between unrestricted property and assets subject to federal grant restrictions. For TEACH, a transaction with Vegas Vista generated $120,000 for non-CSP-funded furniture, while CSP-funded property was transferred consistent with applicable restrictions. Eagle had limited furniture, fixtures, and equipment of value, which was retained by its landlord in lieu of unpaid rent.
- Recovery of receivables. A significant issue during the Eagle closure involved approximately $230,000 in federal Charter Schools Program reimbursement that had initially been questioned. Following analysis and advocacy by the closing administrator, Eagle ultimately received the reimbursement, materially increasing the resources available to address the school's remaining obligations.
- NDE overpayments**.** The closure process required resolution of approximately $77,000 in NDE overpayments to TEACH and $854,000 to Eagle. Following review involving the Closing Administrator, SPCSA, NDE, and legal counsel, the overpayments were treated as general unsecured claims rather than priority obligations. Accordingly, NDE received the same 10 percent distribution provided to other general unsecured creditors.
- Financial audits and reporting. The closing administrator coordinated completion of the accounting and independent financial audits necessary to conclude the affairs of both schools. CliftonLarsonAllen LLP completed combined audits covering each school's final operating year and wind-down period.
- TEACH affiliated-party payments. The report also documents approximately $228,000 in payments to TEACH, Inc., the school's charter management organization, during May and June 2024 for previously deferred obligations, including approximately $150,000 paid immediately following the governing board's vote to voluntarily relinquish the charter. The closing administrator reviewed the transactions but concluded there was no practical mechanism available to compel repayment absent litigation. The report identifies this experience as supporting additional guidance and oversight regarding affiliated-party transactions when charter schools experience significant financial distress.

Lessons Learned

The report recommends earlier intervention when schools demonstrate significant financial distress, which may preserve assets and reduce creditor losses, and additional guidance regarding transactions with affiliated organizations during periods of financial distress. The report also provides practical guidance concerning creditor priority, governmental overpayments, restricted assets, federal grant receivables, and the resources necessary to administer an insolvent charter school closure.

Staff Recommendation

SPCSA staff recommends that the Board accept the Closure Report TEACH and Eagle, discharge Mr. Kern from all duties except the limited bank-account closeout and provide that his remaining duties terminate automatically upon completion of that work.

Proposed Motion

Move to accept the Closure Report TEACH and Eagle*; determine that Joshua M. Kern has satisfactorily completed all duties assigned to him as Closing Administrator for TEACH Las Vegas Charter School and Eagle Charter Schools of Nevada, except for transferring the remaining funds to NDE and closing the schools' bank accounts; and discharge him from all other duties and future liability to the SPCSA arising from those appointments. His remaining duties will end upon completion of the bank-account closures without further Board action.*