



TO: Tennessee Public Charter School Commission

FROM: Tess Stovall, Executive Director

DATE: December 4, 2023

SUBJECT: Libertas School of Memphis Amendment Petition

Background

Libertas School of Memphis (“Libertas”) entered into a charter agreement with the Tennessee Public Charter School Commission (“Commission”) on April 4, 2022. The agreement allowed the governing board to operate Libertas School of Memphis for the remainder of its ten- (10) year charter term based on the rules established by T.C.A. § 49-1-614(k)(2). These rules set forth qualifications and/or requirements for charter schools exiting the Achievement School District (ASD) to apply for authorization with the Commission “for a new charter agreement with the term not to exceed the term of the initial ASD charter agreement”. Upon approval, Libertas transitioned to the Commission and has continued to operate in the Frayser neighborhood of Memphis. The school currently serves students in pre-k through fifth grade, with a maximum enrollment of 484. The school is petitioning to increase the grade levels served to provide a middle school program for students in grades 6-8. Additionally, the school is requesting to increase enrollment with the expansion of one grade level per year until reaching full enrollment of 675 students in grades pre-k through 8 by 2028-29.

Pursuant to T.C.A. § 49-13-110(d), the governing board of a public charter school may petition the authorizer to amend the charter agreement. Under Commission Rules 1185-01-01-.04(1)(c)2. and 3., a public charter school may petition for the addition or removal of a grade level or levels as well as changes in student enrollment, both being identified as material modifications to the charter agreement. The Commission is responsible for reviewing and scoring the amendment application in accordance with the Tennessee Department of Education’s scoring rubric, within sixty (60) calendar days of the due date.¹ On November 16, 2023, the Commission’s Executive Director, as its designee, and the Governing Board came to a mutual agreement to extend the date for ruling on the amendment petition to the Commission’s special-called meeting scheduled for December 4, 2023.

Libertas is a school that offers a Montessori education model and has achieved consistent high academic growth coupled with improved proficiency since beginning operations. The governing board for the school began discussions regarding a middle school expansion in 2019, and upon completion of a strategic planning process in school year (SY) 2020-21, the board determined that adding middle grades should be prioritized. Since making this determination, the school conducted a formal feasibility assessment, conducted extensive research and visits to other schools nationally, as well as engaged with parents and community partners to determine the need and demand on a local level. As a result of the extensive planning, the school intends to proceed and begin implementation of the expansion beginning the summer of 2024, if approved by the Commission. This plan was developed with the support of New Schools Venture Fund as well as the Charter School Growth Fund. Additionally, the instructional leader that the school selected to lead the additional grade levels has been admitted and begun leadership training with Build.Excel.Sustain (BES) through the growth track fellowship. These partnerships not only provide support for the proposed leader and school but provide the necessary financial support to cover phase-in costs.

¹ Tenn. Comp. R. & Regs. 1185-01-01-.04(1)(h).



Commission staff independently reviewed the amendment petition, attachments, budgets, and contingency plan submitted by Libertas. In accordance with Commission Policy 3.900, Commission staff and Libertas also engaged in additional discussions following the filing of the amendment petition in order to garner additional information related to the school's plan for supporting new students acclimating to the unique environment of the Montessori model, should they enroll at a higher grade level, the recruitment and marketing strategies for enrollment, and contingency planning. The analysis below is based on materials submitted by the school and the supplemental responses to Commission staff that were provided by school representatives.

Analysis

The Commission strives to be a first-in-class authorizer, and we desire to support the charter schools in our portfolio to best set them up for success. Recommendations for approval or denial of each amendment requested in an amendment application will be based on the materials submitted as well as the authorizer's due diligence in accordance with Commission Policy 3.900.

The amendment petition for Libertas demonstrates intentional pre-planning and preparation in all critical areas including academics, operations, and finance. The proposed middle school academic program presented within the application aligns with the school's current mission as it ensures the program is fully Montessori based, while completely aligning to state standards. This will be accomplished by drawing from their current bank of nationally accredited Montessori and Core Knowledge curriculum paired with training resources that have historically been utilized by Libertas. Allowing a year of incubation for teachers assigned to the expanding grade level ensures instructional staff will have the necessary time and capacity to build relationships with the upcoming students they will teach and provide opportunities for curriculum refinement and intervention plan. The academic plan outlined within the amendment petition is consistent with the Montessori model currently utilized by the school. As evidenced by the four straight years of Tennessee Value-Added Assessment System (TVAAS) scores exceeding Commission standards it is likely to yield similar academic success for all students, including at-risk subgroups of students. For students transitioning to the school mid-year or in the middle of their middle school experience due to openings, the school outlined a plan for backfilling and supporting students. This includes utilizing smaller student-to-teacher ratios allowing for extensive lessons in routines and procedures in how to utilize independent workspaces, time, and work plans for accountability. Furthermore, multi-age and multi-ability learning environments provide all students and particularly those transitioning opportunities for differentiated instruction that is already normalized across the school.

The operations and facility plan outlined within the amendment petition is robust and thorough as it incorporates the use of an incubation year to provide an adequate runway for recruitment of teachers. In addition to ensuring that instructional staff is in place well in advance, the school has already begun increasing its capacity by participating in teacher recruitment programs, identifying a school leader to lead the expansion to middle school, hiring additional support staff related to operations and finance, and increasing capacity of the family engagement team which is paramount to the Libertas culture and community. The operator has identified multiple options for facilities, all of which fit within the proposed timeline of expanding to middle grades beginning the Fall of 2024. The expansion of middle grades is supported by clear community support and parent demand and included within the amendment are clear student recruitment strategies to ensure enrollment targets are met. While most students will matriculate from Libertas's fifth grade program, should seats become available due to student mobility, Libertas will pull from their waitlist, draw students through their partnership with Promise Academy Spring Hill, and rely on the local community, where the school has a strong reputation for quality instruction.

Lastly, Libertas has set forth a clear financial plan that allows the school to expand enrollment and grade levels without causing a negative impact to its financial position. The school has a history of clean audits and currently meets standards on the Commission's school performance framework. The operator has secured a \$5.3 million tax exempt bond to fund the current expansion of the school building and has secured a great majority of the philanthropic support needed to fund the remaining facility costs. Even with the additional facility costs, Libertas presented thorough and complete financial projections that indicate continued fiscal solvency and increasing cash and reserve levels.

The Tennessee Department of Education's amendment petition scoring rubric lays out the characteristics of a strong amendment petition, and it is on these characteristics that this recommendation is based.

1. Alignment of proposed amendment with the school's mission and goals.

The mission of Libertas is "to be a school for human flourishing, cultivating minds, hands and hearts of children in Memphis for lives of wonder, work and love." Since the school began in 2015, the focus and academic model strived to provide a personalized Montessori education for the children in the Frayser neighborhood. Over the years, the school grew in impact and academic performance resulting in full enrollment and a waitlist that represents more than 20% of the current total seats available. The expansion into middle school aligns with the school's mission and goals as there are currently no other public schools offering Montessori learning within the city. The school believes that expanding to incorporate middle grades provides opportunities for these ages to benefit from the meaningful work and academic model, in the same way that it benefits the lower grades. The academic model will be even further bolstered by the strong parent engagement strategies and Libertas's culture and community.

The school's mission and goals align with the proposed addition of a middle school program as the operator believes that a middle school will benefit the younger children as it enhances the overall experience through the leadership and service that older students and role models provide. Since the school also prides itself as a beacon in the Frayser community, the addition of middle grades allows for students in grades 6-8 to begin to have apprentice and internship experiences with community partners, which weaves into the goals and strategic vision of the governing board.

2. Academic results provide compelling support for the proposed amendment.

Libertas presented compelling academic results that support the additional enrollment and expansion to serve students in grades 6-8. Libertas has proven their capacity with strong academic growth for students. The school has earned a TVAAS 5 for school years 2018-19, 2020-21, and 2021-22 and exceeded standards on the Commission's School Performance Framework for 2022-23 by scoring a TVAAS school-wide composite of 4. Additionally, on the school's internal Northwest Evaluation Association (NWEA) Measure of Academic Progress (MAP) data, students are meeting or exceeding goals at an increasing rate when comparing fall to spring outcomes.

Libertas has demonstrated steady improvements on Tennessee Comprehensive Assessment Program (TCAP) as evidenced by its success rates. The school's success rate in 2021-22 was more than 2.5 times their success rate from 2017-18. Additionally, the school's success rates in 2021-22 was approximately double that of the Achievement School District. The demonstrated steady improvements on TCAP is evident in both English Language Arts (ELA) and Math and among almost all cohorts of students, despite the interruption of learning that that was caused by the pandemic.

In addition to consistent TVAAS and TCAP results, Libertas demonstrates a commitment to serving historically underserved student groups. Specifically, in 2022, all subgroups of historically disadvantaged students achieved the highest-level growth as indicated by a TVAAS 5. On 2022-2023 state tests, Libertas students exceeded Memphis-Shelby

County Schools' (MSCS) ELA proficiency rates and closed the gaps to the statewide figure by increasing proficiency more than the state, despite having more than double the rate of economically disadvantaged students as the state. When comparing accountability data across other accountability indicators, the historically disadvantaged students enrolled in Libertas perform well above state averages for the past two years.

Lastly, according to the MSCS's seat analysis conducted in 2019, MSCS found that there were zero good or excellent middle school seats in Frayser, and only 141 seats or 21% of seats in the broader north region of the city meeting this definition. The report concluded that 2,366 more quality seats were needed in the community. Though the amendment petition only provides an impact of 150 in the North Memphis region, the school believes that the potential impact of this expansion will have a tremendous impact to the neighborhood.

3. Realistic and detailed budget that explains the financial impact of the proposed amendment and clear evidence that the financial outlook of the school supports the costs associated with the proposed amendment.

Libertas provided a budget for the current fiscal year and three (3) succeeding fiscal years, assuming approval of the amendment. The school projects that it will maintain a positive net position based on an annual surplus of revenue over expenses. In addition to the budget projecting positive net income every year, the school is in a strong financial position. This assessment is based on the school currently meeting standards on the Commission's School Performance Framework calculated using the most recent 2021-22 audit, the healthy cash reserves that are currently projected at 195 days, and a financial history of maintaining lean operations coupled with strong philanthropic support. Should enrollment not materialize as projected, the operator's contingency plan would be to rely on the health cash balance, which currently is sufficient to cover up to six (6) months of expenses. Though the operator intends to invest some of their current equity in facility modifications, the school will retain at least 3-4 months cash as a part of the current board strategy. As a worst-case scenario, the Libertas has a line of credit that could be utilized, and expenses could be reduced.

4. Thoughtful and realistic facility plans that accommodate the proposed amendment.

Within the amendment petition, the operator outlines a detailed facility plan, which sufficiently accommodates the additional grade levels and additional students. In Year 1, and if needed in Year 2, the school will utilize the additional 7,000 square foot addition that is already under construction and has an estimated completion date of April 2024. This space will ultimately be used for the additional elementary seats; however, the space is also able to accommodate the scaling grade levels, if necessary, through the 2025-26 school year. In addition to the renovation that is underway to increase the school's current square footage, the school has identified multiple promising scenarios to accommodate the middle school in the long-term. The school's top choice is to secure a property that is in close proximity to the current site. The school has already identified a facility that meets this criterion and is in discussion with the owner about possible terms. Should this option not materialize, Libertas would complete a second phase addition to their current building and the school has already conducted initial conceptual designs to determine costs and viability. Lastly, as a contingency plan, Libertas would work with a close community partner organization in Frayser that has an unused education building that could be renovated to make it suitable for the middle school expansion.

The school will be covering facility costs using a tax-exempt bond combined with fundraising. In 2022 Libertas secured a \$5.3 million tax exempt bond with favorable financing terms through the Shelby County Health, Education, and Housing Facility Board. These funds were used to acquire the school's current facility, complete a comprehensive deferred maintenance renovation, and fund the additional square footage that is currently being added to the current school building. Libertas has also commenced fundraising for the estimated \$4 million remaining costs to secure an

additional site or add additional space to the current school site to accommodate the middle school. At the time of submitting the amendment petition, the school had already received written or verbal commitments for 50-75% of the funds needed to cover the costs, and this is further bolstered by strong leads in process for the remainder. Libertas's strong track record of garnering substantial philanthropic support and the fundraising achieved to date combined with the recent bond issuance supports the facility plans detailed within the amendment petition.

5. Detailed implementation plan with a realistic timeline that addresses the operational impact of the proposed amendment.

Within the amendment petition, the operator sets forth a realistic and detailed timeline related to the operational impact of the proposed amendment, covering key operational areas including recruitment, staffing, facility timelines, and increasing administrative capacity to ensure fidelity between the elementary and middle school grade levels. The recruitment and staffing plan outlined within the application is robust and demonstrates intentionality as it includes a clear plan and timeline to thoughtfully increase enrollment and grade levels, without sacrificing the quality of the academic program. This includes staffing 1-2 teacher positions one year in advance of adding each grade level, allowing these individuals to spend part of their time in an incubation year in the classroom, so that they can build multi-year relationships with their future students. In addition to spending time in the classroom, these early hires will support in planning for the necessary academic interventions. Libertas has already identified a veteran team member that will lead the grade level expansion as they are experienced as a curriculum designer and instructional coach. As a part of the Arete teacher residency program and partnerships with Teach 901 and Memphis Teacher Residency, the operator has already begun to lay the groundwork for recruiting additional teachers.

The facility timeline outlined provides a clear plan for ensuring that the school has the adequate space to serve the increased enrollment and expanding grade levels. The school has already begun construction on an addition to its current facility and with an estimated completion date of April 2024, the operator is well positioned to absorb any unforeseen setbacks or delays in construction. Additionally, through extensive analysis of property options, the school has identified multiple possible facility options, all of which allow the school to deliver on the proposed amendment without having to delay expansion or sacrifice quality instruction for students due to a lack of proper space.

To increase administrative capacity and ensure fidelity across all grade levels, Libertas has increased administrative and support staffing. The school hired a full-time operations manager to ensure there is an individual responsible for finding, keeping, and developing the team, including future leaders. Libertas has also recruited and hired a full-time finance manager, compliance/external relations manager, and student records specialists. These additional hires are key to the expansion as they support the school in expanding family engagement and wrap around services, while ensuring strong teacher and student recruitment and retention.

6. Clear evidence of support for the proposed amendment from parents, staff, and community partners.

As a part of the planning process, the school conducted a survey of all Libertas families in January 2023. The school received responses from 171 parents out of the 343 families, representing a response rate of approximately 50%. The results of survey indicated that 98% of families would be interested in Libertas serving grades 6-8. In addition to parent demand, the school included 10 letters of support from various elected officials and local community organizations. Furthermore, the school has secured over \$650,000 in startup fundraising from four national and local partners including Charter School Growth Fund, New School Venture Fund, Spring Point Partners, and Memphis



Education Fund which will cover costs related to research and development and planning and phase-in needs as well as sponsor a leadership training and fellowship for the identified middle grade leader.

Recommendation

Throughout the Commission staff's review of the record of Libertas School of Memphis's amendment application, staff focused on the characteristics of a strong response as defined by the Tennessee Department of Education's amendment petition rubric. Through working with the operator since its transition to the Commission in 2022 and based on the materials reviewed regarding this amendment petition, I fully acknowledge the thorough planning and intentionality that the school has put into its plan to increase enrollment and expand to offer a middle school program for students in grades 6-8. Additionally, based on the school's proven academic success and the confirmed need for quality seats in the Frayser community, Libertas is well positioned to support the additional students and grade levels through their robust academic plan and model.

If approved, the Commission will permit Libertas to increase enrollment annually through the expansion of one grade level per year until reaching a fully built out model serving grades pre-kindergarten through 8. Additionally, the school will increase enrollment year over year, with a maximum enrollment of 675 students. It is important to note that an amended charter agreement will reflect the increased enrollment and grade level expansion applicable to the current active agreement. Libertas's current charter agreement is to expire in 2025. Subsequent to the expiration of the current agreement, and if the school is approved at renewal, the newly negotiated agreement will reflect the maximum enrollment and grade level contained within this amendment petition.

Based on this review, Commission staff recommended that the School Performance and Accountability Committee accept the amendment petition and recommend approval of the petition and an amendment to the charter agreement at the full Commission meeting on December 4, 2023. The School Performance and Accountability Committee had a robust discussion on the amendment petition at its November 29, 2023 meeting. The discussion included a review of the school's academic data, the plan for reaching enrollment projections, the multiple facility options available to the school, and the financing used by the school to cover facility costs. The School Performance and Accountability Committee accepted the petition and recommends approval of the amendment petition by the Charter Commission. Upon Commission approval of the amendment petition and amended charter agreement, Libertas may admit students up to a total maximum enrollment of 675, serving grades pre-kindergarten through 8.

A handwritten signature in black ink that reads "Tess Stovall". The signature is written in a cursive style.

Tess Stovall, Executive Director
Tennessee Public Charter School Commission

December 4, 2023

Date