



TO: School Performance and Accountability Committee

FROM: Tess Stovall, Executive Director

DATE: November 18, 2024

SUBJECT: Empower Memphis Career and College Prep Amendment Petition

Background

Empower Memphis Career and College Prep Charter Schools, Inc. ("Governing Board") entered into a charter agreement with the Tennessee Public Charter School Commission ("Commission") on January 31, 2024. The agreement allowed the governing board to establish and operate Empower Memphis Career and College Prep ("Empower Memphis" or "the school") in Shelby County serving kindergarten through eighth grade with a maximum enrollment of 450 students. Subsequent to the signing of the charter agreement, Empower Memphis exercised the option allowed under T.C.A. § 49-13-110 to delay opening by one year, setting the opening for the school to the 2025-26 school year.¹

The school's opening was delayed until the 2025-26 school year due to challenges in securing a suitable facility. Initially, the school targeted locations in Orange Mound and South Memphis. However, limited availability of facilities meeting the school's needs within the allocated renovation budget and compliance requirements necessitated a broader search. The school has identified a viable facility option approximately five minutes away from the original recruitment site. This new temporary location would involve co-locating with another new charter school. Both schools have a career-based focus and serve different grade levels, eliminating enrollment overlap. This co-location presents an opportunity to reduce costs and leverage resources. This amendment requests approval to change the school's location from the geographic area in the current charter agreement. The school plans to open with kindergarten through second grade in the 2025-26 school year.

Pursuant to T.C.A. § 49-13-110(d), the governing body of a public charter school may petition the authorizer to amend the charter agreement. The Commission is charged with determining the timelines for approval of amendment petitions and the process for reviewing these petitions. Under Commission Rule 1185-01-01-.04, a public charter school may petition for a change to the charter school's location, if outside the geographic area set forth in the charter agreement. In the case of Empower Memphis, it was determined that the new location was a material modification to the charter agreement. Upon receipt of an amendment petition, the Commission is responsible for reviewing and scoring the amendment application with the Tennessee Department of Education's scoring rubric and must act on the petition within sixty calendar days of receiving the petition.²

Commission staff independently reviewed the amendment petition, attachments, budgets, and contingency plan submitted by Empower Memphis. Commission staff and Empower Memphis met after the filing of the amendment petition to discuss the school's progress toward staff recruitment, community support as evidenced by submitted intents to enroll, progress on identifying and securing, and contingency planning. The analysis below is based on materials submitted by the school and the numerous conversations between Commission staff and school representatives.

¹ See T.C.A. § 49-13-110(b).

² Tenn. Comp. R. & Regs. 1185-01-01-.04(1)(h).

Analysis

The Commission strives to be a first-in-class authorizer and desires to support the charter schools in its 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 proposed amendment to change the location of Empower Memphis Career and College Prep stems from the significant challenges in securing a suitable facility within the original target areas of Orange Mound and South Memphis. Despite exploring over fifteen potential sites, including former charter school buildings, limitations in available facilities, high renovation costs that would exceed the allocated budget, and Shelby County building code requirements such as storm shelter construction proved insurmountable. As a result, Empower Memphis has expanded its search and is pursuing a co-location opportunity at 4775 American Way, about five minutes from the initial recruitment site. This strategic adjustment allows the school to secure a facility that supports its educational mission and accommodates growth, while remaining reasonably close to the originally intended communities.

To mitigate the impact of the location change, Empower Memphis is committed to exploring transportation options for families in Orange Mound and South Memphis. This amendment ultimately prioritizes the school's ability to provide quality education and opportunities for all students, while acknowledging the unforeseen limitations in the initial search area. This amendment demonstrates a commitment to serving the families initially targeted in the initial new start application and is further bolstered by the ninety-six individuals that signed an interest form stating that they show support in the opening of two existing career and technical charter schools in Parkway Village in August 2025.

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 Empower Memphis is "[I]n partnership with families, Empower Memphis Career and College Prep is a K-8 charter school, with an unwavering obligation to accelerate academic achievement, foster individuality, and cultivate career mindsets, of all students, as early as Kindergarten. Through differentiated instruction, interest-based studies, leadership development, financial planning and career simulations and internships, students develop future-ready skills for success in the global market." The proposed location of Empower Memphis Career and College Prep to 4775 American Way directly aligns with the school's mission to provide high-quality career and college preparation. This move will offer substantial space to enhance the school's ability to deliver differentiated instruction, interest-based studies, and leadership development programs. Furthermore, the new location fosters stronger partnerships with local industries and businesses, creating opportunities for career simulations, internships, and a smoother transition for students from education to career fields. By addressing existing facility challenges, the school can better focus on its core objective: empowering students with the tools and skills necessary for success in higher education and the global market. This location ultimately serves the best interests of students by providing an enriched learning environment and enhanced career development opportunities.

2. 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.

Empower Memphis provided an updated financial projection for the next five fiscal years, assuming approval of the amendment. The school projects that it will maintain a positive ending fund balance on an annual basis. While the budget indicates that expenses will exceed revenues in Years 1 through 3, the budget has been updated to reflect

updated cost assumptions and does not incorporate fundraising and philanthropy, which the school is experienced in securing. Additionally, the initial budget allocation for facilities included in the new start application were \$10.00 per square foot for rent and up to \$120,000 for renovations, and the proposed site at 4775 American Way offers a reduced rental cost of \$7.50 per square foot and potential renovation expenses capped at \$57,000. The potential for co-locating space with partners will also substantially reduce costs through shared expenses.

A comprehensive financial strategy is in place to address rental costs, particularly in Year 1. Fundraising efforts in late 2024 and early 2025 are anticipated to generate sufficient revenue to cover the Year 1 facility costs. Starting in Year 2, a combination of Tennessee Investment in Student Achievement ("TISA") funding, grants, and private contributions will ensure ongoing support for facility expenses. This diversified funding strategy, leveraging fundraising, state funding, and philanthropic donations, ensures both immediate financial assistance and long-term sustainability for effectively managing facility costs and delivering high-quality education.

To minimize the financial impact should enrollment not materialize, Empower Memphis has developed a comprehensive strategy to address potential enrollment fluctuations. Should enrollment differ from projections, the school has prepared flexible staffing plans that allow for adjustments while maintaining educational quality. This ensures that staffing levels are aligned with the actual student population, optimizing resource allocation. Furthermore, Empower Memphis is committed to retaining existing students by fostering strong community engagement with families. Financially, the school has a contingency plan that allows for budget adjustments, resource reallocation, and the potential of additional funding sources if needed, ensuring financial stability even in the face of enrollment variations. By proactively combining these strategic approaches, Empower Memphis has demonstrated that they are well-prepared to navigate any potential enrollment shortfalls, ensuring both financial stability and educational fidelity at the proposed new location.

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

Empower Memphis has a thoughtful and reasonable facility plan to locate to a 50,000-square-foot space at 4775 American Way. This move strategically positions the school to serve the Parkway Village and Oakhaven communities, areas currently grappling with significant educational challenges. These communities face low student proficiency in core subjects and high crime rates, hindering the potential for long-term success for residents. The facility identified provides ample space to accommodate up to 500 students and staff, with local partnerships that will provide students with opportunities in fields like transportation, engineering, and agriculture, aligning with the school's career-focused programming. This approach not only addresses the immediate educational needs but also aims to equip students with skills and opportunities for real-world experience while fostering community ties.

The location plan demonstrates careful consideration for the needs of current students and families. Empower Memphis acknowledges the potential impact on families in Orange Mound and South Memphis, its original recruitment areas. To mitigate the effects of the increased commute for some families, the school will offer reliable transportation options, including bus services with flexible pick-up and drop-off times. Furthermore, the school is committed to maintaining strong connections with these communities through regular communication, events, and holiday programs held at the new location. This multifaceted approach ensures equitable access to education for all students, regardless of their location, while fostering a sense of continuity and community engagement.

Empower Memphis has also taken proactive steps to ensure a smooth transition and address potential challenges. The school plans to co-locate within the new facility at a significantly lower cost than initially anticipated, demonstrating financial responsibility and resourcefulness. To address the possibility of lower-than-expected enrollment, the school has developed contingencies including targeted recruitment campaigns in the surrounding neighborhoods, flexible staffing plans, and potential adjustments to grade levels based on demand. By actively

engaging with the community, building partnerships with local organizations, and maintaining open communication with families, Empower Memphis is well-prepared to navigate the location successfully and provide a high-quality education in a supportive environment.

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

The amendment petition provides a detailed and realistic timeline for addressing the operational impact of the location change on Empower Memphis's opening. To ensure continued community engagement beyond the original Orange Mound and South Memphis areas, the school will maintain regular communication with parents and community members through emails, texts, and newsletters. Events held at the new location will also provide opportunities for connection. Recognizing the importance of transportation, Empower Memphis will offer transportation services to students that initially expressed an interest, ensuring equitable access to education and that the originally targeted area is still served. The school has also engaged in extensive community outreach, including canvassing neighborhoods, attending local events, and communicating regularly with staff and families. This transparent approach has garnered significant support for the school's location while also allowing the school to proactively address concerns about commute times and accessibility. By actively engaging with the community and implementing comprehensive solutions, Empower Memphis is effectively navigating the operational challenges associated with the transition.

Commission staff met with Empower Memphis to assess the progress of facility acquisition and necessary renovations. The school indicated the submission of a letter of intent ("LOI") and ongoing negotiations for a sub-lease agreement. The terms of the agreement are conducive to the timely completion of renovations required for the projected Fall 2025 opening. Discussions with the current occupant are underway to determine responsibility for specific renovations.

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

The amendment petition for Empower Memphis demonstrates clear evidence of support from parents, staff, and community partners. Included within the amendment petition were two letters of support and signatures of ninety-six individuals showing support in opening two existing career and technical charter schools in Parkway Village in August 2025. This co-location would include Empower Memphis, serving kindergarten through second grade, and Tennessee Career Academy, serving sixth and seventh grade. Furthermore, Empower Memphis has engaged in extensive communication and outreach efforts to inform stakeholders about the decision to expand the facility search beyond Orange Mound and South Memphis. Through emails, conversations, and community canvassing, the school has transparently explained the rationale for this expansion and its benefits to students and the community. Internal stakeholders, including potential parents, have been kept informed through various channels, and feedback has been largely positive. While some concerns were raised about commute times and accessibility, the school is proactively developing transportation plans to address these issues as evidenced by the addition of bus services included in the budget. Empower Memphis remains committed to working with all stakeholders to ensure a smooth transition and continued alignment with its mission.

Recommendation

Throughout the Commission staff's review of the record of Empower 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 throughout the extensive facility search and based on the material reviewed, I fully acknowledge the significant effort and work done by the operator to identify a suitable facility while also ensuring that community support is maintained to meet enrollment targets. Based on this review,



Commission staff recommends approval of the amendment petition for Empower Memphis Career and College Prep. Upon Commission approval of the amendment petition, the charter agreement will be amended to permit the proposed location for Empower Memphis to include the Parkway Village and Oakhaven communities.

A handwritten signature in black ink that reads "Tess Stovall".

Tess Stovall, Executive Director
Tennessee Public Charter School Commission

November 18, 2024

Date