

**MINUTES OF THE
SENATE COMMITTEE ON EDUCATION**

**Seventy-Eighth Session
February 26, 2015**

The Senate Committee on Education was called to order by Chair Becky Harris at 3:30 p.m. on Thursday, February 26, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Becky Harris, Chair
Senator Scott Hammond, Vice Chair
Senator Don Gustavson
Senator Joyce Woodhouse
Senator Moises (Mo) Denis

COMMITTEE MEMBERS ABSENT:

Senator Mark Lipparelli (Excused)
Senator Tick Segerblom (Excused)

STAFF MEMBERS PRESENT:

Todd Butterworth, Policy Analyst
Risa Lang, Counsel
Jan Brase, Committee Secretary

OTHERS PRESENT:

Steve Canavero, Ph.D., Deputy Superintendent for Student Achievement,
Department of Education
Patrick Gavin, Director, State Public Charter School Authority
Peggy Lear Bowen
Kathleen Conaboy, Chair, State Public Charter School Authority

Chair Harris:

I will open the work session on Senate Bill (S.B.) 25:

SENATE BILL 25: Revises provisions relating to public schools. (BDR 34-316)

Todd Butterworth (Policy Analyst):

The Committee has received a work session document ([Exhibit C](#)) related to S.B. 25. There is a proposed conceptual amendment submitted by the sponsor of the bill ([Exhibit D](#)) as well as a mock-up of proposed amendment 9686 ([Exhibit E](#)).

Senator Hammond:

The added language in section 13, subsection 2, "... and for such other grades as may be prescribed by the State Board," is a concern for me. I have a reservation about granting more authority for testing. I support retaining the current language.

Steve Canavero, Ph.D. (Deputy Superintendent for Student Achievement, Department of Education):

Writing scores are embedded in exams administered in Grades 3 through 8 under the current system of computer adaptive and open response assessments. This section does not provide for additional testing.

Senator Denis:

If I understand, section 13, subsection 2 may not be necessary. Is that correct? I could support the amended bill if this language is removed.

Mr. Canavero:

That is correct. It was included for clarity, but the Department of Education (NDE) would be comfortable striking the language.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 25 WITH PROPOSED AMENDMENT 9686.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Harris:

I will open the work session on S.B. 126.

SENATE BILL 126: Revises provisions relating to education. (BDR 34-408)

Mr. Butterworth:

The Committee has received a work session document ([Exhibit F](#)) related to S.B. 126. The NDE has proposed a friendly amendment ([Exhibit G](#)) which limits the bill's provisions related to prekindergarten program regulation and student language surveys to school districts and charter schools, removes the requirement that the language survey be administered in the home and provides other clarifying language.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 126 WITH PROPOSED AMENDMENT 9695.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Harris:

I will close the work session on S.B. 126 and open the work session on S.B. 128.

SENATE BILL 128: Revises provisions relating to the Governor Guinn Millennium Scholarship. (BDR 34-96)

Mr. Butterworth:

The Committee has received a work session document ([Exhibit H](#)) related to S.B. 128. Senator Woodhouse has offered a conceptual amendment to reduce the minimum credit enrollment from 12 credits to 9 credits for community college students.

SENATOR WOODHOUSE MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 128 WITH THE PROPOSED AMENDMENT.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Patrick Gavin (Director, State Public Charter School Authority):

I have provided a handout ([Exhibit I](#)) which is an overview of the State Public Charter School Authority (SPCSA). The SPCSA was formed in the 76th Session as the successor sponsor agency for all State-sponsored charter schools, a role which was previously held by the State Board of Education. Charter schools were introduced in Nevada in 1997, and we have seen significant growth since that time. The SPCSA was created to address challenges in the system such as accountability and school choice. We were tasked with improving the application process by reviewing applications for compliance as well as the quality of the business plan and the likelihood of success.

Our responsibility is to ensure charter schools in Nevada maintain high standards, and to provide oversight and technical support. The SPCSA was created to serve as model of best practices statewide. The SPCSA was established as an agency in 2011 with a seven-member board. We were designated as a local education agency (LEA) in 2013 for the purposes of distributing federal funds and special education services. Charter schools do not receive allocated education funds from the Legislature. While other districts receive a specific appropriation, charter schools are subject to the discretionary unit of the appropriation process. The Governor's budget provides for a remedy of this process.

Since 2008 when the State began actively accepting charter school applications, enrollment in SPCSA portfolio has increased from 10,000 to 20,000. The number of 4- and 5-star schools has grown while 1-star schools have declined.

As illustrated on page 5 of [Exhibit I](#), SPCSA schools chartered after the creation of SPCSA in 2011 outperform older district- and State-sponsored schools at 3- and 5-star levels. It should be noted, district-sponsored charter schools have seen growth in the number of students served in 4- and 5-star schools, but have also seen dramatic growth in the number of students in 1-star schools. The districts recognize there is work to be done and room for improvement.

Page 12 of [Exhibit I](#) outlines graduation rates, which are dependent upon many variables. In 2011, the rates for charter schools in general, and SPCSA schools in particular, were extremely low. Today, SPCSA schools graduation rates have essentially doubled to 54 percent. When considering graduation rates, it is important to recognize the challenge and the relative success at the same time.

Senator Hammond:

Is it true the low percentage graduation rate is influenced by a few struggling and underperforming schools?

Mr. Gavin:

Yes, without being specific, a small subset of schools is significantly pulling down the averages. Most of these schools are now within our academic intervention framework. If they were not part of the SPCSA portfolio, our graduation rate would be much closer to the State average.

Senate Bill No. 212 of the 76th Session made sweeping changes to the charter school structure and to the charter school application process in Nevada. There was a shift from emphasis on technical compliance to quality. Another way of talking about this is to say there has been a shift from input to output. This is a challenge because it is generally easier to measure inputs than it is to gauge outputs.

The SPCSA's authorizing and overall operations are aligned with many elements of the application process to best-in-class practices nationally. The SPCSA is focusing on several essential questions in each application: will this school be an academic success, will it be fiscally sustainable and will it be organizationally accountable? Applications are evaluated on capacity and applicants are interviewed in a manner much like a job interview. Applicants for a charter school approval will be responsible for public funds and public children. It is a great deal of responsibility, and it is critically important to have insight into their capacity to be successful. We look to continue to increase the rigor of this element of the analysis.

Assembly Bill No. 205 of the 77th Session added a number of accountability tools as outlined on page 14 of [Exhibit I](#). In summary, the bill allowed for an automatic closure provision and a simplification of the contracts. Charter school contracts are based on an outcome-oriented set of metrics. The metrics are

enumerated in statute and relate to academic, fiscal and organizational outcomes.

Automatic closure is allowed for all types of charter school sponsors. Any school scoring at the lowest possible rating on the statewide accountability system for 3 consecutive years must be closed, per Nevada statute.

Senator Harris:

To clarify, the lowest possible rating is a 1-star rating. Is that correct?

Mr. Gavin:

Yes, that is correct, though the statute does not specify the star system. It allows for future changes in the rating system.

Continuing with automatic closure, the 3-year provision was not retroactive. Ratings began in the 2013-2014 school year. It is likely there will be a pause in the 2014-2015 school year because of the new Smarter Balanced Assessment Consortium exams. The Nevada School Performance Framework has a growth component, meaning the improvement of individual students is scored based on year-to-year performance. Once testing is aligned, it will be possible to consider schools' performance in consecutive years.

The automatic closure provision has been effective in reducing the number of 1-star schools, and schools are incentivized to improve on performance, planning and data evaluation. While some schools have embraced accountability, others struggle to change. They and their students need support.

The elements of the performance framework support a theme, which is a focus on academic, financial and organizational competence. Page 16 of [Exhibit I](#) outlines the details of these elements. Very little of the data or information collected is self-reported. Instead, data are collected from the NDE, and is scrutinized and verified. There is limited risk of anyone "cooking the books." The performance framework is embedded in 11 of 22 charter school contracts because they were either new or renewing schools, requiring the writing of a new contract. It may be useful to consider expanding the statute to allow all charter schools' contracts to include framework provisions.

The intervention process consists of three tiers: notices of concern, breach and closure. The process can occur in successive years, but can also happen more quickly. In serious cases, it is possible to move directly to a notice of breach.

In terms of results, two schools are currently in breach due to poor academic performance. The schools must take corrective action and improve or be served with a notice of closure. We have two schools in breach due to organizational performance issues, based on data reported since 2013.

Senator Harris:

Is there a support process for schools in breach due to poor academic performance?

Mr. Gavin:

We have resources dedicated to supporting these schools. We hope to build on our capacity to assist struggling schools and have requested additional funding for that purpose. Organizations, like individuals, vary in ability and willingness to succeed. The SPCSA works collaboratively with all schools in a continuing effort to improve performance, though our resources are limited.

Senator Harris:

Is there a shortage of resources needed to assist schools in breach for organizational issues?

Mr. Gavin:

Yes, we especially need to be able to collect accurate data and expect to request additional funding in the near future.

The SPCSA is one agency with multiple roles. As portfolio manager, the SPCSA invests public funds. We are both a traditional State agency and an LEA. An LEA acts like a school district in many ways. We provide the NDE and the U.S. Department of Education with mandated reports and required oversight.

The SPCSA has a staff of 10 full-time equivalent employees. Staff focuses, mainly, on duties required for the agency's LEA function. A technology support position assists schools in the implementation of the Infinite Campus student information system. An administrative services officer is the Agency's business manager who assures the appropriate distribution and reporting of funds.

Finally, the Agency employs an administrative assistant, two management analysts and a director.

In the next few years, the student population is expected to grow, especially in Clark County suburbs. This is because there is less building capacity in Clark County. In the County, there is pent-up demand, overcrowding and a growing academically underserved student population. The SPCSA will work to incentivize best-in-class charter management organizations (CMO) to come to Nevada. We are also working to support our best local management operators. Page 24 of [Exhibit I](#) outlines a strategy for meeting the needs of high quality CMOs.

Many elements of Governor Sandoval's budget requests are in line with the SPCSA's strategic categories: human capital, fiscal parity, facilities, startup support and political environment. There is important work the SPCSA can do in influencing education policy, and much has been accomplished in the past 4 years. We expect student enrollment to grow at 30 percent per year, far more rapid growth than any other State agency. Schools in the current portfolio are adding new campuses. Unfortunately, our infrastructure lags behind our needs. We are optimistic about funding in the Governor's budget, but may come to the Interim Finance Committee for additional resources.

Finally, Nevada State High School was selected as a finalist for the 18th Annual Cashman Good Government Award by the Nevada Taxpayers Association. The award is granted to organizations that demonstrate strong, ongoing and consistent efforts to use taxpayer funds wisely and efficiently.

Senator Woodhouse:

Charter schools, in many cases, are havens for students who struggle in traditional education settings. These students are academically challenged and require special assistance and wraparound services. The resulting low ratings may put charter schools at risk for breach or closure. Is there a process for assisting these students and schools, while maintaining the required academic rigor? I offer my assistance in facing the challenge of supporting schools working to provide education and a safe learning environment to these students with special needs.

Mr. Gavin:

My duty is to ensure a high quality portfolio, but I also have a personal passion for supporting these students and schools. One approach is to define the term alternative schools in statute and to develop an alternative accountability framework. This effort is handicapped by a lack of actionable data. A rollout of a statewide data system would be helpful. When school administrators can define the school's mission, they have an opportunity for successfully addressing their students' needs.

Statute allows administrators to identify their charter schools as at-risk schools, and those schools can specialize in serving a particular subpopulation of students. Few schools take advantage of this opportunity. We are working to make information about this option available. A number of charters across the Country are successfully melding rigorous instruction with appropriate, data-driven wraparound services. We can benefit by studying their methods.

Senator Hammond:

Schools are challenged with maintaining a balance between providing rigorous instruction and allowing for flexibility. Parents and students consider many factors when deciding where to go to school. The star system is just one of those factors. When evaluating a school's performance, it is important to consider the many aspects of their work.

Mr. Gavin:

Star rating status should reflect exemplary teaching and an engaged student culture, whatever the orientation of the school might be. If a school is rated as a 4- or 5-star as a result of teaching to the tests, I would be concerned about its overall sustainability.

A provision in statute relating to the performance framework is also explicitly outlined in each charter school contract. The provision permits schools to propose additional, high quality, objectively verifiable metrics. This is not, necessarily, test scores. An external assessment by an outside agency might be useful in reviewing a school's culture and outcomes. A school which is rated as average on the star system might excel in areas not easily measured. The SPCSA can assist and could evaluate the way we are structured as an agency to serve the schools in our portfolio better. It is true, however, that we may be required to make some difficult decisions in the future.

Peggy Lear Bowen:

I support the amendment to S.B. 128 adjusting the credit requirement for the Millennium Scholarship. I am a former member of the State Board of Education, and sat on the Board when charter schools were placed under the authority of the NDE. I am not aware of their status, but suggest that all charter school employees be eligible for membership in the Public Employees Retirement System.

Kathleen Conaboy (Chair, State Public Charter School Authority):

During a recent meeting of the National Governor's Association policy think tank, one topic was charter school accountability as opposed to charter school autonomy. This is a subject authorizers contend with in Nevada and across the Country. Mr. Gavin outlined the sometimes conflicting roles of the SPCSA. The goal of the enabling legislation creating the SPCSA was to allow the agency to be more than a regulator, but with expanded responsibilities came some tensions relating to accountability and autonomy. There are times when schools want to be completely autonomous, and times when they request help. The SPCSA does not have some of the resources that are required, and the gap between what is expected of the agency and what we are able to provide can be very wide.

The SPCSA is a fee-based agency, meaning we do not receive State General Funds. We have experienced exponential growth, sometimes with crushing additional responsibilities. For example, in the summer of 2013, the SPCSA was designated an LEA for special education. With this, the agency took on a considerable amount of legal responsibility. The project of converting to the Infinite Campus system was managed by one staff member, who had other responsibilities as well.

Assembly Bill No. 205 of the 77th Session allowed schools to define their own metrics and to include them in their contracts. This is an important tool for schools.

Charter schools were created to provide school choice, and to accommodate children's learning styles. We generally think that choices are equal, but as we look at charter school funding we find discrepancies. We hope to have access to categorical funding in the Governor's budget and will continue this conversation throughout the Session.

Senate Committee on Education
February 26, 2015
Page 11

Chair Harris:

There being no further comment or business before the Committee, the meeting is adjourned at 4:59 p.m.

RESPECTFULLY SUBMITTED:

Jan Brase,
Committee Secretary

APPROVED BY:

Senator Becky Harris, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	2		Attendance Roster
S.B. 25	C	2	Todd Butterworth	Work Session Document
S.B. 25	D	2	Todd Butterworth	Amendment
S.B. 25	E	32	Todd Butterworth	Amendment 9686
S.B. 126	F	1	Todd Butterworth	Work Session Document
S.B. 126	G	17	Todd Butterworth	Amendment
S.B. 128	H	3	Todd Butterworth	Work Session Document
	I	26	Patrick Gavin	Slide Presentation