

**MINUTES OF THE MEETING OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND  
SENATE COMMITTEE ON FINANCE  
SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP**

**Eightieth Session  
February 22, 2019**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on K-12/Higher Education/CIP was called to order by Chair Maggie Carlton at 8:09 a.m. on Friday, February 22, 2019, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/80th2019](http://www.leg.state.nv.us/App/NELIS/REL/80th2019).

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblywoman Ellen B. Spiegel, Vice Chair  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman Jason Frierson  
Assemblywoman Heidi Swank  
Assemblyman Tyrone Thompson  
Assemblyman Jim Wheeler

**SENATE SUBCOMMITTEE MEMBERS PRESENT:**

Senator Kelvin Atkinson  
Senator Moises Denis  
Senator Ben Kieckhefer  
Senator James A. Settelmeyer  
Senator Joyce Woodhouse

**SUBCOMMITTEE MEMBERS EXCUSED:**

Assemblyman John Hambrick



**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Julie Waller, Senior Program Analyst  
Jaimarie Ortega, Program Analyst  
Carmen M. Neveau, Committee Secretary  
Lisa McAlister, Committee Assistant

Chair Carlton explained that state offices in southern Nevada would not open until 10 a.m., but she planned to proceed through the budgets, discuss the budgets, and if the meeting concluded before 10 a.m., the Subcommittees would recess and reconvene when the state offices in Las Vegas opened. This would allow public comment from southern Nevada.

After call of the roll, Chair Carlton asked for the State Public Charter School Authority presentation.

**EDUCATION**

**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**STATE PUBLIC CHARTER SCHOOL AUTHORITY (101-2711)**

**BUDGET PAGE CHARTER SCHOOL-5**

Brian Scroggins, Acting Executive Director, State Public Charter School Authority (SPCSA), introduced his presentation titled "2019-2021 Executive Budget" ([Exhibit C](#)), and said that the SPCSA was in transition because the previous executive director had resigned late in 2018, and Mr. Scroggins was asked to serve as the Acting Executive Director. Mr. Scroggins introduced the SPCSA team. Present in Carson City were Ryan Herrick, General Counsel, SPCSA; Selcuk Ozdemir, Manager of Academic Performance, SPCSA; Mike Dang, Management Analyst 4, Financial and Organizational Performance, SPCSA; Audra Blackwell, Management Analyst 3, SPCSA; and Danny Peltier, Management Analyst 1. Present in Las Vegas, although not presently in the hearing room, was Mark Modrcin, Director of Authorizing, Education Programs Director, SPCSA.

Mr. Scroggins noted that if there were questions for Mr. Modrcin, the Subcommittee members could wait until Mr. Modrcin was in the building, or Mr. Modrcin could provide the answers to Subcommittee members at a later date.

For background purposes and as shown on page 2 of [Exhibit C](#), Mr. Scroggins said that Senate Bill (S.B.) 212 of the 76th Session (2011) created the SPCSA. Schools in the SPCSA portfolio were previously under the direction of the Nevada Department of Education (NDE).

Referencing page 3 of [Exhibit C](#), Mr. Scroggins said that as codified in *Nevada Revised Statutes* (NRS) 388A.150, the SPCSA had three distinct purposes. The first purpose was the authorization of high-quality charter schools throughout Nevada to expand opportunities for pupils. By high-quality, he clarified, they were four- and five-star schools under the Nevada School Performance Framework. The framework required financial solvency, sustainability, and compliance with Nevada laws and regulations. Since 2011, the number of students served by SPCSA had increased, and the number of four- and five-star charter schools had also increased. The next purpose was oversight of the charter schools sponsored by SPCSA. This oversight involved monitoring the academic performance of schools and reviewing Nevada school performance data released annually by NDE. The statewide data allowed SPCSA to make high-level comparisons. The SPCSA monitored organizational compliance to ensure charter schools followed Nevada laws and regulations and monitored financial performance through reviews of quarterly financial reports and audited financial statements. The SPCSA conducted site evaluations to ensure schools were carrying out the missions and visions. He said these monitoring responsibilities were carried out while preserving the autonomy of charter schools because each school was independently run with its own governing board. The third purpose was to serve as a model of best practices through the sponsorship of schools. An example of this was a recent request from SPCSA to charter schools asking for success stories. These stories were presented at SPCSA board meetings so other schools could learn, share, and apply best practices.

Mr. Scroggins explained that page 4 of [Exhibit C](#) listed the codified duties of the executive director. Key responsibilities included supervision of all SPCSA functions and serving as the executive secretary of SPCSA. He noted the SPCSA board had seven appointed members. One other key responsibility was ensuring autonomy of charter schools in Nevada.

Page 5 of [Exhibit C](#), Mr. Scroggins said, was the SPCSA organizational chart. He noted that SPCSA was divided into three teams. The Finance and Operations team included fiscal responsibility as the Local Education Agency (LEA) and included six positions. The School Support and LEA team served to assist schools with the McKinney-Vento Education of Homeless Children and Youth Act, special education, title programs, and other educational responsibilities. This team was made up of three employees. The Charter School Authorizing team was comprised of six positions and oversaw the academic, financial, and organizational performance of the 29 charter holders and 54 campuses that served 42,333 students statewide. There were 17 SPCSA full-time-equivalent positions to provide oversight and support to the third largest body of students in Nevada.

On page 6 of [Exhibit C](#), Mr. Scroggins explained, there was an overview and breakdown of the recommended 2019-2021 biennium budget for budget account (BA) 2711. The funding recommendation of \$45,705,630 included several decision units. He said that decision unit Maintenance (M) 200, Caseload Changes, projected revenue increases of \$1,092,367 for

fiscal year (FY) 2020 and \$1,254,459 for FY 2021 based on a projected increase in student enrollment. Decision unit Maintenance (M) 200 recommended increased expenditures of \$364,418 in FY 2020 and \$394,462 in FY 2021 to fund student services provided by SPCSA. Examples included testing-related costs and Infinite Campus, the student database.

Page 8 of [Exhibit C](#), according to Mr. Scroggins, showed the effect of rising enrollments. In FY 2012, approximately 10,500 students were served, roughly 43,000 students would be served in FY 2019, and just under 50,000 students would be served in FY 2021. Projections were driven by actions SPCSA had already taken. Examples of actions he cited included four new campuses approved by SPCSA that would open in the 2019-2020 school year and two other campuses approved to open in the fall of 2020. Also included in the projections were additional students from anticipated expansion proposals and new charters that would be approved in upcoming cycles.

To support the increased number of students, Mr. Scroggins referred to page 9 of [Exhibit C and](#) stated that SPCSA recommended funding for three new data integrity positions and one new administrative assistant position. The proposed data integrity staff comprised decision unit Enhancement (E) 275, and the proposed new administrative assistant position was included in decision unit E-277. The School Support team was the smallest of the three teams at SPCSA, and the proposed data integrity positions were located in this team to assist the charter schools.

Page 10 of [Exhibit C](#), Mr. Scroggins said, provided more detail for the data integrity positions and described the job responsibilities. The first recommended position was an education and information officer who would ensure schools were informed and understood accountability expectations, reporting requirements, and other key compliance measures set forth by SPCSA, the state of Nevada, and the United States Department of Education. The second recommended position was an education programs professional who would act as a portfolio-wide testing coordinator for all schools. Testing was an important responsibility for public schools in Nevada, and having a point person on staff to ensure timely and accurate submissions was both mission critical and an expressed need for the charter schools. The third proposed position was an administrative assistant who would help to ensure data was validated and reported in a timely manner. The SPCSA held charter schools accountable for data, but the authority itself was only as good as the data it received. This position would ensure the quality of data remained high.

Page 11 of [Exhibit C](#), Mr. Scroggins continued, provided more detail for the proposed administrative assistant position. There was no existing administrative support for the executive director, the appointed board, or the staff attorney. He noted that providing administrative support to the executive director, the appointed board, and the staff attorney would be a primary duty whether the position was located in Las Vegas, where there was no

existing administrative support, or in Carson City. Other duties included assisting with board meeting preparation, tracking action items, filing, responding to Open Meeting Law matters, and acting as the agency public records official.

Moving to page 12 of [Exhibit C](#), Mr. Scroggins explained that decision unit E-278 was a recommendation to pay the NDE \$56,639 in FY 2020 and \$56,883 in FY 2021 to offset costs for work performed for SPCSA. Decision unit E-710 recommended reserve funding for the replacement of four computers based on the Division of Enterprise Information Technology Services (EITS), Department of Administration, recommended schedule.

Page 14 of [Exhibit C](#), Mr. Scroggins explained, was decision unit E-800, the NDE cost allocation for two positions. The SPCSA funded 50 percent of an auditor position and 40 percent of a grants and projects analyst position. For FY 2020, the recommended funding was \$75,257, and for FY 2021, the recommended funding was \$87,117.

In summary, Mr. Scroggins said that there were an increasing number of high-quality public charter schools sponsored by SPCSA, and increasing enrollment indicated that a valuable service was provided to students and parents. He noted the one bill submitted on behalf of the SPCSA was Assembly Bill (A.B.) 78. With increased services, there were added responsibilities, and the recommended budget reflected the agency and school needs for the 2019-2021 biennium. He wanted to assure Subcommittee members that SPCSA was effectively executing the purposes for which it was created.

Chair Carlton referenced the SPCSA reserve level of approximately \$6.3 million, which she believed could fund anticipated expenditures for roughly 136 days. She asked for information about the large reserve and the rebate process.

Mike Dang, Management Analyst 4, Financial and Organizational Performance, SPCSA, said that the large reserve was because pass-through grant funding was forwarded to the charter schools first and then reimbursement was sought from NDE. The large reserve was needed because of the timing of the reimbursement. Based on discussions between the SPCSA and NDE, roughly 135 days was deemed to be an appropriate reserve level.

Chair Carlton asked whether this was an agreement between SPCSA and NDE, and she wondered when the agreement was made. Mr. Dang replied that the agreement was between the Office of Finance, Office of the Governor, and SPCSA. Chair Carlton shared her concern that the reserve was large because of the 1.5 percent fee. She felt that this money could be in schools or in classrooms. The money sat in an account until it was rebated at the end of the year. There was no benefit to students when money was rebated at the end of the school year. She suggested that if SPCSA continued to run a high reserve, the authority should consider adjusting the 1.5 percent fee closer to 1.0 percent so more money stayed in the classroom.

Chair Carlton asked Mr. Scroggins to provide more information about the three new data integrity positions recommended in decision unit E-275. Mr. Scroggins said that site evaluations and site visits were different. The School Support team had done site visits at all campuses in the past year; some campuses were visited multiple times. The two individuals he supervised in his role as deputy director of the School Support team had done considerable work, especially with the McKinney-Vento Education of Homeless Children and Youth Act, the title programs, and the oversight of special education. These two individuals also were responsible for communicating information on testing. With so many facets to the two existing positions, communication was a challenging task. The recommended education and information officer position would help to ensure charter schools were informed and understood the responsibilities related to accountability. The recommended education programs professional would be an authoritywide testing data coordinator, answering questions from all charter schools about testing protocols. The SPCSA had always used NDE as a resource, and Mr. Scroggins hoped these positions would alleviate the communication challenges and enable more timely responses. The third recommended position, the administrative assistant, would ensure data was validated and updated properly in a timely manner. He mentioned the number of reports that were due both at a federal and state level and the need to ensure information was uploaded properly.

Chair Carlton asked for clarification about A.B. 78 and whether the SPCSA added a fiscal note to its own bill for additional positions. She asked why the positions were not included in the budget, and she wondered whether the positions had been deleted by the Office of Finance, Office of the Governor. Mr. Scroggins said that there were transition difficulties when the former SPCSA executive director resigned. The former SPCSA executive director and the former NDE superintendent had negotiated several items. In A.B. 78, some of the Local Education Agency (LEA) functions for grants were performed by SPCSA and some were performed by NDE. The SPCSA believed it was taking oversight responsibilities for all grants, but NDE clarified that NDE would retain 13 competitive state-funded grants and SPCSA would oversee 9 federally-funded grants. He confirmed that A.B. 78 had a fiscal note, and that five additional positions had been cut from the Governor's budget. However, there were recent meetings with SPCSA, NDE and the Office of Finance, Office of the Governor, which provided clarity. As a result, the SPCSA did not anticipate needing the positions included in the A.B. 78 fiscal note. As noted previously, the Governor recommended the transfer of funds to cover portions of two positions, as highlighted in decision unit E-278 on page 12 of [Exhibit C](#). The transfers in decision unit E-278 were to fund the 13 competitive grants that NDE retained. Mr. Scroggins believed that if SPCSA had been given oversight for all 22 grants, then a fiscal note and five additional positions would have been appropriate, but at this point, the fiscal note was no longer appropriate.

Chair Carlton explained that SPCSA putting a fiscal note on its own bill was unique, and she wanted to ensure that the explanation was on the record. Mr. Scroggins stated that discussions with NDE over the past 18 months had clarified that NDE was the Local Education Agency (LEA) for the charter schools. He said that he would adjust the fiscal note. The Chair suggested that Mr. Scroggins submit a new fiscal note to clarify the matter.

Assemblywoman Spiegel referenced the education and information officer position recommended in decision unit E-275 and asked what services were not being performed without the recommended position. Mr. Scroggins said that all services were being provided, but the workload on the School Support team was tremendous, and the new position would assume part of the LEA functions so the existing positions could perform more site visits and provide more oversight on special education.

Assemblywoman Spiegel asked how media releases, newsletters, and other information were communicated to sponsored charter schools and the public. Mr. Scroggins explained that the School Support team had divided the portfolio of schools into two groups. The education program professionals sent information to their group, using ListServe and emails. Some information was sent directly by NDE, he added.

Assemblywoman Swank referenced out-of-state travel and participation at a recommended National Association of Charter School Authorizers conference. She asked how the training would benefit the SPCSA. Mr. Scroggins replied that the annual conference offered professional development training that focused on how to be a better authorizer and covered special education subject matters. Another organization, the National Alliance for Public Charter Schools, also had an annual conference in Las Vegas this year, so there would be no need for out-of-state travel for that event. The recommended funding would cover a few conferences each year that provided training to improve job performance through best practices. He mentioned that A.B. 78 included accountability for authorizers to ensure jobs were performed efficiently.

Chair Carlton asked how the addition of the recommended education programs professional position would improve services provided by SPCSA and how the position would ensure that testing integrity was maintained. Mr. Scroggins said that testing was an important responsibility for SPCSA and for districts statewide. The SPCSA relied heavily on NDE to answer questions from charter schools, and he wanted to see the recommended position take over the "middle man" role. The majority of the recommended position's time would be spent working on testing matters to ensure charter schools had correct information and questions were answered. The recommended position would then become an expert as the employee learned from NDE. As the number of schools grew, he wanted SPCSA to become more proficient.



Chair Carlton asked whether particular matters had arisen that indicated a need for the recommended education programs professional position. Mr. Scroggins said that the justification was more reflective of the number of testing questions received. This additional position would provide relief to the existing positions.

Chair Carlton asked whether the current education programs professionals would have more time for site visits because the recommended position would be stationed in-house performing other tasks, or whether the recommended education programs professional would also be performing site visits. Mr. Scroggins said that up until the last testing cycle, NDE had overseen the testing process. Because SPCSA had taken over the last testing session, the existing education programs professionals had to pull back from existing duties to oversee testing protocols and answer questions.

Chair Carlton referenced the administrative assistant position recommended in decision unit E-277, and she wondered whether there was any overlap with the administrative assistant recommended in decision unit E-275. Mr. Scroggins said that the position in decision unit E-275 would be dedicated to the executive director, the board, and the staff attorney. Until recently, the executive director had made his own travel reservations, printed agendas, and posted meeting notices, and these administrative tasks kept him from focusing on his own work.

Chair Carlton asked whether the position would monitor and provide technical support to schools for student data submissions. Mr. Scroggins explained that the administrative assistant position recommended in decision unit E-275 would perform these duties and work with the School Support team to ensure information was updated. This position would help with reports that pulled data from the Infinite Campus and Bighorn systems. Charter schools were doing well now, but given the growth in the number of students attending charter schools, he believed this position was justified.

Chair Carlton asked whether the conversion of a contract position to a full-time position was the same position funded in decision unit E-277, and Mr. Scroggins confirmed that it was.

Senator Woodhouse referenced the four additional positions approved by the 2017 Legislature to establish the Authorizer Unit. She wondered about the progress that had been made to ensure underperforming schools were held accountable and that applicable laws, regulations, and policies were consistently enforced on all sponsored charter schools. Mr. Scroggins answered that staff were trained and had conducted seven site evaluations, although some of the seven evaluations were still in the final stages of report preparation.

Senator Woodhouse stated that the SPCSA had filled four additional positions, there were 54 charter schools to be evaluated, and seven evaluations had been conducted. She asked how long it took to conduct each site visit because she was surprised only seven evaluations had been completed. She also wondered what tasks were covered in a site visit.



Selcuk Ozdemir, Manager of Academic Performances, SPCSA, confirmed that seven site evaluations were completed and summarized the site evaluation process for Subcommittee members. The evaluation started with a precall to communicate with school leaders to select a date for the evaluation. During the evaluation day, there were classroom observations of both the elementary and middle schools, if needed, with an authorizing team of two. Focus group meetings were held with parents, students, board members, and school staff, and separate focus group meetings were held with the administrative leadership team. The evaluation team walked through the school and observed lunch operations. At the end of the day, the evaluation team held a debriefing with the administrative leadership team. A site evaluation report was prepared following the onsite visit, and the draft version was shared with the administrative leadership team. After feedback was received from the administrative leadership team, the report was finalized. The results were forwarded to the board and to the principal. The process took between 4 and 5 weeks to complete. He noted that more site evaluations were scheduled for March and April.

Senator Woodhouse asked for verification about the numbers and locations of completed site evaluations because she had heard different answers. She asked Dr. Ozdemir to provide the answer in writing to the Fiscal Analysis Division, Legislative Counsel Bureau.

Chair Carlton asked whether all of the interviews that occurred on evaluation day were conducted in one day or whether ancillary meetings were held. Dr. Ozdemir said that all focus group interviews happened during the same day. The teams of two used a "divide and conquer" methodology where one staff member was in the elementary school while the other staff member was in the middle school. For the focus group, one staff member met with students while the other staff member met with the administrative leadership team.

Chair Carlton restated that the site evaluation was a one-day process for a team of two employees, and there were four employees available for site evaluation visits. She asked when the teams performed the first site evaluation visit. Dr. Ozdemir said that teams first went onsite in mid-January, and he reminded Subcommittee members that there were scheduling and planning phone calls with the principals. The intent was to avoid interrupting instruction.

Chair Carlton asked whether it was more than a one-day process. She requested the task list, with estimates for the time involved for each task. She expressed concerns that by giving charter schools a lot of lead time, the evaluation teams may not get an accurate picture. She also wondered why the charter schools were given a draft report before the report was finalized, and she asked whether a charter school was given an opportunity to change the findings in the report before it was finalized. Dr. Ozdemir said that the school's review did not change anything, but it provided an opportunity for the school leadership to mention anything that might have been left out.

Chair Carlton asked Dr. Ozdemir to provide sample reports with information redacted where necessary, as well as the task list with time estimates. Mr. Scroggins said that current leadership was following the recommendations from the Interim Finance Committee (IFC), and the requested information would be provided.

Assemblyman Thompson asked how many schools were in the charter school portfolio. Mr. Scroggins said that there were 29 schools, several of which had multiple locations, for a total of 54 campuses.

Assemblyman Thompson asked how many of the charter schools had received four- or five-star ratings and what was being done for the remainder of the schools that were less than high quality. Dr. Ozdemir explained that Nevada's charter schools received 83 star ratings. There were 54 charter schools, but according to the Nevada Department of Education (NDE), elementary and middle schools were required to receive separate ratings, thus accounting for the difference between the number of ratings (83) and the number of charter schools (54).

Assemblyman Thompson asked for the breakdown of the number of schools that received stars at each level. Dr. Ozdemir said that there were 8 one-star schools, 12 two-star schools, 19 three-star schools, 15 four-star schools, and 29 five-star schools.

Assemblyman Thompson asked for a mapping of school locations that also showed the populations of at-risk students in each school. Dr. Ozdemir said that data had been analyzed, and he would share the data with Subcommittee members.

Chair Carlton asked for confirmation that 39 schools were three-star ratings or less, and her number was confirmed.

Assemblywoman Benitez-Thompson remembered that consistently low-performing schools with one-star or two-star ratings were put on notice that they had to achieve and maintain at least a three-star rating or the charter application would be revoked. She asked whether her understanding was correct. Mr. Scroggins said that Assemblywoman Benitez-Thompson was correct. Underperforming schools were asked to submit a corrective action plan. Some schools were successful with the corrective action plan and had improved performance, and some were not.

Assemblywoman Benitez-Thompson asked for the number of charter schools that had been revoked or closed because of underperformance. She believed that there were two reasons for a school to close, either because of financial insolvency or academic performance. She asked what the period of time was for a corrective plan to be executed before a school was reevaluated. Mr. Scroggins advised that it was three-year time period, and he noted that the SPCSA did not tell charter schools what to put in their corrective action plans.

Senator Woodhouse returned to the topic of evaluation site visits. She wanted to confirm that seven site visits had been completed and there were more than 40 site visits left to conduct. She wondered what the timeline was for completion of all site evaluations. Mr. Scroggins said that the goal was to accomplish 15 site evaluations, or half of the site evaluations, by the end of June 2019. The remaining 15 site evaluations would be undertaken when schools opened for the new school year.

Senator Woodhouse restated that 15 site evaluations would be completed by June 2019 and asked whether it was possible that the remainder would be completed by December 30, 2019. Mr. Scroggins said that the work could be accomplished within that time frame.

Senator Woodhouse asked about irregularities or problems found during a site evaluation and what the next steps were. She noted that she wanted to see SPCSA working with schools for remediation, but she also wanted the SPCSA to stay on schedule for completion of the site evaluations. Mr. Scroggins said that site evaluations were intended to identify what was going well, what was not working well, and to identify corrective strategies for improvement. He believed that Mark Modrcin, Director of Authorizing, Education Programs Director, SPCSA, could better address the question when the state building in Las Vegas opened.

Senator Denis asked for verification that there were 54 charter schools, some with multiple campuses. Mr. Scroggins said that there were 29 charter schools and 54 campuses. Some schools had multiple campuses, all under one charter. Some schools had separate charters for each location.

Senator Denis asked whether the 83 ratings were based on schools that covered both elementary and middle school grades in one building and received one rating for elementary grades and one rating for middle school grades. Dr. Ozdemir confirmed that statement.

Senator Denis asked whether a site evaluation was based on the whole school or whether the evaluation was broken down between the elementary school and middle school. Dr. Ozdemir replied that the whole school was evaluated.

Senator Denis asked what happened, for example, when an elementary school had a one-star rating and the middle school earned a five-star rating. Dr. Ozdemir explained that the site evaluation consisted of test results, focus group meetings, classroom observations, and instructional materials. The star rating was just based on test results.

Assemblywoman Spiegel noted that for fiscal year (FY) 2013 through FY 2020, she saw projected double-digit increases in student enrollment, but for FY 2021 enrollment was projected to grow by only 3.3 percent. She wondered why projected enrollment growth slowed in FY 2021. Mr. Scroggins replied that there were two authorizing cycles each year. During the last cycle, 12 schools expressed an intent to establish new charter schools.

Of those 12 schools, only one school submitted a charter school application form. It was difficult to predict how many would express interest in establishing a charter school and how many would submit application forms to become charter schools.

Assemblywoman Spiegel asked whether the SPCSA would have to appear before the IFC if the number of students exceeded the 49,344 estimate in FY 2021. Mr. Scroggins said that fees were based on the number of students, so if enrollment exceeded the SPCSA's ability to handle the number of students, the SPCSA would initiate discussions with the IFC. Mr. Dang added that the student enrollment provided the number of authorized seats, and if there were new applicants, the SPCSA would have to ask the IFC for a change in the number of authorized seats.

Chair Carlton asked Susan Brown, Director, Office of Finance, Office of the Governor, to discuss the SPCSA reserves. Ms. Brown explained that reserves for the SPCSA had historically been calculated at a 90-day level with an additional \$250,000 set aside for potential litigation related to students with individualized education programs. When the SPCSA began to receive federal funds that were passed through to the charter schools, another 30 to 60 days were added to the reserve for reimbursement grants. The SPCSA had to push the federal grant funds out first, leaving a gap in the budget without the reserves.

Chair Carlton said that outside of the federal dollars and the reimbursement, because those dollars could be set aside in a separate fund, the remaining reserve was the amount that could be rebated back to the schools. She felt that because charter schools paid a fee and did not receive the rebate until after the school year was over, it was time to look at how the reserve worked, get a better feel for how the 1.5 percent worked, and consider whether the fees should be returned to the classroom sooner. Perhaps the existing methodology was best, but if not, it was appropriate to change the process as the SPCSA grew.

Ms. Brown said that the Office of Finance, Office of the Governor, would work with the SPCSA to identify different options and reevaluate the numbers, and she would keep the Fiscal Analysis Division, Legislative Counsel Bureau, staff advised.

Hearing no other questions, Chair Carlton recessed the meeting at 9:20 a.m. and asked the Subcommittee members to reconvene at 10 a.m.

Chair Carlton reconvened the meeting at 10:05 a.m. She verified that the Las Vegas state office had opened and asked Senator Woodhouse to restate her question.

Senator Woodhouse referenced findings from evaluation site visits, and she asked about corrective action. She cited classroom management and classroom resources as two potential examples, and she wondered what the process was for handling the findings. She restated that she wanted to ensure that proactive remediation measures were taken, but she did not want to see the timeline slip for completion of the evaluation site visits.

Mark Modrcin, Director of Authorizing, Education Programs Director, SPCSA, said that the site evaluation process was a thorough process, starting with weeks of planning leading up to the full day of evaluation. After the evaluation, the evaluation team compiled observations from classrooms and focus groups made up of parents, teachers, students, the governing board, and leadership, and formulated recommendations based on the observations. The observations were submitted in a written report to both the administration leadership team and the board as recommendations for consideration. He said the board could choose whether to recognize and enact recommendations, and SPCSA was respectful of the autonomy of the charter schools.

Chair Carlton restated that recommendations were provided by SPCSA, but there was no enforcement capability. Mr. Modrcin said there was an enforcement mechanism, for example for a teacher's performance or for how a teacher delivered instruction, through the accountability framework. These would be considered inputs, and if a school did not proactively address recommendations provided by SPCSA, that inaction would be shown as an output and would appear in an intervention letter. With further inaction, sanctions could result, including closure or nonrenewal for a charter school.

Chair Carlton said that if a recommendation was made with a deadline, she wondered if there were certain terms with which the charter school must comply within the time limit. Mr. Modrcin said this scenario could happen, but it was a little too early to comment on this.

Chair Carlton was surprised that the SPCSA had been active for this long without mechanisms to ensure schools performed satisfactorily. Hearing no other questions, Chair Carlton opened the meeting for public comment.

Chris Daly, Deputy Executive Director of Government Relations, a paid lobbyist for the Nevada State Education Association (NSEA), said that NSEA had funding concerns for the SPCSA without proper controls and accountability. He said that charter schools were promoted by educators who sought to innovate within local public school systems to better meet the needs of students. Over the last 22 years, charter schools had grown dramatically to include a large number of charter schools that were privately managed, largely unaccountable, and not transparent about operations or performance. Mr. Daly stated that the growth of charter schools was driven in part by deliberate and well-funded efforts to ensure charter schools were exempt from the basic safeguards and standards that applied to public schools. This had been seen in the lobbying efforts of the National Coalition for Public School Options that reportedly had connections to K-12, Inc., the largest online charter operator in the country. Lobbying efforts, however, were not limited to online charters. Too frequently, charter schools were operated for profit or nominally nonprofit, but managed or operated by for-profit entities.

Mr. Daly continued by noting charter schools had evolved far from the original concept of charter schools as small incubators of innovation. Most importantly, the growth of charter schools had undermined local public schools in communities, without producing any increase in student learning or growth. It was important to note that recent studies showed that public schools outperformed charter schools on average, and public schools educated every student, including English learners, students in poverty, and students with individualized education programs. While prohibited from discriminating, charter schools served far fewer students with disabilities. Charter schools were rarely held to the same standards as traditional public schools, and adding insult to injury, he had now learned that the controls he believed governed Nevada's state public charter schools had not been followed. The SPCSA had not followed the charter performance framework and had not conducted site visits until last month—a basic component of delivering oversight and accountability—despite the Legislature's authorization of positions and repeated inquiries into the status of these visits. District-regulated charter schools fell short for regulation and accountability. When asked why the SPCSA was approving new charter school applications when the SPCSA was not able to properly regulate those charter schools, the response was that the SPCSA had no legal authority to deny the applications. Mr. Daly said it was time for the Legislature to assert strong fiscal and legal controls of Nevada charter schools, including joining 21 other states in capping charter school expansion. Meanwhile, he continued, the Legislature needed to continue to improve traditional public schools by providing the resources necessary so that every Nevada student could receive a quality education from a neighborhood public school.

Bradley Keating, Director of Government Relations, a paid lobbyist for the Clark County School District (CCSD), asked for help in a debate between CCSD and SPCSA. Mr. Keating pointed out that *Nevada Revised Statutes* (NRS) 388A.220 provided that before it can begin to solicit applications to form a charter school, the SPCSA " . . . shall prepare, in collaboration with the Department and, to the extent practicable, the school district in which the proposed charter school will be located and any other sponsor of a charter school located in that school district, an evaluation of the academic needs of pupils in geographic areas served by the sponsor."

Mr. Keating said that the CCSD had proposed a bill to the 2017 Legislature. The SPCSA added a fiscal note to the bill saying that SPCSA could not move forward with the bill because it would cost \$150,000 to complete the study. The requirement for the study was already in law. In that same session, four additional positions were approved for SPCSA, and now the recommendation was for more new positions. He reiterated that according to NRS 388A.220, before any charter school can be approved in any area, the evaluation of the academic needs of pupils in the area served by the sponsor must occur. This evaluation had not occurred. He hoped that before staff was increased, SPCSA would conduct the survey to see where charter schools need to be approved and located.

Although Chair Carlton did not typically respond to public comment, she asked Mr. Scroggins to provide a response to Mr. Keating's comments because there would be future discussions about this statute.

Hearing no further public comment, Chair Carlton adjourned the meeting at 10:16 a.m.

RESPECTFULLY SUBMITTED:

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Carmen M. Neveau  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

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Senator Joyce Woodhouse, Chair

DATE: \_\_\_\_\_



## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a PowerPoint presentation titled "2019-2021 Executive Budget," presented by Brian Scroggins, Acting Executive Director, State Public Charter School Authority.