

**MINUTES OF THE
SENATE COMMITTEE ON EDUCATION**

**Eightieth Session
April 5, 2019**

The Senate Committee on Education was called to order by Chair Moises Denis at 12:32 p.m. on Friday, April 5, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Moises Denis, Chair
Senator Joyce Woodhouse, Vice Chair
Senator Dallas Harris
Senator Marcia Washington
Senator Scott Hammond
Senator Ira Hansen
Senator Keith F. Pickard

GUEST LEGISLATORS PRESENT:

Senator Heidi Seevers Gansert, Senatorial District No. 15

STAFF MEMBERS PRESENT:

Jen Sturm, Committee Policy Analyst
Risa Lang, Committee Counsel
Shelley Kyle, Committee Secretary

OTHERS PRESENT:

Brian Mitchell, Director, Office of Science, Innovation and Technology, Office of the Governor
Maggie O'Flaherty, Microsoft Corporation
Mary Pierczynski, Nevada Association of School Superintendents
Ray Bacon, Nevada Manufacturers Association

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Marty Elzy, Management Analyst, Division of Central Services and Records,
Department of Motor Vehicles
Chris Daly, Nevada State Education Association
Nancy Brune, Director, Kenny Guinn Center for Policy Priorities
Neil Campbell, Director of Innovation for K-12 Education, Center for American
Progress
Russ Simnick, National Alliance for Public Charter Schools
Sarah Adler, Charter School Association of Nevada
Jason Guinasso, Chair, State Public Charter School Authority
Bryon Richardson, Executive Director, Leadership Academy of Nevada
Amy Carr
Jennifer Purciel
Chris McBride, Superintendent, Nevada Connections Academy
Yolanda Hamilton, Head of School, Nevada Virtual Academy
Chase Whittemore, Pearson Education, Inc.
Chad Venters
Brad Keating, Clark County School District
Kellie Ballard, Director, Office of Deputy Superintendent, Clark County School
District
Jason Goudie, Chief Financial Officer, Clark County School District
John Vellardita, Executive Director, Clark County Education Association
Ed Gonzalez, Break Free CCSD

CHAIR DENIS:

I will open the meeting of the Senate Committee on Education with a work session hearing on Senate Bill (S.B.) 239.

SENATE BILL 239: Revises provisions relating to bullying in schools.
(BDR 34-641)

JEN STURM (Policy Analyst):

This bill was heard in Committee on March 11. It authorizes the extension of the time required to conduct an investigation into reported cyber-bullying in certain circumstances. There are proposed amendments from the bill's sponsor included in the work session documents ([Exhibit C](#)).

SENATOR HEIDI SEEVERS GANSERT (Senatorial District No. 15):

This is the amendment we worked on with both Clark County School District (CCSD) and Washoe County School District and the advocates who were

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interested in this issue. On the cyber-bullying, we had testimony saying that federal law gives them up to 30 days for an effective investigation. We wanted to extend, with approval of the victim, basically up to five days because it can be complicated with so many people involved. This amendment reflects what we agreed to.

SENATOR HAMMOND MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 239.

SENATOR PICKARD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DENIS:

I will open the work session hearing on S.B. 350.

SENATE BILL 350: Revises provisions relating to Nevada Promise Scholarships.
(BDR 34-308)

Ms. STURM:

This bill was first heard in Committee on March 25. It transfers the authority that governs the awarding of Nevada Promise Scholarships from each Nevada community college to the Board of Regents and requires that entity to administer the Program. There were no amendments and no testimony in opposition. I have submitted the work session document ([Exhibit D](#)).

SENATOR WOODHOUSE MOVED TO DO PASS S.B. 350.

SENATOR WASHINGTON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DENIS:

I will close the work session and open the hearing on S.B. 402.

SENATE BILL 402: Makes various changes concerning educational programs relating to science, technology, engineering and mathematics and makes an appropriation. (BDR 43-887)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

A recent report by the Office of the Governor, Office of Science, Innovation and Technology (OSIT) underscores the need for more science, technology, engineering and mathematics (STEM) programming. The OSIT report stated that the growth rate for STEM jobs in Nevada will be 50 percent higher than the rate for non-STEM jobs between now and 2026. Additionally, STEM jobs pay an average of \$32.68 per hour compared to \$17.77 per hour for non-STEM jobs. Despite this pay boost, Nevada is about 78,000 STEM jobs below the national average. Senate Bill 402 will not close the skills gap by itself, but it will help promote STEM education in our communities.

Among other things, S.B. 402 provides for the issuance of STEM license plates to pay for high-quality STEM programs that will help more students, especially those in underserved groups, become aware of and prepared for the many exciting opportunities for those pursuing a career in STEM. These provisions have already been discussed and voted on in the Senate Growth and Infrastructure Committee.

Senate Bill 402 revises several existing requirements relating to the promotion and recognition of Nevada's STEM educational programs by the Advisory Council on STEM. The bill also makes appropriations to OSIT to fund certain STEM programs and activities. The Advisory Council on STEM made several other recommendations to the Legislature that have been drafted into this bill.

Section 14 contains two appropriations for two new STEM programs that were contained in these recommendations. The first appropriates \$250,000 each year of the biennium to OSIT to continue its STEM Grant program for elementary schools and expand it Statewide. The second appropriation is \$300,000 to create 3 new regional STEM Networks.

Finally, I would like to offer one minor amendment ([Exhibit E](#)). At the request of the Department of Motor Vehicles (DMV), I would like to change the effective date of the bill to October 1. This will give the Department time to conduct administrative tasks related to the license plate provisions of the bill.

BRIAN MITCHELL (Director, Office of Science, Innovation and Technology, Office of the Governor):

Senate Bill 402 has three topic areas aimed at boosting STEM education in Nevada—STEM license plates, some statutory cleanup and an appropriation for two new STEM programs.

Each biennium, the STEM Advisory Council created in *Nevada Revised Statutes* (NRS) 223 is required to make recommendations to the Governor and Legislature regarding STEM. The provisions of S.B. 402 come directly from these recommendations. According to the State Strategic Plan for STEM:

Too few Nevadans consider STEM careers in large part because they are not exposed to STEM education as students or are not made aware of the many exciting career opportunities in STEM available to those with some postsecondary education.

More must be done to make students, especially at an early age, and their families aware of the opportunities available for STEM education and STEM jobs. To increase awareness of STEM education and STEM careers as well as to provide resources for STEM-related programs, OSIT and the STEM Advisory Council propose that the Legislature create a STEM license plate for motor vehicles. Proceeds from the issuance of the STEM license plates would be used to fund informal STEM education programs and other outreach initiatives that meet the STEM Advisory Council's definition of high quality.

We believe S.B. 402 will increase awareness of STEM education and career opportunities while also increasing access to high-quality STEM programming. The STEM license plates will further help us get the word out about STEM. Funds generated by the license plates would be deposited in an account already created in NRS 223.640. The STEM Advisory Council and OSIT would jointly develop and solicit a competitive request for applications for funding.

Funded applications would have to meet goals already identified in the State STEM Strategic Plan; the first goal is to promote equitable access to high quality STEM education across Nevada. The second goal is to increase student awareness, interest and desire to participate in STEM-focused formal and informal education programs. Finally, the applications would have to increase student proficiency, enrollment and attainment rates in STEM-focused coursework and programs.

Eligible applicants would include kindergarten through twelfth grade (K-12) schools, institutions of higher education and nonprofit corporations. The STEM Advisory Council and OSIT will request the awarded programs provide outcome data to evaluate the success of the program. Funding for informal STEM education programs will be targeted to those that are already on the STEM Advisory Council's list of recommended STEM programs or those that meet the criteria established by the STEM Advisory Council's STEMworks program. Funding for outreach and awareness initiatives will be prioritized to those that target underrepresented groups.

Section 1 of S.B. 402 instructs the DMV to work with OSIT to create the STEM license plate. Section 1, subsection 5 requires the distribution of the collected fees from the State Treasurer to OSIT for use to promote STEM. Section 2 through section 12 make conforming changes to NRS 482.

Section 13 of the bill contains some statutory cleanup provisions regarding the duties of the STEM Advisory Council. Through NRS 223.650, the Council is required to hold student recognition events each year at institutions of higher education. While the requirement to hold the events at colleges and universities certainly has merit, the specificity of the location requirement unnecessarily restricts the Council and forecloses the possibility of holding the events in other worthy venues, such as businesses, where the Council could more easily accomplish other objectives, such as business engagement and STEM career awareness.

Likewise, the STEM Advisory Council is required to hold an annual recognition event for schools in Carson City. While the Council sees no immediate need to change the location of this event, future Councils may have good reason to hold the school recognition event elsewhere in Nevada.

Section 14 of the bill funds two other programs that were recommended by the STEM Advisory Council. The OSIT is neutral on this appropriation.

SENATOR PICKARD:

By expanding, is that going to be added to the amendment? Do we need to amend language to add K-12 and higher education's eligibility for the money?

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SENATOR WOODHOUSE:

It is my understanding that we do not need to put any additional language in. However, I am happy to do that if our Legal Counsel tells us to.

CHAIR DENIS:

I will take testimony from those in support of S.B. 402.

MAGGIE O'FLAHERTY (Microsoft Corporation):
We support this bill.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):
The Nevada Association of School Superintendents (NASS) supports STEM programs in our schools and S.B. 402.

RAY BACON (Nevada Manufacturers Association):
We support this bill.

CHAIR DENIS:

I will take testimony in opposition or neutral to S.B. 402.

MARTY ELZY (Management Analyst, Division of Central Services and Records,
Department of Motor Vehicles):
The DMV is in the neutral position on S.B. 402. We want to thank Senator Woodhouse for all her efforts working with us on revising the implementation date.

CHAIR DENIS:

Seeing no one wanting to speak in opposition, I will close the hearing on S.B. 402 and turn the gavel over to Vice Chair Woodhouse.

VICE CHAIR WOODHOUSE:

I will open the hearing on S.B. 476.

SENATE BILL 476: Establishes programs to promote education in computer science. (BDR 34-819)

SENATOR MOISES DENIS (Senatorial District No. 2):

Senate Bill 476 is a natural complement to S.B. 313, which we heard on March 27.

SENATE BILL 313: Revises provisions relating to computer literacy and computer science education. (BDR 34-731)

Together, these bills offer a comprehensive commitment to computer and technology education. At this point in our society's economic and technological advancement, any less commitment would be public policy malpractice.

According to Code.org, in 2017 we had only 163 computer science graduates. There are currently almost 2,200 open computer jobs in Nevada. These are jobs that pay well, and there will certainly be more of them created in the future. We want these jobs to stay in Nevada and to be filled by Nevadans. The only way we can ensure this outcome is to take steps to align the supply of computer scientists with the growing demand for their services. I can think of no better strategy for Nevada to attract companies offering jobs that pay well than to create an ample supply of technically skilled labor.

Section 1 of S.B. 476 requires the Department of Education (NDE) to provide online resources for providing computer science instruction to school districts, charter schools and university schools for profoundly gifted students in all grades. The NDE must also assist these schools in establishing computer science instruction that meets the needs of their students. This instruction may include the computer science course already required of each high school, beginning in July 2022. The available online resources must include instruction concerning computational thinking and computer coding.

If financial resources are available, section 3 of S.B. 476 requires the State Board of Education (SBE) to establish a program to award competitive grants to districts and charter schools to provide incentives for a teacher to earn a degree or other computer science credential.

I had our legal counsel look at this bill to see if it would fit in with what S.B. 313 is trying to accomplish. I was told that it will fit in, so I am planning on putting what we are doing here into that bill. The one thing S.B. 476 does differently from S.B. 313 is that it requires more than just a computer class; it specifies coding and more advanced aspects of computer technology beyond just keyboarding and how to use a computer.

SENATOR PICKARD:

This is a great idea. I just wonder whether language like "computer coding" would change over the years. Is there consideration of using broader language that would incorporate these things to allow schools to be flexible as technology develops and changes? Are we concerned about that?

SENATOR DENIS:

The bill references computational thinking and computer coding which are not specific because there is a wide variety of codes to learn, and computational thinking is how things work. I think both those terms are broad enough for the future.

There was a recent segment on the television show *60 Minutes* about technology and getting more people involved. The show referenced something in middle school called "the cliff" where girls drop away from technology, so even though there are great computer classes in high school, they have already disengaged. This bill would allow for some of these more advanced programs to start much sooner.

VICE CHAIR WOODHOUSE:

I will take testimony in support of S.B. 476.

CHRIS DALY (Nevada State Education Association):

We support S.B. 476 like we supported S.B. 313. Computer science resources are incredibly important. We prefer the grant program for teacher incentives to earn a degree in computer science to ultimately be a formula grant. We need to be teaching coding to our students.

Ms. O'FLAHERTY:

Microsoft supports S.B. 476 because computer science is important and getting more relevant with time.

Ms. PIERCZYNSKI:

The NASS supports S.B. 476 because computer science is so important in our schools.

VICE CHAIR WOODHOUSE:

We will take testimony in opposition or neutral on this bill.

MR. BACON:

The Nevada Manufacturers Association is neutral on S.B. 476. I saw the *60 Minutes* segment that Senator Denis referenced in his introduction of the bill. There was a blurb at the end about a test that can be given to anyone in early grades in elementary school which judges a student's affinity for coding skills. Senator Kieckhefer has been very involved in the blockchain technology operation which will rely heavily on coding that will probably be different than what we are currently doing. I do not know how we ensure that this bill has the flexibility so we have a broad coverage, but before S.B. 476 moves forward, there should probably be a conversation with Senator Kieckhefer to see if he has any insight on this issue.

SENATOR DENIS:

I think the language in the bill is broad enough to cover those types of technologies. We definitely want to have those discussions. The intent of this bill is to amend it into S.B. 313.

VICE CHAIR WOODHOUSE:

I will close the hearing on S.B. 476 and return the gavel to the Chair.

CHAIR DENIS:

We will return to S.B. 402 which we just heard with no opposition.

SENATOR PICKARD MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 402.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DENIS:

I will close the hearing on S.B. 402 and proceed with a short presentation about online school programs which is relevant to our upcoming hearing on S.B. 441.

SENATE BILL 441: Provides for the separate regulation of online charter schools. (BDR 34-392)

While technology offers promising ways to enhance teaching and student learning, incorporating these new methods has presented some challenges. Students in online programs represent a broad mix of different student populations. From rural students to student athletes to those with chronic illnesses or kids who have been bullied, this educational alternative offers much-needed flexibility to many families.

There are both benefits and challenges to this type of learning. It is important that we look for solutions to improve upon these challenges for the families that depend upon this alternative educational program. During the 2017-2018 Legislative Interim, the Committee on Education looked at this issue.

NANCY BRUNE (Director, Kenny Guinn Center for Policy Priorities):

I will present a summary of the Kenny Guinn Center for Policy Priorities' recent policy report, Nevada's Virtual Charter Schools: Student Achievement and School Performance within the Current Accountability Framework ([Exhibit F](#)) that examines Nevada's virtual charter schools.

Charter schools are public schools that are independently run and receive greater flexibility over operations and management in exchange for increased performance accountability. These schools may operate like traditional public schools with their own brick-and-mortar buildings and campuses. Some schools, known as "virtual charter schools," may only offer remote online instruction, and others may provide some combination of remote and in-class instruction through blended or hybrid charter schools.

Data indicates that virtual public charter schools are an important educational option for some students and families. In Nevada, 1.2 percent of students, roughly 5,700 students, were enrolled in virtual charter schools during the 2017-2018 school year. In the 2017-2018 school year, there were four State Public Charter School Authority (SPCSA) sponsored virtual charter schools in Nevada including Argent Preparatory Academy, Leadership Academy of Nevada (LANV), Nevada Virtual Academy (NVA) and Nevada Connections Academy (NCA).

Recently, virtual charter schools around the Country have faced increased public and legislative scrutiny largely due to low academic performance. A 2015 report authored by Stanford University's Center for Research on Education Outcomes

concluded that “it is possible for online charter schools to produce stronger growth, but it is not the common outcome.”

In Nevada, the low performance of virtual charter schools operating in the State has also received the attention of the SPCSA, Nevada’s public charter school authorizing body. The result of these discussions is that Argent Preparatory Academy closed after the summer 2018 term citing low enrollment, a highly transient student population and low graduation rates. Nevada Virtual Academy has volunteered to cease its kindergarten through fifth grade operations after the 2018-2019 school year.

In the first section of our policy report, [Exhibit F](#), we compare performance across different types of schools and examine indicators including growth assessments from the Smarter Balanced Assessment Consortium (SBAC), the World-Class Instructional Design and Assessment, the Statewide K-12 English Language Learner (ELL) assessment, the American College Testing (ACT) program performance and data related to graduation rates.

Table 1 on page 2 of [Exhibit F](#) is an example of our analysis contained in the report. Using the Nevada’s accountability framework, the Nevada School Performance Framework (NSPF), you will see that the average star rating is lower for state-sponsored elementary and middle school virtual charters than for other types of schools. Among high schools, both district-sponsored public charters and state-sponsored virtual high schools have the lowest star rating among all categories of schools.

Results from the SBAC suggest virtual charter schools are operating with both lower than average proficiency rates and student growth. Grades 3 through 8 English Language Arts and mathematics proficiency rates at virtual charter schools are below the Statewide average. Additionally, the amount of learning measured by annual student growth that is occurring at virtual charter schools is lagging most schools in the State with several schools exhibiting “low” growth as defined by NDE, page 12 of [Exhibit F](#).

High school academic performance measured by the ACT suggests students at LANV high school are outperforming many other schools in the State. However, the three remaining virtual charter high schools exhibit results below the State average. Graduation rates at three out of the four virtual high schools are below

the Statewide average. Virtual schools in Nevada show some of the high transiency rates in the State.

In short, we find the State's virtual charter schools are never the lowest-performing schools; however, in nearly all measures these schools perform below the Statewide average. To be fair, education policy experts suggest there are several unique factors that may explain the relatively low performance of virtual charters. Among these are the nature of instruction which often includes self-paced courses. Experts argue that virtual education may more effectively serve students who are motivated and whose parents understand the pace and requirements of an online education.

Nevada is not alone in having virtual charter schools with academic outcomes that fall below other schools. As such, other states and policymakers have started to examine policies that can address the challenges virtual charter schools face. We offer several recommendations ([Exhibit G](#)) many of which have been implemented or are being considered in other states.

The first recommendation is to strengthen accountability for virtual charter schools. They can choose to be exempt from the standard accountability mechanisms under the NSPF and can instead choose to be rated under the Alternative Performance Framework (APF). Nevada law requires all schools with an enrollment greater than 10 students to receive a star rating under the NSPF. However, existing NRS allows all public schools including charter schools to petition to be rated under the APF. Certainly, there are some requirements related to doing this, but it is an option for virtual charter schools.

The second part of the first recommendation is to collect better data specific to the reasons students transfer into and out of a virtual charter school. As we noted earlier, virtual charter schools have higher rates of transiency. This data collected by the virtual charter school and reported to the sponsoring organization could assist all relevant parties to better understand the reasons parents and students decide to both enroll in and leave a virtual charter school. This data could then be used to improve educational delivery and develop interventions to maximize the student's educational experience and improve academic outcomes.

The second recommendation is to improve alignment of student needs at virtual charter schools. Consider an application process that includes criteria to

increase the chances of student success. Some education policy experts argue that full-time virtual charter schools require self-motivated students and highly involved parents. The curriculum at most virtual charter schools is self-paced, and the instructional strategy most frequently used is independent study. The recommended application process could be used to ensure that those students who do enroll in virtual charter schools have the necessary support systems in place to provide the most conducive environment for learning. Georgia has an application process and Indiana is exploring a new model.

The third recommendation is to manage enrollment at virtual charter schools. Consider an enrollment cap for underperforming virtual charter schools. This cap would apply to virtual charter schools until they are deemed to meet adequate student performance or growth targets. This recommendation is echoed by Stanford University's Center for Research on Education Outcomes. Once a virtual charter school has been determined to be successful for students, the cap could be removed.

The fourth recommendation is to mandate that district-sponsored virtual charter schools are only allowed to enroll students who physically reside within the sponsoring school district. A New Mexico report suggests that authorizing a virtual charter school presents unique challenges that are not commonly faced by traditional brick-and-mortar schools. These challenges impede a district's ability to monitor and review the operations of a virtual charter school. By allowing only a single sponsor of a virtual charter school, the single authorizing organization could then become an expert on the issues unique to that school. This could allow a better service level at the virtual charter school and will also allow the accountability structure to be consistently applied across all virtual schools.

Finally, we recommend funding virtual charter schools more efficiently. Consider alternative methods of funding virtual charter schools based on either actual costs of instruction or student achievement. Currently, virtual charter school students in Nevada receive the same basic support per pupil that students in traditional schools in the district they reside receive. However, experts have argued that virtual charter schools have unique characteristics that may challenge the application of traditional funding formulas. Among these characteristics are unlimited student enrollment, size of schools and the cost of providing educational services. One estimate suggests it costs almost

25 percent less to educate a student in a virtual setting than in a physical building.

Several states, including Colorado, Georgia, Ohio and Pennsylvania have considered alternate ways of funding virtual charter schools. Colorado, for example, provides slightly less guaranteed basic per pupil funding to students enrolled in virtual charter schools. In Pennsylvania, school districts are required to pay an amount to a virtual charter school for each resident student who attends, but the amount that the district is required to pay is equal to their total funding per-pupil minus the cost of transportation, adult education and debt service. In Ohio's school funding formula, virtual charters receive a base-funding amount that is equal to traditional schools. However, virtual schools are not entitled to receive funding for at-risk, ELL and career and technical education students. Virtual charter schools in Nevada are currently eligible for categorical programs and receive funds from S.B. No. 178 of the 79th Session's funding formula.

Another option is to provide performance-based funding whereby the virtual charter school would receive half of its annual funding at the beginning of the school year and the remainder when agreed-upon student achievement targets are met. Florida, New Hampshire, Minnesota and Utah have all explored this sort of model. Florida, for example, requires students pass an end-of-course assessment for the virtual charter school to receive full funding.

NEIL CAMPBELL (Director of Innovation for K-12 Education, Center for American Progress):

The Center for American Progress is a progressive think tank in Washington, D.C. where my work focuses on issues such as policies to support and grow high-performing charter schools and redesigning high schools to more effectively engage students and prepare them for success in college, careers and life.

Last year, my colleague Meg Benner and I published a report on virtual charter schools titled "Profit Before Kids" ([Exhibit H](#)) which built on the growing body of research and media reports showing that on average fully virtual schools perform much worse than brick-and-mortar schools serving similar populations of students. At the same time, laws and regulations have not kept pace with the growth of these virtual schools allowing the for-profit entities running many of them to focus on increasing profits at the cost of student outcomes.

One of the studies we highlighted came from Stanford's Center for Research on Education Outcomes. This alarming nationwide study compared virtual school students to similar peers in public schools. The effect of attending a virtual school on academic growth was similar to missing 72 days of instruction in reading and 180 days in math. In Nevada, the results in reading were even worse. Virtual school students missed the equivalent of 120 days of learning while the math results were similar to the national average.

These lackluster results have been accompanied by controversies across the Country. In Colorado, an investigation by *Education Week* discovered that GOAL Academy, the largest virtual school in that state, graduated less than 40 percent of its students. This was even with a program they called "FAST and Furious" that allowed students to earn a year's worth of credit in one week by doing things like creating a six-slide PowerPoint presentation. In Ohio, the state's largest virtual charter school was shut down last year when it was unable to repay the state over \$60 million for students whose attendance it could not verify.

Why do these controversies keep occurring? We believe the incentives of a for-profit business model are a terrible fit for virtual schools that can rapidly grow without the constraint of finding new facilities. In order to understand how these incentives play out, our report then dug into the public financial reporting from K-12 Inc., the Nation's largest virtual school operator and operator of Nevada Virtual Academy. In order to keep growing their schools, K-12, Inc., a company educating less than one-third of the students in CCSD, spent \$38 million on advertising in FY 2018. Compensation for the top 5 executives was over \$15 million. The only way student success factored into that compensation was that minimizing the percentage of schools at risk of closure could earn higher payouts.

In Nevada, while the State averages 23 students per teacher, the 2 largest virtual schools which do not have any of the costs associated with school buildings or transportation have ratios of 34 and 38 students per teacher. That means a high school history teacher could expect to have at least 170 to 190 students in those schools. If that teacher spends 10 minutes talking or emailing with each student, 5 minutes reviewing each student's work and does nothing else all week; that is already a workweek of 42 to 48 hours.

To be sure, there are instances where virtual learning may be a good fit for some students and families. But acknowledging that does not mean the schools have to be managed the way too many virtual schools are today. Students and taxpayers deserve better.

Our report concluded with a series of recommendations such as banning for-profit operators of virtual charter schools, implementing rigorous transparency and accountability for all virtual charter schools and prohibiting incentive compensation for student enrollment.

The goals of S.B. 441 would increase transparency and accountability for virtual charter schools. Limiting Statewide programs to a single Statewide authorizer is an important objective to prevent "authorizer shopping." Allowing the charter school authority to create separate requirements for distance education programs is another valuable aim. They can better understand how students are engaging with and progressing through their distance education program.

Finally, it is a worthy goal to allow the charter school authority to withhold a portion of funding from charter schools for distance education when students disengage and fail to make academic progress.

CHAIR DENIS:

I will turn the gavel back over to Vice Chair Woodhouse as I present the next bill.

VICE CHAIR WOODHOUSE:

I will open the hearing on S.B. 441.

SENATOR DENIS:

When charter schools first came into existence in 1997, Nevada lawmakers hardly envisioned online distance education programs would one day develop into full-time virtual public charter schools. Recognizing that traditional brick-and-mortar schools and virtual online programs are very different models of delivering educational content, a different policy framework is needed to govern and regulate these diverse programs.

This past Interim, I served as Chair of the Legislative Committee on Education. During one of the meetings, a presentation by Pat Hickey, the Executive Director of the Charter School Association of Nevada (CSAN) revealed the

severity of low performance by most students enrolled in full-time virtual charter schools. The academic achievement of students in full-time virtual charter schools is a critical issue that needs to be addressed. All student subgroups in such schools performed worse, and students generally had less academic progress in both math and reading. Mr. Hickey added that the findings from these studies showed that students in such schools have less contact with a live teacher in a week than students in conventional schools have in a day.

Findings also show that online charter schools are a good option for some students due to the greater need for adult involvement at home and the higher level of student motivation required. This type of school provides greater flexibility for many families. Our Interim Committee voted unanimously to bring this bill forward which develops a statutory framework specific to online charter schools. The bill ensures a better chance of student success and a stronger return on Nevada's investment into these unique educational programs.

RUSS SIMNICK (National Alliance for Public Charter Schools):

The National Alliance for Public Charter Schools is the leading nonprofit organization in the Nation focused on increasing student achievement by fostering a strong charter school sector. We have always supported online virtual charter schools, but we do need to strike the right balance for what is best for kids as well as taxpayers.

Who benefits from virtual education? As you can see in my presentation on page 3 [Exhibit I](#), it can be rural students who can avoid lengthy bus rides to brick-and-mortar buildings, student-athletes who need a flexible schedule, home-bound or hospital-bound youth who want to stay in school despite an illness or family challenge and kids who may have been bullied.

Starting in 2015, there were key reports that came out of three research organizations discussed on page 5 [Exhibit I](#), including The Center for Reinventing Public Education, Mathematica Policy Research and the Center for Research on Education Options (CREDO). Each released a report on the performance outcomes of students enrolled in full-time virtual charter schools. These studies revealed disturbingly low performance for students enrolled in full-time virtual charter schools. For example, CREDO's report found many states had poor performance in virtual charter schools compared to brick-and-mortar schools as shown on pages 5 through 9 of [Exhibit I](#).

What are the success factors for full-time kids in virtual charter schools? As shown on page 10 of [Exhibit I](#), they need high levels of student self-motivation. My two daughters were in a blended K-12 school when they were in elementary school. The first daughter ripped through the schoolwork and just kept going ahead as fast as possible while it was a nightmare for my second daughter. These are two kids raised in the same house by the same parents. It is not good for every child. A big part of their success is adult involvement in the home.

In 2016, we put out a report that stresses support for full-time virtual schools but provides some policy options to improve outcomes. We suggested that we only permit authorizers that have been granted Statewide or regional chartering authority to oversee full-time virtual charter schools that enroll students from more than one district. We still want to allow districts to authorize full-time virtual charter schools that enroll students only from within their districts. We also recommend requiring schools to selectively enroll their students. Additionally, authorizers must require additional conditions to the charter contract that are virtual-specific such as attendance, student engagement and achievement in finances. Authorizers must base renewal and nonrenewal decisions upon these conditions as well as on the existing performance-based accountability systems already in place. [Senate Bill 441](#) addresses these issues.

We suggest funding full-time virtual charter schools based on actual costs or based on a performance-based model like in Utah, Minnesota, New Hampshire and Florida. My concluding thoughts are on page 20 of [Exhibit I](#). Online schools are a valuable option for many, but they are not for the majority of students, especially those with no self-motivation or adult supervision and support at home.

To protect kids and taxpayers, we need policy that holds online schools accountable while recognizing their differences. [Senate Bill 441](#) addresses many good options for doing this, and we urge its passage.

SARAH ADLER (Charter School Association of Nevada):

When I review this product of the Interim Committee on Education, it is clear that it shares the same objectives for charter schools as CSAN—accountability, offering quality education, assuring student success and effective use of public funds.

Charter schools offer the opportunity to find a good match and fit between a student and his or her school. Online charter schools, often for distance education, are an important component of the choices we can provide. Blended charter schools which provide some online and on-site education are also a good option. Online schools can provide an alternative education for students who are in training to be Olympic athletes, for those recovering from or living with significant illnesses or disabilities or even for highly-motivated introverts.

Online schools operate in a largely different manner than the brick-and-mortar schools which provide a daily educational home and personal face-to-face interactions with licensed teachers. To that end, S.B. 441 provides the necessary and appropriate direction to the SPCSA to establish through regulation a specific approach to oversight and evaluation of charter schools for distance education.

Briefly, in the bill, section 1 offers conforming changes. Section 2 allows for financial accountability if adequate student academic growth is not accomplished. Section 3 addresses part-time participation in distance education with sister school districts. Section 4 introduces new sections of NRS 388A, and section 6 through section 10 offer definitions.

Section 11 addresses requirements for the fundamental "hows" pertaining to online schools making an application to operate or when a contract is considered. This section covers issues including how a school plans to ensure that support will be available to students, how students will be tested and how their educational progress will be measured, etc.

Section 12 addresses how to measure attendance and participation. What does chronic absenteeism look like in an online charter environment? This is key.

Section 13 states that the SPCSA is a Local Education Agency (LEA) and may deem an online charter school an LEA. Section 14 provides the authority for the SPCSA to establish regulations to implement this intent.

In rural Nevada, White Pine County School District (WPCSD) has had some budget challenges. A few years ago, that District agreed to have K12, a company that manages and advises public and private online schools, create a program of distance education where WPCSD would receive 5 percent of the Distributive School Account (DSA) from each enrollment and K12 got

95 percent of the DSA appropriation. The District thought that would help with their budget shortfall.

The WPCSD felt they had reached an agreement with K12 to enroll only students that had been in other charter schools. However, through Destinations, a virtual high school K12 created, and Great Basin Virtual Academy, another school they created, K12 began to enroll students from school districts across the State taking money and students away from other school districts. The online provider did not do much of what they said they would do, especially for special education students. By having the data of online kids inserted into WPCSD's education data, their graduation rate dropped from in the 90s percentile to the 60s.

The WPCSD voted on March 3 to terminate the relationship with K12 and will no longer be offering virtual academies through their District. The Chief Financial Officer of WPCSD approves of section 5 of S.B. 441 because it directs that a student enrolled in distant education must be tied to the school district where that student lives. If a student is in an online program that is available Statewide, it ought to be authorized by the Statewide authorizer.

JASON GUINASSO (Chair, State Public Charter School Authority):

The SPCSA is responsible for the authorizing of charter schools Statewide. Virtual schools have consistently been among the lowest performing schools in the State. As a result, that has triggered a number of accountability and oversight actions on our part. Because of that accountability, Silver State Charter School, a blended school program, was closed.

Beacon Academy had consistent underperformance which could have resulted in the school's closure. One of the things we recognized that was unclear in their original application, was that Beacon Academy's mission was to serve at-risk students. We realized that if we did not do something to allow them that space to serve at-risk students, we would be closing down that option and a school of last resort would not be available. What we did was to negotiate a bridge from a traditional contract to a contract governed under the APF. That required a commitment from Beacon Academy which other virtual schools have not made—to have an enrollment of 75 percent or more of their students qualify as at-risk.

Nevada Connections Academy had a year-long odyssey with many public meetings and testimony when that school was in danger of closing. After we concluded that NCA did not meet our standards, we met with school leaders who argued that we should not close the entire school based on one data point. They wanted time to improve.

We entered into a performance agreement with NCA that capped their enrollment and required certain nondiscretionary accountability provisions. We deferred the decision on renewal of their contract for one year so we could have multiple data points to assess the school. This year is the year of reckoning for NCA relative to the data points they wanted to be evaluated on and the data points we expected them to achieve based on the contract we entered into.

Nevada Virtual Academy also faced performance issues resulting in entering into a performance contract. We capped enrollments and ultimately, NVA did not meet one of the performance criteria in the contract so their elementary school was closed.

The Leadership Academy of Nevada slipped from a 3-Star school to a 2-Star school, and we sent a notice of concern to them. They notified us that their school was taking immediate action to change their education management organization (EMO), so they terminated their EMO and worked with a different one that works specifically toward the Nevada performance criteria. As a result, we are expecting success from this school.

It has become clear from hours of testimony from students, parents and experts that virtual programs for education do work for many students and families. As I have presided over the proceedings to hold these schools accountable, it has become clear to me that virtual programs are different than brick-and-mortar schools, but there is no room in our statutory framework to regulate them differently. We have to treat them just like every other charter school.

Virtual programs of education work well for some students, but we do not have tools to ensure that the children who would benefit from this form of educational delivery have this public option while also ensuring that students who do not benefit from this model are screened out of virtual programs. Virtual programs of education cannot be all things to all people.

One of the big differences that should be obvious to anybody is that brick-and-mortar schools have limitations on enrollment because of limited space. Virtual schools do not have this limitation and suffer from the fact that they can enroll students without limitation. There is a correlation between attendance and learning, but virtual school attendance is difficult to measure. With the current NDE standards for attendance, there is no way to ensure learning is actually occurring.

When a student drops out of a virtual program, it is much more difficult to track them down than when they come from a building. Also, many of the virtual schools have suffered losses of points in the NSPF as a result of low participation in State-mandated testing, because it is hard to implement the tests with fidelity and good participation when there are multiple locations.

There are tens of millions of public dollars being spent on virtual programs of education which from my vantage point are not producing great results. The most important question we need to ask is whether virtual schools are worth the investment of public funds. Does Nevada want to continue to include virtual programs of education? If the answer is "no," then we should focus our time and resources on public school options that work. If the answer is "yes," we should work on a regulatory framework that will ensure the public dollars spent on virtual programs of education serve students well and achieve quality outcomes. I do not have the power to answer the question about whether to continue virtual education in Nevada; it is a question for you as Legislators.

Senate Bill 441 is an opportunity for this body to consider that question. Our assumption in being a part of this bill is that most Legislators would agree that virtual programs of education are a valuable public school option. Therefore, we have worked with Legislators, virtual school stakeholders and experts to come up with this bill. We met with stakeholders from every school six separate times, talking about these principles and the need to address the issues with performance. This bill will give the SPCSA additional tools to secure quality outcomes for students in virtual programs of education. It recognizes that virtual schools are different and should be regulated as such.

We want to see these schools succeed in serving students. However, under the current system of accountability and without additional tools, it is possible that in a few years they will be nonexistent or a shadow of what they once were. The only tool I have at my disposal right now is the performance contracts, and

if they cannot meet the standards there, then they have to close down different aspects of their schools. Senate Bill 441 would be another tool in our toolbox to be able to set virtual schools up for success.

SENATOR HAMMOND:

This is the third Legislative Session where we have talked about this issue and we know something needs to be done to bifurcate the standards for virtual schools versus brick-and-mortar schools. The clientele that are attracted to the two school systems are different. One of the tools you mentioned to help the virtual schools was to make each school an LEA. Can you explain why that tool would be necessary for you to really perform this fix on the virtual schools? Secondly, does that require the charter authority to expand?

MR. GUINASSO:

The LEA is a local education agency which is basically equivalent to a school district. One of the benefits of being an LEA would be to be able to apply for and manage grants and funding. That would be one important tool for improving outcomes for students. It would be helpful as a piece to the puzzle for virtual schools to deliver high-quality education to the students by providing the additional supports required to allow students to succeed. In our experience, the students who are the most successful in online education are those who have a lot of parental support. If there was additional funding available through grants for underserved or at-risk populations so they could have additional support similar to students with parental support, the outcomes could be significantly higher. There is a direct correlation between the amount of support students have at home and the outcomes those programs can achieve, and being an LEA could be useful in securing that extra funding.

SENATOR HAMMOND:

Does the SPCSA have personnel required for this?

MR. GUINASSO:

We do. The work we have spent over the last three years on accountability has taken up about 75 percent of our time. With a program in place where we are focusing less on punitive than on proactive efforts to compel performance, it would be a reallocation of our time and attention.

SENATOR HAMMOND:

When we are giving financial support to online schools, what if we withhold some of the financing until the school performs better? What is the model that works best? What do you suggest for Nevada? If a student does not get through high school in four years, we want to make sure there is a plan for them to get through and get their diploma. How do we motivate the online charters to make sure there is a plan and that there is follow-through?

MR. SIMNICK:

The good news is, enough states have gone down this road to give us some data. The opposite of a performance-based funding system is where a school can enroll many students, get full funding for each one and a large percentage can leave, so the LEA or district can bill for those students.

In Utah, they provide half of the DSA funding up front because there are instructional costs, and when the student population reaches certain benchmarks, more funding comes in. Florida has a component where any of the standardized tests they complete will give funding. Minnesota funds on a course basis, so if you pass Algebra 1, the student gets funded at a certain level. If they also pass English 10, they get a different level of funding.

New Hampshire funds a portion for the student and then funds upon completion tests for every subject. They also allow for persistence for those students who take longer. If he or she does not complete Algebra 1 by the end of the school year, but they pick it up over the summer or start back the next school year, the funding will follow once that student completes the class. Ohio has a committee looking at online performance-based funding and will have some recommendations in their budget soon, so we will want to keep an eye on them as well.

SENATOR HAMMOND:

We will be the beneficiary of work being done in other states. Has it worked out that implementing any fixes resulted in adverse or unintended consequences?

MR. SIMNICK:

I have not read of any bad consequences. Anything you can do to tie funding closer to performance provides an incredible incentive for those schools to keep working with the students to get them over the bar.

SENATOR HAMMOND:

Where would you say our language in this bill falls? Would it be close to the Utah model or the New Hampshire model?

MR. SIMNICK:

Neither. Now it basically says there is a rule-making authority to study some of these models and put that in, but it is not prescriptive at this point.

SENATOR PICKARD:

I like the direction this is taking. In the online world, we have three or four different types of students that can be atypical but highly effective. There are those who do not fit well in the schools, but they are good students. Then there are those who are performing, but they may be struggling; they may have problems with bullying or disabilities. Then you have the behavioral students who have been excluded from the brick-and-mortar schools for a variety of reasons. Each student brings a different set of needs. It looks like this bill will allow the authorities to tailor a performance framework for each of those types of students. Are you envisioning that, or are we talking about just a type of school that might serve all of them?

MR. GUINASSO:

I have given that a lot of thought. I think the first step is to work with experts and stakeholders on best practices and criteria to develop a framework that would apply to all virtual schools. Recognizing that even within that framework, there will be some variation depending on the emphasis of a school. If the emphasis of a school is at-risk students, like at Beacon Academy, our framework would accommodate that and recognize the unique work they are doing with a specialized population. If the virtual school is serving a standard population, then we would be looking at things like attendance which is hard to manage in the virtual world. For example, I could imagine wanting to explore something where attendance is measured by units of learning and making that a benchmark. It would accomplish two things—we would know students are attending school and that learning is happening.

SENATOR PICKARD:

The thread through all of this is parental engagement. Utah is a perfect example of a state where parental engagement is exceptionally high, and because of this, they seem to be able to do more with less dollars than we do. We have a very

different population here in Nevada. How do we engage parents here in this process?

MR. GUINASSO:

Part of S.B. 441 contemplates an onboarding process and being able to develop a thoughtful onboarding process where students and families are fully informed about the commitment they are making under a virtual program of education. One of our better performing schools, the LANV, implements an onboarding process that is instructive, giving parents and children all the information they need, so they know whether they can commit the time and effort to succeed in the program. We also want to ensure that the expectation is that just because a student does not have parental support, we do not want to exclude them. This bill contemplates a requirement to provide students with adequate supports for students who may not have the kind of support other families provide. If that provided support, whether parental or substituted through what we mandate, is not sufficient, then we would contemplate providing that student with an appropriate placement within Nevada's larger education portfolio where they can fit and learn best.

SENATOR PICKARD:

I like that, because many at-risk students, particularly those looking for virtual programs, do not have parental support at home, if they even have a home. How fast can this be done?

MR. GUINASSO:

My estimate of getting through the process where we would develop regulations consistent with what the direction of this Committee would be in statute, is that it would take 12 months to 14 months. I would want to ensure there was a strong stakeholder engagement developing a set of best practices that was thoughtful and deliberate, and that we would be able to publish those in a clear and transparent way that would make implementation much easier with more buy-in from everyone. We would report our progress to the next Interim Committee on Education.

SENATOR PICKARD:

Great. I would encourage you to talk to people at The Harbor and Juvenile Justice in Las Vegas. This is an area they have been looking at from the other side which is how we keep these kids in school and engaged and not falling out

of the system, regardless of the school. Those experts have insights that we miss on this side of the fence.

SENATOR HARRIS:

Since Chair Denis and Vice Chair Woodhouse are both out of the room presenting bills, I will open it up to testimony in support of S.B. 441.

BRYON RICHARDSON (Executive Director, Leadership Academy of Nevada):

The Leadership Academy of Nevada is a virtual school authorized by the SPCSA. We have 290 students enrolled throughout the State in Grades 6 through 12. We were founded by a group of parents who were searching for a quality virtual education program. We opened our virtual doors in 2014. Our mission is to provide a classical education to highly-motivated and self-directed students, so they can become principled leaders.

Students and families enroll in virtual schools for various reasons—students who are bullied or have social anxiety, students or family members have a medical condition prohibiting them from attending their regularly zoned school or they are seeking a flexible schedule to fit their specific situation. Most recently, we are seeing a steady increase of students on the autism spectrum. These students are succeeding in our program because they have a safe environment where they can focus, eliminating the external distractions inherent in a brick-and-mortar school.

We also have students from rural areas looking for an alternative to the limited educational choices in their own communities. Because of the wide variety of student needs, virtual schools should have a different accountability framework. Virtual education requires a high level of self-direction and motivation from both parents and student. During the enrollment process, we make it very clear to parents and students that they will have to work hard and be disciplined in order to succeed. Though virtual schools try to meet the specific needs of all families, we realize we may not be a good fit for everyone. The guidelines set forth in S.B. 441 will help clarify the enrollment criteria that families must meet.

AMY CARR:

I am with the LANV, but I am here today as a parent of distance education learners. I have 5 children and over the last 17 years of their education we have tried very different educational options. The first time we tried online learning we went to Nevada Connections Academy. We found that to be a negative

experience for our family. My children would show up for class and oftentimes be told there were no more seats available, so they had to wait for a recording to be posted. Other times, teachers would be needed in other parts of the State to do testing, so there was no live lesson available that week. I expressed to my husband that I felt like I was homeschooling our children without the benefit of a teacher's guide.

When we tried online education a second time with LANV, it was with trepidation. The experience turned out to be much different, with smaller class sizes and additional student support staff dedicated to helping the students. All of my children are thriving at this school, including one who is an ELL student. Online education is not for everyone, and it should not be a last resort for a child who is not succeeding elsewhere.

Online learning requires support and monitoring at home. If you put a child on a computer for six hours unmonitored during the day, it is ludicrous to think they will not get distracted by sites like YouTube or Twitter. A home where no supervision is offered does not set up a student to succeed in an online learning environment.

These schools need different guidelines; having a thorough onboarding process is critical, and there needs to be a better way to monitor attendance. Having a way for online schools to set goals and expectations for the students and be accountable to provide the necessary support and tutoring to help a student meet those goals is important. If a student is not succeeding, there needs to be a way to remove that student. As a parent of distance-education learners, I support S.B. 441.

JENNIFER PURCIEL:

Both of my children have attended several online charter schools, and while my children were moderately successful in each school, the biggest problem we found was accessibility and accountability. If a parent is not going to be involved in making sure their child attends class and does the work, online schools will not work, especially in the case of younger children. If a parent chooses an online school for their child, they need to be held accountable for their child's attendance and grades just as much as the teachers and schools are. I support S.B. 441 and have submitted my written testimony ([Exhibit J](#)).

SENATOR HARRIS:

I will take testimony in opposition of S.B. 441.

CHRIS MCBRIDE (Superintendent, Nevada Connections Academy):

We support the intent of S.B. 441, but we do have some concerns about the way the bill is written. First, brick-and-mortar charter schools can be authorized by universities yet virtual charter schools cannot. Second, the bill directs the SPCSA to adopt regulations to suspend and possibly withdraw a student, and we believe schools should have the autonomy for this process. Third, allowing an authorizer to reduce funding based on performance is a huge risk to virtual education and provides too much discretion to the authorizer. I have submitted my written testimony ([Exhibit K](#)).

YOLANDA HAMILTON (Head of School, Nevada Virtual Academy):

The Nevada Virtual Academy is a public online charter school for kindergarten through twelfth grade. We are one of the most culturally, academically and socioeconomically diverse programs within the Charter Authority's portfolio. We oppose S.B. 441 because it unfairly targets online public charter schools and will trample the rights and options of Nevada students who need them the most. Rather than restricting public school options, we believe in promoting, expanding and protecting opportunities for all. I have outlined our objections to issues including section 11 and section 14 of S.B. 441 in my written testimony ([Exhibit L](#)).

CHASE WHITEMORE (Pearson Education, Inc.):

In section 14, subsection 4 of S.B. 441 there are undefined terms that are problematic. In that part of the bill, it states, "Any regulations adopted pursuant to this subsection shall establish a process by which a charter school for distance education may appeal a finding of inadequate progress." There is nothing in the bill that states to whom you would appeal. Is it back to the SPCSA that just issued a finding of inadequate progress?

The next line in section 14, subsection 4 states, "If a charter school for distance education fails to provide evidence of adequate progress ... ," and we wonder what "failure to provide evidence" means. What types of evidence would have to be brought forward? Any evidence? Uncontroverted evidence?

At the bottom of section 14, subsection 4, it states, "the State Public Charter School Authority shall return the funds withheld pursuant to this subsection to

the State Distributive School Account." We wonder when? Within a year? Within 30 days? Within a reasonable time? There are things in this bill we can work on and hopefully be able to change our opposition to support of S.B. 441.

CHAD VENTERS:

I am an adjunct faculty member at Truckee Meadows Community College, and I have a son enrolled at NCA. Last year when he was in sixth grade, for the first time in his educational life, he started to thrive at NCA. It was not because he is a go-getter; it was because he needed the ability to have a personal interface in what he was doing. Like others, I like the overall spirit of S.B. 441, but some of my concerns include the aforementioned section 14 and the need to fund and advance our education.

We need to realize that virtual school is not a novelty. It is going to be an imperative part of this State's education in the next decade, if we do not want to have a crisis when it comes to student-to-teacher ratios in classrooms. We already have a number of students in crowded classrooms that continue to increase in size, and we will have overrun classrooms if we only invest in traditional education and not virtual education. We have a number of students with certain educational needs that require an overall structure that does not work well for them through traditional school systems.

The bill has great intent and we all like the notion of the accountability with S.B. 441, but we also need to consider what our funding is going to be spent on. If we do not invest in virtual education, we will be in big trouble in the next ten years within our school systems.

We have a cultural debt to virtual education that we do not have to traditional schools, because virtual options are new. They need time to grow and expand and be able to come to the same performance levels as we have with traditional schools.

MR. DALY:

We are neutral on S.B. 441. While we acknowledge that it is movement in the right direction to better regulate online charter schools, the Nevada State Education Association already has significantly stronger positions on the regulation of all charter schools including support of Assembly Bill (A.B.) 462, the moratorium on new charter schools.

ASSEMBLY BILL 462: Revises provisions relating to charter schools.
(BDR 34-1090)

We also support capping expansion of charter schools, which were initially promoted by educators who sought to innovate within a local public school system to better meet the needs of students. Over the last 22 years, charter schools have grown dramatically to include large numbers of charters that are privately managed, largely unaccountable and not transparent. Virtual charter schools are the worst offenders. This explosive growth has been largely driven by deliberate well-funded efforts to ensure charters are exempt from the basic safeguards and standards that apply to public schools.

In the earlier presentation, [Exhibit H](#), by The Center for American Progress, Mr. Campbell spoke of the \$38 million that K12 spends in their advertising budget, but did not mention the millions of dollars that K12 and other online charter schools spend on their lobbying efforts. I am not talking about money spent here in the Legislature by R&R Partners; I am talking about money spent on groups like the National Coalition for Public School Options which has been reported to have connections to K12. The lobbying efforts are intense and we need to move further with caps, a moratorium on charters and stronger regulations.

MR. BACON:

Assembly Bill 462 is proposing putting a pause into the charter school movement. The online schools have been inconsistent in their performance, though some of them have done exceedingly well. Perhaps the pause needs to be in the enrollment for the online charter schools while we get this new authority in place. No one expected the online schools to expand this quickly. Parents need to get regular information on how their child is doing in an online school.

Khan Academy, a free online program with courses, lessons and practice, gets millions of views every day. It is not a charter school, but because it is free, ungraded and offers what the kids are looking for to learn, it is wildly successful.

SENATOR DENIS:

We have some things to work out, and we are hoping to do that fairly quickly. I have a yellow public comment form to submit from Linda Sinclair who is neutral to S.B. 441 ([Exhibit M](#)).

SENATOR HARRIS:

I will close S.B. 441 and open the hearing on S.B. 469.

SENATE BILL 469: Revises provisions relating to the reorganization of certain school districts. (BDR 34-818)

SENATOR DENIS:

Last Session, we passed A.B. No. 469 of the 79th Session; the end result of a two-year study on how to reorganize the CCSD. Over the 2015-2016 Interim, several committees, including a general advisory committee, a technical advisory committee and a community implementation council, studied the CCSD and developed recommendations for reorganizing it into local school precincts to promote greater flexibility and efficiency. Based on those recommendations, the SBE and the Legislative Commission approved regulations in September 2016 to change the structure of the CCSD.

The most significant change affected by A.B. No. 469 of the 79th Session is the designation of each school in the District as a local school precinct. As such, each school will operate under site-based decision making and will have the authority to carry out certain responsibilities formerly handled by the District thereby decentralizing operations and providing more local control at the school level.

For school year 2017-2018, at least 80 percent of unrestricted District funds were transferred to individual schools. For subsequent years, this figure rose to 85 percent. Any time a sweeping change like this is put in place, there are going to be situations that require us to consider making modifications recognizing that the actual implementation is not always carried out as we envisioned when we passed the bill.

Today's bill, S.B. 469, is intended to address a few areas in need of attention. Section 1 removes the requirement that each school associate superintendent oversee no more than 25 local school precincts.

Section 2 relates to the transfer of responsibility to the schools. *Nevada Revised Statutes* 388G.610 lays out the responsibilities of the schools and those that must be retained by the CCSD. Section 2 also provides that the funds used by the District to pay for the activities outlined in section 3 of NRS 388G.610 may be identified as restricted.

Section 3 changes the notification the CCSD superintendent must provide to schools related to the funds to be allocated to the local school precinct for the next school year. It provides that the allocation will be based on the District's estimates for attendance for the following year rather than being determined by the number of students attending in the previous calendar quarter.

BRAD KEATING (Clark County School District):

In 2015, A.B. No. 394 of the 78th Session was enacted to create an advisory committee and a technical advisory committee to reorganize the CCSD. Then in 2017, A.B. No. 469 of the 79th Session took those original recommendations and put them into law. This Session, S.B. 469 continues that charge.

KELLIE BALLARD (Director, Office of Deputy Superintendent, Clark County School District):

In Section 1 of S.B. 469, the removal of the requirement that school associate superintendents must not be assigned to oversee more than 25 local school precincts pertains to one of the first requirements of A.B. No. 394 of the 78th Session which was to implement associate superintendents. In the fall of 2016, we developed those positions and filled them so those new associate superintendents could start in January 2017.

The reason for this new position was to support a school-centered organizational model for CCSD. It was aimed at meeting the needs of students and their school communities. Over the last 2 years, we found that the wide variety of interpretation between the 16 school associate superintendents created a barrier to this focus on the students. We knew it was a risk from the beginning, and we tried to mitigate the risk by pulling them all into the same building and including them all on the superintendent's executive cabinet. However, schools consistently reported challenges in communication between schools and the central office. They also reported inconsistency in expectations from one performance zone to another. A performance zone is the group of schools led by the school associate superintendent.

When Jesus Jara, our current superintendent, came on board last summer executing his whirlwind listening tour of the city, many of these challenges came to light. We pulled data to shine further light on the problems, and we confirmed that not all schools have the same need level and that the performance zone groupings were not balanced in terms of the level of need required for each of those schools in the performance zones.

We also found that schools were not consistently grouped with feeder patterns, which are elementary schools with middle and high schools they would matriculate into. The importance of vertical alignment of support for students was not being met. Finally, we learned that engaged community leaders did not have a single point of contact with whom they could engage at a level close to the school communities within their municipality.

With this information, Dr. Jara envisioned a tiered system of support for schools that would allow us to respond to the specific needs of schools and the leadership capacity of the school supervisor using data related to student performance, trauma, attendance, discipline and the teacher and leadership capacity at the school. We developed a school-supervision model based on feeder-school alignment, balance of school needs and municipal boundaries.

With the authority to monitor the implementation of the reorganization, Dr. Jara reached out to then-Superintendent of Public Instruction, Dr. Steve Canavero, to discuss his observations and plans to move forward. Dr. Canavero found that, though the law is very specific to the number of schools assigned to a school associate superintendent, the tiered system of support that Dr. Jara envisioned was entirely consistent with other specific sections of the law that enumerate his responsibility and the specific responsibility of the school associate superintendents.

At that time, Dr. Canavero determined not to include the assignment of schools under school associate superintendents in the joint implementation plan that was established to address compliance and implementation of the reorganization.

JASON GOUDIE (Chief Financial Officer, Clark County School District):

Through past discussions, we believed the items listed in subsection 3 of NRS 388G.610 are restricted based on the specific language there that reads:

... a large school district shall remain responsible for paying for and carrying out all other responsibilities necessary for the operation of the local school precincts and the large school district which have not been transferred to the local school precincts pursuant to subsection 2, including, without limitation, responsibility for: ...

And then it lists the specific items that include transportation, legal services, maintenance of the buildings and more. Essentially, we cannot allocate the funds to schools that are necessary to carry out items centrally while still carrying out those responsibilities. What we aim to achieve in S.B. 469 is to clarify the general understanding that these items are restricted as it relates to this law. In section 3 of the bill, there is the same language as A.B. 88 which we had a hearing on.

ASSEMBLY BILL 88: Revises provisions relating to public schools. (BDR 34-333).

We had an additional conversation with Assemblywoman Maggie Carlton and Assemblywoman Dina Neal to understand their concerns. The ultimate goal is to ensure we can utilize the best information available to build these budgets to the schools. Additionally, we adjust every school budget to the actual enrollment on our count day, the Friday after Labor Day, to reduce the risk around our estimates.

The most appropriate way to budget is to utilize a forecast of the expected enrollment of the schools within the District. This allows the District to properly utilize our demographics department with key information such as population growth or shrinkage including birth rates, transiency within the District, construction growth and home development; movement in populations throughout the District and macroeconomic factors of the community.

This is the manner in which all entities, including the NDE, budget when building the State's education budget. While past information is a good base to build a budget, we must consider all the factors that will drive changes in the future to provide the most accurate results. Based on conversations with CFOs in other school districts including Washoe County, Carson City, White Pine County and Nye County, I confirmed that all of those Counties use some form of forecasting as it relates to their enrollment to get the most accurate data for the future.

Assemblywoman Dina Neal gave us a great suggestion to have our demographics team put together information for the public on how the enrollment data is actually developed and the amount of strenuous analytics they go through to derive those numbers. We will begin putting this information together and making it available to the public through our CCSD website.

SENATOR PICKARD:

From your presentation, I understand you are budgeting on your estimate of future needs, as opposed to what you actually receive. Can you explain that? It has always led me to believe that when we budget on what we ask for instead of what we have, we end up with shortfalls at the end. Can you clarify that?

MR. GOUDIE:

A timeline might help. For the 2019-2020 school year budget, we began our process in November 2018. The budget team and the demographics team begin even earlier to that time. Around December 15, the demographics team will provide to each school principal the estimated enrollment in each school. They have until January 15 to discuss those numbers with the demographics team and their school associate superintendents to assess whether or not they believe there will be any significant challenges.

Once those numbers are provided to the schools in January, we provide the school strategic budgets for each school which is the amount of money they will be expected to receive for the year 2019. This is January 15, 2019. We use the forecasted data for enrollment to ensure we can account for what we believe the number of students will be at each school.

The principals and their school organizational teams (SOT) and their school associate superintendents work through those budgets and put together a staffing and supply budget to address the needs of the school based on that estimated funding amount. We roll into the year, and then on the Friday after Labor Day we have an official count day for how many students are enrolled. We report that to the NDE which is the basis for us to determine the actual final funding for that school.

At that point, they utilize that actual enrollment multiplied by the model to provide the actual funding, so the schools can make changes to their budget to ensure they can accommodate the actual enrollment. Does that make sense?

SENATOR PICKARD:
Yes, thank you.

SENATOR HARRIS:
I will take testimony in support of S.B. 469.

MR. DALY:
We support S.B. 469, particularly the language in section 2 that clarifies that the District is able to address the responsibilities pursuant to section 3. Those responsibilities include transportation, food services, services to promote and ensure equity and diversity, maintenance and repair of buildings, maintenance of grounds, custodial services, police services, etc. This has been a concern during the conversation around the reorganization of CCSD from many of our education support professionals. These responsibilities are the types of services that many of our members provide to keep school sites running.

JOHN VELLARDITA (Executive Director, Clark County Education Association):
I supported this Legislation in 2015, the 2015-2016 Interim and in 2017. The bill that resulted changes the fifth largest school district in the U.S. in its delivery system to a decentralized model empowering educators and administrators at the front line with not just the resources but the responsibility to make plans to achieve great student outcomes.

We recognize the modifications the school district is presenting, and we support those. We also support the argument made that as this is rolled out, we have to be adaptive in real time. We support S.B. 469 for the changes.

SENATOR HARRIS:
I will take testimony in opposition of S.B. 469.

ED GONZALEZ (Break Free CCSD):
I am a member of Break Free CCSD, and I am on the SOT of two CCSD schools. I oppose S.B. 469 primarily because of concerns about section 2, subsection 1, paragraph (a), subparagraph (3) regarding the additional restrictions on dollars ([Exhibit N](#)).

Some of those situations passed down into law, like custodial and transportation services, have been passed in the school budgets. Most of those have been through service agreements, about \$167 million. My concern in this

bill is that those would now be exempt under the 85 to 15 ratio. We want to make sure those dollars go into schools, but my concern is that if we start changing what we label as restricted, then there is less money going into schools.

This may affect a lawsuit that the City of Mesquite has with CCSD. Part of that lawsuit affects the 85 to 15 ratio. There were some suggestions through the SOT working group that met during the interim. As we start changing definitions, it means less dollars go into the school. That was not the intent. The intent was to have more dollars going into schools, so they could have a choice of what services they wanted to buy. I have submitted three exhibits on behalf of Break Free CCSD ([Exhibit O](#), [Exhibit P](#) and [Exhibit Q](#)).

SENATOR DENIS:

Mr. Goudie, how does the 85 to 15 ratio relate to section 2?

MR. GOUDIE:

The ratio of 85 to 15 is based on the unrestricted funds that are available within the District. Currently, one large section of our general operating fund has been deemed restrictive, and that is special education funds. We have looked at the overall language in the bill and still believe that the requirement to have those services maintained at the central office do restrict them. We are just looking for some clarity.

The intention is not to reduce the funding for schools but to address some of the changes we may want to make. For example, we have developed a plan for transportation, and in order to meet the 85 to 15 ratio, we have developed a service-level agreement for transportation somewhere in the range of \$75 million. In reality, the schools cannot make decisions around transportation at any specific level, because they cannot bond to buy the buses themselves. We still provide that service from the central office with an agreement where the schools essentially buy that service back from us. There is a lot of work to fulfill the 85 to 15 requirement.

Another example is utilities which is not a specific item in the bill list, but it is a large amount that the schools cannot opt out of. We are putting together an agreement to transfer that to the schools. This is to allow the District to follow the right way of doing it while ensuring that these items can be addressed in the public setting.

SENATOR PICKARD:

There is pending litigation in this matter. In the Legislature, we generally try to avoid legislation that directly affects litigation that is in process. Do you know how this might affect that litigation, if at all?

MR. GOUDIE:

I know of the litigation and that our legal team has been working on it, but I do not know the status nor how this could or would potentially impact that.

SENATOR DENIS:

We will make a change if needed. I was working with the Legislative Counsel Bureau legal team on some of these questions.

SENATOR HARRIS:

I will close the hearing on S.B. 469 and turn the gavel back to Chair Denis.

CHAIR DENIS:

I will open public comment.

MR. KEATING:

Nine students at Advanced Technologies Academy in Las Vegas were just chosen to represent the State after winning the State championship in March at the mock trial competition.

It was the first time a public school has won the State championship since 2012. Those nine students will move on to the national mock trial championship.

SENATOR HARRIS:

We are having the Senate majority leader send a letter of congratulations and some Nevada pins to that team from Advanced Technologies Academy.

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CHAIR DENIS:

Seeing no further public comment, I adjourn the meeting of the Senate Committee on Education at 2:57 p.m.

RESPECTFULLY SUBMITTED:

Linda Hiller,
Committee Secretary

APPROVED BY:

Senator Moises Denis, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	5		Attendance Roster
S.B. 239	C	2	Jen Sturm / Policy Analyst	Work Session Documents
S.B. 350	D	1	Jen Sturm / Policy Analyst	Work Session Documents
S.B. 402	E	1	Senator Joyce Woodhouse	Proposed Amendment
S.B. 441	F	31	Nancy Brune / Kenny Guinn Center for Policy Priorities	Report Nevada's Virtual Charter Schools
S.B. 441	G	1	Nancy Brune /Director, Kenny Guinn Center for Policy Priorities	Report Academic Outcomes
SB. 441	H	31	Neil Campbell, Center for American Progress	Analysis: Profit Before Kids
SB. 441	I	20	Russel Simnick	Presentation Full-Time Virtual Charter Schools
SB. 441	J	1	Jennifer Purciel	Written Testimony
SB. 441	K	1	Chris McBride/Nevada Connections Academy	Written Testimony
SB. 441	L	2	Yolanda Hamilton / Nevada Virtual Academy	Written Testimony
S.B. 441	M	1	Linda Sinclair	Written Testimony
S.B. 469	N	1	Ed Gonzalez / Break Free CCSD	Proposed Amendment
S.B. 469	O	6	Ed Gonzalez / Break Free CCSD	Handout Proposed Recommendations
S.B. 469	P	3	Ed Gonzalez / Break Free CCSD	Handout NRS 388G.610
S.B. 469	Q	1	Ed Gonzalez / Break Free CCSD	Reporting Requirements