

Amendment No. 205

Assembly Amendment to Assembly Bill No. 420	(BDR 34-754)
<b>Proposed by:</b> Assembly Committee on Education	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAS/AAK



Date: 4/19/2021

A.B. No. 420—Revising provisions governing educational management organizations. (BDR 34-754)





## ASSEMBLY BILL NO. 420—COMMITTEE ON EDUCATION

MARCH 25, 2021

Referred to Committee on Education

SUMMARY—Revising provisions governing educational management organizations. (BDR 34-754)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to education; revising provisions relating to educational management organizations; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law defines an educational management organization as a for-profit corporation, business, organization or other entity that provides services relating to the operation and management of charter schools. (NRS 388A.030) This bill revises the definition ~~of educational management organization by renaming educational management organizations as "educational service providers."~~ ***to mean a for-profit entity that contracts with and is accountable to the governing body of a charter school to provide centralized support or operations, including, without limitation, educational, administrative, management, compliance or instructional services or staff, to the charter school.***

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 388A.030 is hereby amended to read as follows:

388A.030 "Educational ***management organization***" ~~service provider~~ means a for-profit ~~corporation, business, organization or other~~ entity that ***contracts with and is accountable to the governing body of a*** ~~provides services relating to the operation and management of~~ charter ~~schools~~ ***school to provide centralized support or operations, including, without limitation, educational, administrative, management, compliance or instructional services or staff, to the charter school.***

**Sec. 2.** ~~NRS 388A.153 is hereby amended to read as follows:~~

~~388A.153 1. The State Public Charter School Authority consists of nine members. The membership of the State Public Charter School Authority consists of:~~

- ~~(a) Two members appointed by the Governor in accordance with subsection 2;~~
- ~~(b) Two members, who must not be Legislators, appointed by the Majority Leader of the Senate in accordance with subsection 2;~~

~~1 (c) Two members, who must not be Legislators, appointed by the Speaker of~~  
~~2 the Assembly in accordance with subsection 2;~~

~~3 (d) Two members appointed by the State Board of Education; and~~

~~4 (e) One member appointed by the Charter School Association of Nevada or its~~  
~~5 successor organization.~~

~~6 2. The Governor, the Majority Leader of the Senate, the Speaker of the~~  
~~7 Assembly and the State Board of Education shall ensure that the membership of the~~  
~~8 State Public Charter School Authority;~~

~~9 (a) Includes persons with a demonstrated understanding of charter schools and~~  
~~10 a commitment to using charter schools as a way to strengthen public education in~~  
~~11 this State;~~

~~12 (b) Includes a parent or legal guardian of a pupil enrolled in a charter school in~~  
~~13 this State;~~

~~14 (c) Includes persons with specific knowledge of:~~

~~15 (1) Issues relating to elementary and secondary education;~~

~~16 (2) School finance or accounting, or both;~~

~~17 (3) Management practices;~~

~~18 (4) Assessments required in elementary and secondary education;~~

~~19 (5) Educational technology; and~~

~~20 (6) The laws and regulations applicable to charter schools;~~

~~21 (d) Insofar as practicable, reflects the ethnic and geographical diversity of this~~  
~~22 State; and~~

~~23 (e) Insofar as practicable, consists of persons who are experts on best practices~~  
~~24 for authorizing charter schools and developing and operating high quality charter~~  
~~25 schools and charter management organizations.~~

~~26 3. Each member of the State Public Charter School Authority must be a~~  
~~27 resident of this State.~~

~~28 4. Except as otherwise provided in subsection 5, a member of the State Public~~  
~~29 Charter School Authority must not be actively engaged in business with or hold a~~  
~~30 direct pecuniary interest relating to charter schools, including, without limitation,~~  
~~31 serving as a vendor, contractor, employee, officer, director or member of the~~  
~~32 governing body of a charter school, educational [management organization] service~~  
~~33 provider or charter management organization.~~

~~34 5. Not more than two members of the State Public Charter School Authority~~  
~~35 may be teachers or administrators who are employed by a charter school or charter~~  
~~36 management organization in this State. For a teacher or administrator employed by~~  
~~37 a charter school or charter management organization to be eligible to serve as a~~  
~~38 member of the State Public Charter School Authority, the charter school or charter~~  
~~39 management organization which employs the teacher or administrator must not~~  
~~40 have ever received an annual rating established as one of the three lowest ratings of~~  
~~41 performance pursuant to the statewide system of accountability for public schools.~~

~~42 6. After the initial terms, the term of each member of the State Public Charter~~  
~~43 School Authority is 3 years, commencing on July 1 of the year in which he or she is~~  
~~44 appointed. A vacancy in the membership of the State Public Charter School~~  
~~45 Authority must be filled for the remainder of the unexpired term in the same~~  
~~46 manner as the original appointment. A member shall continue to serve on the State~~  
~~47 Public Charter School Authority until his or her successor is appointed.~~

~~48 7. The members of the State Public Charter School Authority shall select a~~  
~~49 Chair and Vice Chair from among its members. After the initial selection of those~~  
~~50 officers, each of those officers holds the position for a term of 2 years commencing~~  
~~51 on July 1 of each odd numbered year. If a vacancy occurs in the Chair or Vice~~  
~~52 Chair, the vacancy must be filled in the same manner as the original selection for~~  
~~53 the remainder of the unexpired term.~~

~~8. Each member of the State Public Charter School Authority is entitled to receive;~~

~~(a) For each day or portion of a day during which he or she attends a meeting of the State Public Charter School Authority a salary of not more than \$80, as fixed by the State Public Charter School Authority; and~~

~~(b) For each day or portion of a day during which he or she attends a meeting of the State Public Charter School Authority or is otherwise engaged in the business of the State Public Charter School Authority the per diem allowance and travel expenses provided for state officers and employees generally.] (Deleted by amendment.)~~

**Sec. 3.** ~~[NRS 388A.165 is hereby amended to read as follows:~~

~~388A.165 1. The State Public Charter School Authority may enter into a contract with any qualified person to:~~

~~(a) Foster the development of high quality charter management organizations, educational [management organizations] *service providers* and other persons to operate charter schools in this State;~~

~~(b) Solicit applications to form charter schools from high quality applicants;~~

~~(c) Provide training concerning the governance and management of charter schools to governing bodies of charter schools and applicants to form charter schools; or~~

~~(d) Provide professional development and support services to the administration and other employees of charter schools.~~

~~2. The State Public Charter School Authority may provide compensation pursuant to a contract entered into pursuant to subsection 1 using any money raised by the State Public Charter School Authority from private donors for that purpose or any money received from fees paid to the State Public Charter School Authority.] (Deleted by amendment.)~~

**Sec. 4.** ~~[NRS 388A.199 is hereby amended to read as follows:~~

~~388A.199 1. The State Public Charter School Authority may employ such persons as it deems necessary to carry out the provisions of this chapter. The staff employed by the State Public Charter School Authority must be qualified to carry out the daily responsibilities of sponsoring charter schools, including, without limitation, oversight of charter contracts, in accordance with the provisions of this chapter.~~

~~2. The staff must include:~~

~~(a) Attorneys with experience with laws concerning education, special education and nonprofit organizations;~~

~~(b) Persons with experience overseeing the annual audits and financial operations of school districts, nonprofit organizations or corporations;~~

~~(c) Persons with experience conducting assessments and evaluations for a school district;~~

~~(d) Administrators with significant experience overseeing special education programs and programs while employed by a school district, charter management organization, educational [management organization] *service provider* or other operator of charter schools;~~

~~(e) Policy analysts with significant experience in the areas of charter schools and education policy; and~~

~~(f) Any other persons that the State Public Charter School Authority determines are necessary.~~

~~3. The State Public Charter School Authority shall periodically evaluate and make decisions concerning the number of persons employed by the State Public Charter School Authority and the qualifications and compensation of such persons based on guidance from the National Association of Charter School Authorizers, or~~

~~its successor organization, an assessment of the strategic plan for recruiting operators of charter schools prepared pursuant to NRS 388A.223 and the needs of the charter schools sponsored by the State Public Charter School Authority.]~~  
~~(Deleted by amendment.)~~

**Sec. 5.** ~~[NRS 388A.223 is hereby amended to read as follows:~~

~~388A.223 1. Each sponsor of a charter school shall carry out the following duties and powers:~~

~~(a) Evaluating applications to form charter schools as prescribed by NRS 388A.249;~~

~~(b) Approving applications to form charter schools that the sponsor determines are high quality, meet the identified educational needs of pupils and will serve to promote the diversity of public educational choices in this State;~~

~~(c) Declining to approve applications to form charter schools that do not satisfy the requirements of NRS 388A.249;~~

~~(d) Negotiating, developing and executing charter contracts pursuant to NRS 388A.270;~~

~~(e) Monitoring, in accordance with this chapter and in accordance with the terms and conditions of the applicable charter contract, the performance and compliance of each charter school sponsored by the entity;~~

~~(f) Determining whether the charter contract of a charter school that the entity sponsors merits renewal or whether the renewal of the charter contract should be denied or whether the charter contract should be terminated or restarted, as applicable, in accordance with NRS 388A.285, 388A.300 or 388A.330, as applicable;~~

~~(g) Determining whether the governing body of a charter school should be reconstituted in accordance with NRS 388A.330;~~

~~(h) Adopting a policy for appointing a new governing body of a charter school for which the governing body is reconstituted in accordance with NRS 388A.330; and~~

~~(i) Conducting site evaluations of each campus of a charter school it sponsors during the first, third and fifth years after entering into or renewing a charter contract. Such evaluations must include, without limitation, evaluating pupil achievement and school performance at each campus of the charter school and identifying any deficiencies relating to pupil achievement and school performance. The sponsor shall develop a plan with the charter school to correct any such deficiencies. A sponsor may conduct a brief evaluation of a charter school in the third year if the charter school receives, in the immediately preceding year, one of the two highest ratings of performance pursuant to the statewide system of accountability for public schools.~~

~~2. Each sponsor of a charter school shall develop policies and practices that are consistent with state laws and regulations governing charter schools. In developing the policies and practices, the sponsor shall review and evaluate nationally recognized policies and practices for sponsoring organizations of charter schools. The policies and practices must include, without limitation:~~

~~(a) The organizational capacity and infrastructure of the sponsor for sponsorship of charter schools, which must not be described as a limit on the number of charter schools the sponsor will approve;~~

~~(b) The procedure and criteria for soliciting and evaluating charter school applications in accordance with NRS 388A.249, which must include, without limitation:~~

~~(1) Specific application procedures and timelines for committees to form a charter school that plan to enter into a contract with an educational [management organization] service provider to operate the charter school, committees to form a~~

1 ~~charter school that do not plan to enter into such a contract and charter management~~  
2 ~~organizations; and~~

3 ~~— (2) A description of the manner in which the sponsor will evaluate the~~  
4 ~~previous performance of an educational [management organization] service~~  
5 ~~provider or other person with whom a committee to form a charter school plans to~~  
6 ~~enter into a contract to operate a charter school or a charter management~~  
7 ~~organization that submits an application to form a charter school;~~

8 ~~— (c) The procedure and criteria for evaluating applications for renewal of charter~~  
9 ~~contracts pursuant to NRS 388A.285;~~

10 ~~— (d) The procedure for amending a charter contract and the criteria for~~  
11 ~~determining whether a request for such an amendment will be approved which must~~  
12 ~~include, without limitation, any manner in which such procedures and criteria will~~  
13 ~~differ if the sponsor determines that the amendment is material or strategically~~  
14 ~~important;~~

15 ~~— (e) If deemed appropriate by the sponsor, a strategic plan for recruiting charter~~  
16 ~~management organizations, educational [management organizations] service~~  
17 ~~providers or other persons to operate charter schools based on the priorities of the~~  
18 ~~sponsor and the needs of the pupils that will be served by the charter schools that~~  
19 ~~will be sponsored by the sponsor;~~

20 ~~— (f) A description of how the sponsor will maintain oversight of the charter~~  
21 ~~schools it sponsors, which must include, without limitation:~~

22 ~~— (1) An assessment of the needs of the charter schools that are sponsored by~~  
23 ~~the sponsor that is prepared with the input of the governing bodies of such charter~~  
24 ~~schools; and~~

25 ~~— (2) A strategic plan for the oversight and provision of technical support to~~  
26 ~~charter schools that are sponsored by the sponsor in the areas of academic, fiscal~~  
27 ~~and organizational performance; and~~

28 ~~— (g) A description of the process of evaluation for the charter schools it~~  
29 ~~sponsors in accordance with NRS 388A.351.~~

30 ~~3. Evidence of material or persistent failure to carry out the powers and duties~~  
31 ~~of a sponsor proscribed by this section constitutes grounds for revocation of the~~  
32 ~~entity's authority to sponsor charter schools.~~

33 ~~4. The provisions of this section do not establish a private right of action~~  
34 ~~against the sponsor of a charter school.] (Deleted by amendment.)~~

35 **Sec. 6.** ~~[NRS 388A.246 is hereby amended to read as follows:~~

36 ~~— 388A.246 An application to form a charter school must include all~~  
37 ~~information proscribed by the Department by regulation and:~~

38 ~~— 1. A summary of the plan for the proposed charter school.~~

39 ~~— 2. A clear written description of the mission of the charter school and the~~  
40 ~~goals for the charter school. A charter school must have as its stated purpose at least~~  
41 ~~one of the following goals:~~

42 ~~— (a) Improving the academic achievement of pupils;~~

43 ~~— (b) Encouraging the use of effective and innovative methods of teaching;~~

44 ~~— (c) Providing an accurate measurement of the educational achievement of~~  
45 ~~pupils;~~

46 ~~— (d) Establishing accountability and transparency of public schools;~~

47 ~~— (e) Providing a method for public schools to measure achievement based upon~~  
48 ~~the performance of the schools; or~~

49 ~~— (f) Creating new professional opportunities for teachers.~~

50 ~~— 3. A clear description of the indicators, measures and metrics for the~~  
51 ~~categories of academics, finances and organization that the charter school proposes~~  
52 ~~to use, the external assessments that will be used to assess performance in those~~  
53 ~~categories and the objectives that the committee to form a charter school plans to~~

1 ~~achieve in those categories, which must be expressed in terms of the objectives,~~  
2 ~~measures and metrics. The objectives and the indicators, measures and metrics used~~  
3 ~~by the charter school must be consistent with the performance framework adopted~~  
4 ~~by the sponsor pursuant to NRS 388A.270.~~

5 ~~— 4. A resume and background information for each person who serves on the~~  
6 ~~board of the charter management organization or the committee to form a charter~~  
7 ~~school, as applicable, which must include the name, telephone number, electronic~~  
8 ~~mail address, background, qualifications, any past or current affiliation with any~~  
9 ~~charter school in this State or any other state, any potential conflicts of interest and~~  
10 ~~any other information required by the sponsor.~~

11 ~~— 5. The proposed location of, or the geographic area to be served by, the~~  
12 ~~charter school and evidence of a need and community support for the charter school~~  
13 ~~in that area.~~

14 ~~— 6. The minimum, planned and maximum projected enrollment of pupils in~~  
15 ~~each grade in the charter school for each year that the charter school would operate~~  
16 ~~under the proposed charter contract.~~

17 ~~— 7. The procedure for applying for enrollment in the proposed charter school,~~  
18 ~~which must include, without limitation, the proposed dates for accepting~~  
19 ~~applications for enrollment in each year of operation under the proposed charter~~  
20 ~~contract and a statement of whether the charter school will enroll pupils who are in~~  
21 ~~a particular category of at risk pupils before enrolling other children who are~~  
22 ~~eligible to attend the charter school pursuant to NRS 388A.456 and the method for~~  
23 ~~determining eligibility for enrollment in each such category of at risk pupils served~~  
24 ~~by the charter school.~~

25 ~~— 8. The academic program that the charter school proposes to use, a~~  
26 ~~description of how the academic program complies with the requirements of NRS~~  
27 ~~388A.366, the proposed academic calendar for the first year of operation and a~~  
28 ~~sample daily schedule for a pupil in each grade served by the charter school.~~

29 ~~— 9. A description of the proposed instructional design of the charter school and~~  
30 ~~the type of learning environment the charter school will provide, including, without~~  
31 ~~limitation, whether the charter school will provide a program of distance education,~~  
32 ~~the planned class size and structure, the proposed curriculum for the charter school~~  
33 ~~and the teaching methods that will be used at the charter school.~~

34 ~~— 10. The manner in which the charter school plans to identify and serve the~~  
35 ~~needs of pupils with disabilities, pupils who are English learners, pupils who are~~  
36 ~~academically behind their peers and gifted pupils.~~

37 ~~— 11. A description of any co-curricular or extracurricular activities that the~~  
38 ~~charter school plans to offer and the manner in which these programs will be~~  
39 ~~funded.~~

40 ~~— 12. Any uniform or dress code policy that the charter school plans to use.~~

41 ~~— 13. Plans and timelines for recruiting and enrolling students, including~~  
42 ~~procedures for any lottery for admission that the charter school plans to conduct.~~

43 ~~— 14. The rules of behavior and punishments that the charter school plans to~~  
44 ~~adopt pursuant to NRS 388A.495, including, without limitation, any unique~~  
45 ~~discipline policies for pupils enrolled in a program of special education.~~

46 ~~— 15. A chart that clearly presents the proposed organizational structure of the~~  
47 ~~charter school and a clear description of the roles and responsibilities of the~~  
48 ~~governing body, administrators and any other persons included on the chart and a~~  
49 ~~table summarizing the decision making responsibilities of the staff and governing~~  
50 ~~body of the charter school and, if applicable, the charter management organization~~  
51 ~~that operates the charter school. The table must also identify the person responsible~~  
52 ~~for each activity conducted by the charter school, including, without limitation, the~~  
53 ~~person responsible for establishing curriculum and culture, providing professional~~



development to employees of the charter school and making determinations concerning the staff of the charter school.

~~16. The names of any external organizations that will play a role in operating the charter school and the role each such organization will play.~~

~~17. The manner in which the governing body of the charter school will be chosen.~~

~~18. A staffing chart for the first year in which the charter school plans to operate and a projected staffing plan for the term of the charter contract.~~

~~19. Plans for recruiting administrators, teachers and other staff, providing professional development to such staff.~~

~~20. Proposed bylaws for the governing body, a description of the manner in which the charter school will be governed, including, without limitation, any governance training that will be provided to the governing body, and a code of ethics for members and employees of the governing body. The code of ethics must be prepared with guidance from the Nevada Commission on Ethics and must not conflict with any policy adopted by the sponsor.~~

~~21. Explanations of any partnerships or contracts central to the operations or mission of the charter school.~~

~~22. A statement of whether the charter school will provide for the transportation of pupils to and from the charter school. If the charter school will provide transportation, the application must include the proposed plan for the transportation of pupils. If the charter school will not provide transportation, the application must include a statement that the charter school will work with the parents and guardians of pupils enrolled in the charter school to develop a plan for transportation to ensure that pupils have access to transportation to and from the charter school.~~

~~23. The procedure for the evaluation of teachers of the charter school, if different from the procedure prescribed in NRS 391.680 and 391.725. If the procedure is different from the procedure prescribed in NRS 391.680 and 391.725, the procedure for the evaluation of teachers of the charter school must provide the same level of protection and otherwise comply with the standards for evaluation set forth in NRS 391.680 and 391.725.~~

~~24. A statement of the charter school's plans for food service and other significant operational services, including a statement of whether the charter school will provide food service or participate in the National School Lunch Program, 42 U.S.C. §§ 1751 et seq. If the charter school will not provide food service or participate in the National School Lunch Program, the application must include an explanation of the manner in which the charter school will ensure that the lack of such food service or participation does not prevent pupils from attending the charter school.~~

~~25. Opportunities and expectations for involving the parents of pupils enrolled in the charter school in instruction at the charter school and the operation of the charter school, including, without limitation, the manner in which the charter school will solicit input concerning the governance of the charter school from such parents.~~

~~26. A detailed plan for starting operation of the charter school that identifies necessary tasks, the persons responsible for performing them and the dates by which such tasks will be accomplished.~~

~~27. A description of the financial plan and policies to be used by the charter school.~~

~~28. A description of the insurance coverage the charter school will obtain.~~

~~29. Budgets for starting operation at the charter school, the first year of operation of the charter school and the first 5 years of operation of the charter school, with any assumptions inherent in the budgets clearly stated;~~

~~30. Evidence of any money pledged or contributed to the budget of the charter school;~~

~~31. A statement of the facilities that will be used to operate the charter school and a plan for operating such facilities, including, without limitation, any backup plan to be used if the charter school cannot be operated out of the planned facilities;~~

~~22. If the charter school operates a vocational school, a description of the career and technical education program that will be used by the charter school;~~

~~23. If the charter school will provide a program of distance education, a description of the system of course credits that the charter school will use and the manner in which the charter school will;~~

~~(a) Monitor and verify the participation in and completion of courses by pupils;~~

~~(b) Require pupils to participate in assessments and submit course work;~~

~~(c) Conduct parent teacher conferences; and~~

~~(d) Administer any test, examination or assessment required by state or federal law in a proctored setting;~~

~~24. If the charter school will provide a program where a student may earn college credit for courses taken in high school, a draft memorandum of understanding between the charter school and the college or university through which the credits will be earned and a term sheet, which must set forth:~~

~~(a) The proposed duration of the relationship between the charter school and the college or university and the conditions for renewal and termination of the relationship;~~

~~(b) The roles and responsibilities of the governing body of the charter school, the employees of the charter school and the college or university;~~

~~(c) The scope of the services and resources that will be provided by the college or university;~~

~~(d) The manner and amount that the college or university will be compensated for providing such services and resources, including, without limitation, any tuition and fees that pupils at the charter school will pay to the college or university;~~

~~(e) The manner in which the college or university will ensure that the charter school effectively monitors pupil enrollment and attendance and the acquisition of college credits; and~~

~~(f) Any employees of the college or university who will serve on the governing body of the charter school.~~

~~25. If the applicant currently operates a charter school in another state, evidence of the performance of such charter schools and the capacity of the applicant to operate the proposed charter school.~~

~~26. If the applicant proposes to contract with an educational [management organization] **service provider** or any other person to provide educational or management services;~~

~~(a) Evidence of the performance of the educational [management organization] **service provider** or other person when providing such services to a population of pupils similar to the population that will be served by the proposed charter school;~~

~~(b) A term sheet that sets forth:~~

~~(1) The proposed duration of the proposed contract between the governing body of the charter school and the educational [management organization;] **service provider**;~~

~~(2) A description of the responsibilities of the governing body of the charter school, employees of the charter school and the educational [management organization] **service provider** or other person;~~

~~— (3) All fees that will be paid to the educational [management organization] service provider or other person;~~

~~— (4) The manner in which the governing body of the charter school will oversee the services provided by the educational [management organization] service provider or other person and enforce the terms of the contract;~~

~~— (5) A disclosure of the investments made by the educational [management organization] service provider or other person in the proposed charter school; and~~

~~— (6) The conditions for renewal and termination of the contract; and~~

~~— (c) A disclosure of any conflicts of interest concerning the applicant and the educational [management organization] service provider or other person, including, without limitation, any past or current employment, business or familial relationship between any prospective employee of the charter school and a member of the committee to form a charter school or the board of directors of the charter management organization, as applicable;~~

~~— 27. Any additional information that the sponsor determines is necessary to evaluate the ability of the proposed charter school to serve pupils in the school district in which the proposed charter school will be located.) (Deleted by amendment.)~~

**Sec. 7. [NRS 388A.392 is hereby amended to read as follows:**

~~— 388A.392 1. A contract or a proposed contract between a charter school or a proposed charter school and a contractor or an educational [management organization] service provider must not:~~

~~— (a) Give to the contractor or educational [management organization] service provider direct control of educational services, financial decisions, the appointment of members of the governing body, or the hiring and dismissal of an administrator or financial officer of the charter school or proposed charter school;~~

~~— (b) Authorize the payment of loans, advances or other monetary charges from the contractor or educational [management organization] service provider which are greater than 15 percent of the total expected funding received by the charter school or proposed charter school from the State Education Fund;~~

~~— (c) Require the charter school or proposed charter school to prepay any fees to the contractor or educational [management organization] service provider;~~

~~— (d) Require the charter school or proposed charter school to pay the contractor or educational [management organization] service provider before the payment of other obligations of the charter school or proposed charter school during a period of financial distress;~~

~~— (e) Allow a contractor or educational [management organization] service provider to cause a delay in the repayment of a loan or other money advanced by the contractor or educational [management organization] service provider to the charter school or proposed charter school, which delay would increase the cost to the charter school or proposed charter school of repaying the loan or advance;~~

~~— (f) Require the charter school or proposed charter school to enroll a minimum number of pupils for the continuation of the contract between the charter school or proposed charter school and the contractor or educational [management organization] service provider;~~

~~— (g) Require the charter school or proposed charter school to request or borrow money from this State to pay the contractor or educational [management organization] service provider if the contractor or educational [management organization] service provider will provide financial management to the charter school or proposed charter school;~~

~~— (h) Contain a provision which restricts the ability of the charter school or proposed charter school to borrow money from a person or entity other than the contractor or educational [management organization] service provider;~~

~~(i) Provide for the allocation to the charter school or proposed charter school of any indirect cost incurred by the contractor or educational [management organization.] service provider;~~

~~(j) Authorize the payment of fees to the contractor or educational [management organization] service provider which are not attributable to the actual services provided by the contractor or educational [management organization.] service provider;~~

~~(k) Allow any money received by the charter school or proposed charter school from this State or from the board of trustees of a school district to be transferred to or deposited in a bank, credit union or other financial institution outside this State, including money controlled by the contractor or educational [management organization.] service provider;~~

~~(l) Except as otherwise provided in this paragraph, provide incentive fees to the contractor or educational [management organization.] service provider. A contract or a proposed contract may provide to the contractor or educational [management organization] service provider incentive fees that are based on the academic improvement of pupils enrolled in the charter school;~~

~~(m) Require automatic renewal of the contract or provide that the contract remains in effect if the governing body of a charter school is reconstituted or a charter contract is terminated pursuant to NRS 388A.300 or 388A.330, as applicable;~~

~~(n) Contain any provision that would delay or prevent the approval of an application by the governing body of the charter school for an exemption from federal taxation pursuant to 26 U.S.C. § 501(c)(3);~~

~~(o) Require the governing body of the charter school to pay any costs associated with ensuring that services comply with state and federal law;~~

~~(p) Provide that the contractor or educational [management organization] service provider is not liable for failing to comply with the requirements of the contract; or~~

~~(q) Provide for the enforcement of terms of the contract that conflict with an applicable charter contract or federal or state law;~~

~~2. As used in this section, "contractor" or "educational [management organization]" service provider" means a corporation, business, organization or other entity, whether or not conducted for profit, with whom a committee to form a charter school or the governing body of a charter school, as applicable, contracts to assist with the operation, management or provision and implementation of educational services and programs of the charter school or proposed charter school. The term includes a corporation, business, organization or other entity that directly employs and provides personnel to a charter school or proposed charter school.] (Deleted by amendment.)~~

**Sec. 8.** ~~[NRS 388A.3975 is hereby amended to read as follows:~~

~~388A.3975 The governing body of a charter school shall develop a policy for accepting, investigating and responding to complaints and submit the policy to the State Public Charter School Authority for review and approval. Such a policy may allow for a complaint to be delegated to the staff of the charter school or an educational [management organization] service provider if the policy allows a complaining party who does not believe the staff of the charter school or educational [management organization] service provider has adequately addressed a complaint to submit the complaint to the governing body of the charter school for its investigation and response.] (Deleted by amendment.)~~

**Sec. 9.** This act becomes effective on July 1, 2021.