

**MINUTES OF THE
SENATE COMMITTEE ON EDUCATION**

**Eighty-first Session
April 30, 2021**

The Senate Committee on Education was called to order by Chair Moises Denis at 1:04 p.m. on Friday, April 30, 2021, Online and in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Moises Denis, Chair
Senator Marilyn Dondero Loop, Vice Chair
Senator Roberta Lange
Senator Fabian Donate
Senator Joseph P. Hardy
Senator Scott Hammond
Senator Carrie A. Buck

GUEST LEGISLATORS PRESENT:

Assemblywoman Shannon Bilbray-Axelrod, Assembly District No. 34
Assemblywoman Michelle Gorelow, Assembly District No. 35
Assemblyman David Orentlicher, Assembly District No. 20

STAFF MEMBERS PRESENT:

Jen Sturm, Policy Analyst
Asher Killian, Counsel
Ian Gahner, Committee Secretary

OTHERS PRESENT:

Rebecca Feiden, Executive Director, State Public Charter School Authority
Sawyer Ross, Student, Carson Montessori Student Legislative Team
Hayden Cruz, Student, Carson Montessori Student Legislative Team
Hank Brown, Student, Carson Montessori Student Legislative Team
Peter Logan McKenna, Student, Carson Montessori Student Legislative Team
Erin Phillips, President, Power2Parent

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Chris Daly, Nevada State Education Association
Alexander Marks, Nevada State Education Association
Debb Oliver, Ed.D., Executive Director, Nevada Association of School Boards
Jana Wilcox Lavin, Executive Director, Opportunity180
Daniel Pierrott, Pearson
Erica Valdriz, Vegas Chamber

CHAIR DENIS:

I will open the hearing on Assembly Bill (A.B.) 338.

ASSEMBLY BILL 338: Revises provisions governing the investment of certain public money in foreign bonds, notes or other obligations. (BDR 31-787)

ASSEMBLYMAN DAVID ORENTLICHER (Assembly District No. 20):

Assembly Bill 338 is basically a tweak of A.B. No. 34 of the 80th Session, which was brought by the State Treasurer to expand the office's authority to invest State funds. They had a range of investments in U.S. securities and bonds. This allowed for investment in bonds of foreign countries in banks, corporations and supranational groups like the International Monetary Fund. This was done to allow for greater return, more diversification of the portfolio and to minimize risk. The step was taken to say investing in foreign bonds is a safe thing to do. Other states are doing this; we can too.

Assembly Bill 338 tweaks two aspects of the authority of the Treasurer to invest overseas. One is to allow for private placement bonds. You can see this change in section 1, subsection 2, paragraph (h) where subparagraph 4 "is publicly traded" is being deleted. That change is also made in section 2, subsection 2, paragraph (c), subparagraph 4; section 3, subsection 1, paragraph (r), subparagraph 4; and section 4, subsection 1, paragraph (c), subparagraph 4 to cover the four different pools of funds the Treasurer manages.

We are seeing corporations, banks and governments that issue bonds are doing more private placement. What that means is they are selling these bonds directly and they are not publicly traded. Even though these bonds are backed the same way as their publicly traded bonds, they do not have to go through the same regulatory hoops. This is because they are selling these bonds to very sophisticated investors like treasurers' offices, pension funds and university endowments. Essentially, these investors know what they are doing.

Assembly Bill 338 allows bonds to go out faster and it is less expensive to issue the bonds. In return, the investors pay a higher interest rate. If we do a private placement bond for Nevada, we might get an extra 0.50 percent or 1 percent return. The credit rating is no different; these bonds are still AA.

The second part of A.B. 338 is Nevada requires an AA credit rating. If you examine the State Investment in Foreign Country Bonds Slide ([Exhibit B](#)), you will see we are an outlier in this respect. Other states which allow these kind of investments—and many do—set the minimum credit rating at either A or BBB. The range of credit ratings goes from the lowest CCC to AAA at the highest. A key distinction is BBB and above are so-called investment-grade bonds.

As long as you are in the investment-grade category, you are being prudent and safe. That is why states such as Arizona, Colorado, Georgia and Illinois allow their treasurers to invest as long as it is BBB. Utah, New Mexico, Ohio, Oklahoma and Louisiana have a minimum standard of A instead. The reality is the difference between AAA, AA and A credit ratings is trivial. They are all about the same. The real difference is noticeable when you drop below a BBB credit rating. This is why A.B. 338 makes the change for Nevada to invest in A grade bonds. It aligns us with other states while still keeping us conservative.

CHAIR DENIS:

What is the risk between publicly traded versus privately traded bonds?

ASSEMBLYMAN ORENTLICHER:

There is no difference in risk; they are both backed the same way. The difference for us is because these bonds are not publicly traded, they are less liquid. If we were trading in bonds on a daily basis, it would be a problem because you cannot go out and sell them. When Nevada invests in bonds, we hold them until maturity. There is no loss in losing the liquidity of the bond, but we get the extra return.

CHAIR DENIS:

To confirm, we are suggesting to allow investment in A grade bonds, not BBB?

ASSEMBLYMAN ORENTLICHER:

That is correct. Assembly Bill 338 only proposes A grade investments. It gives us an extra margin of safety. Other states may go to BBB grade, but I do not think that is necessary.

CHAIR DENIS:

Did you work with the Office of the State Treasurer on A.B. 338?

ASSEMBLYMAN ORENTLICHER:

I did work with the their Office and they are comfortable with these changes. This does bring us in line with other states. It is also worth mentioning in our statute that when we set the minimum credit rating for domestic corporate bonds, that is already at an A credit rating. This change in A.B. 338 would allow us to be consistent in both domestic and foreign investments.

CHAIR DENIS:

I will close the hearing on A.B. 338 and open the hearing on A.B. 109.

ASSEMBLY BILL 109 (1st Reprint): Revises provisions relating to charter schools. (BDR 34-529)

ASSEMBLYWOMAN MICHELLE GORELOW (Assembly District No. 35):

Assembly Bill 109 makes changes to required licensing of charter school teachers who provide instruction. To provide a little background, this bill originated from the Legislative Committee on Education.

Nevada Revised Statutes (NRS) provides that all special education and English as a second language charter school teachers must be licensed; at least 70 percent of charter school teachers must either be licensed or have “subject matter expertise” as defined in statute; and charter school teachers for specific subject areas—including but not limited to English language arts, mathematics and science—must be licensed or have “subject matter expertise.”

Law defines “subject matter expertise” as a person with a degree, license or certificate in the specific field in which they are teaching and at least two years of experience in that field. The statute also differentiates how teachers may demonstrate experience and qualifications based on whether the school they are employed by have shown consistent performance at or above three stars on the Statewide system of accountability for public schools.

Assembly Bill 109 strengthens the licensing requirements for charter school teachers. The bill does so by increasing the total percentage of teachers required to possess licensure or endorsement; mandating teacher licensure in certain courses of study; and eliminating subject matter expertise as a qualifying standard. Specifically, section 1, subsection 1 increases the percent of teachers providing instruction who are required to hold a license or endorsement to at least 80 percent and removes any reference to qualifications through subject matter expertise.

Chapter 391 of NRS establishes the rules and procedures governing endorsements through the Department of Education Superintendent of Public Instruction. There are a variety of endorsement types, ranging from special education to business and industry endorsements. Each endorsement has its own qualifications. For instance, business and industry endorsements require instructors to have at least five years of work experience. On the whole, endorsements were designed to grant access to instructors with nonteaching backgrounds and often act as temporary placeholders for out-of-state teachers.

Section 1, subsection 2 provides that teachers at career technical charter schools must also hold a license or endorsement to teach such courses. Section 1, subsection 3 mandates teachers in core academic subjects to be licensed. As per NRS 389.018, core academic subjects include English language arts, mathematics, science, history, geography, economics and government. Further, section 1, subsection 5 requires that a person teaching special education or English as a second language must also be licensed. Section 1, subsection 4 provides qualifications required of a teacher hired at a charter school who does not hold a license or endorsement. Finally, section 8 allows teachers employed by a charter school who are not licensed as of July 1, to continue to teach without a license until July 1, 2026.

SENATOR HAMMOND:

This bill seems like a lot of "this is what you need to get into the classroom." What we are seeing now is the teacher pipeline drying up. You see many young people who do not want to get into the teaching profession. We are having a hard time getting teachers into the classroom across the board. Assembly Bill 109 is telling us how to get people into the classroom, but it is making it more difficult. Does the bill address how we can get more teachers into the classroom? There have been conversations about getting teachers from

other professions, such as a welder teaching a welding class. We need to be creative.

ASSEMBLYWOMAN GORELOW:

You are correct. There is a pipeline of teacher shortage we need to address. Assembly Bill 109 makes sure those who are teaching are qualified. There are various alternative licensure routes.

For example, in welding, that would be a business and industry license they can maintain as long as they have the five years of experience. Not a lot of people go to school to teach welding. Those persons who do want to teach are those who have been doing the profession for many years and want to share their expertise with other students so they can go into welding.

SENATOR HAMMOND:

Would A.B. 109 still allow people to teach and get their licensures, or would they have to get the licenses before they can get into the classroom?

ASSEMBLYWOMAN GORELOW:

Section 8 will allow teachers employed by a charter school to teach who are not licensed until July 1. Those teachers must acquire their licenses by July 1, 2026 to continue teaching. After July 1, all future teacher hires must have their licensures to teach.

CHAIR DENIS:

To make the record clear, A.B. 109 is from the Legislative Committee on Education.

SENATOR BUCK:

I am disheartened by this bill because we are facing a huge teacher shortage. How many substitutes or nonlicensed experts are sitting in district classrooms teaching core classes? I am sensitive when we pick apart charter schools that are innovative. We hire emergency medical technicians to teach paramedic skills. Under A.B. 109, we have to tell them they will need to go back to school to teach math. We have doctors who want to teach math and science. We have pilots who want to teach aviation. We should be making this easier for teachers to enter the profession.

ASSEMBLYWOMAN GORELOW:

I do not have that number. It would be something that perhaps Clark County School District (CCSD) or Washoe County School District (WCSD) would have. Both charter and public schools require that any of the core classes, such as mathematics, have a teacher with a license.

CHAIR DENIS:

This bill is specific to charter schools. I understand your questioning, but you are talking about something else. I do not want to get off track from A.B. 109.

ASSEMBLYWOMAN GORELOW:

Assembly Bill 109 makes the standards for charter schools closer in line with the public schools. Public schools have to have 100 percent licensure, and as Senator Buck mentioned, some substitutes might not have a teaching license, but they do have an endorsement.

SENATOR DONDERO LOOP:

We have several ways adults can go into a classroom and teach. For example, if you want to be an Alternative Route to Licensure (ARL) teacher, you get into the classroom with a degree. In A.B. 109, are we talking about a second grade teacher in the classroom without a degree? Is that correct?

ASSEMBLYWOMAN GORELOW:

That is correct.

SENATOR DONDERO LOOP:

So, we are not specifically talking about the welding teacher. In addition, those in the trades have gone to school. I do not think I want someone in the trades practicing in the field if he or she did not go to school. We need to value the teaching profession. While I recognize we do not have enough teachers, that is a bill other than A.B. 109 in this Session. I appreciate this bill; we need to require people hold a license and endorsement and value that. Our kids deserve the best.

ASSEMBLYWOMAN GORELOW:

You make a good point. We do need to value teachers and the profession. There are many people who know subject matter, but managing a classroom takes a special set of skills. Being able to explain your subject matter also takes a special set of skills.

SENATOR HAMMOND:

On the opposite side of that, I had colleagues that were great. They got their teaching license, took classes in classroom management and knew how to put a test together, but when a student went down a different pathway, they lacked the subject matter expertise to help them effectively. My point is sometimes you do not know who will be a great teacher. Somebody will have experience in life and all of a sudden they can relate to kids.

The bill's intent is to try to get more people with more education in the classroom. I understand that, but we are going the wrong way. Charter schools were created to find a new model and new ways to get people in the classroom and get kids engaged. Assembly Bill 109 is disrupting that.

We are allowing principals latitude to find folks who want to teach. My colleague Senator Buck is an example. She spent many years trying to find that parent who was in the classroom, doing a lot of things and was engaged. She tapped into that resource and suggested to the parent to teach. This bill is going the wrong way.

SENATOR DONDERO LOOP:

While I appreciate what my colleague is saying, when you take public funding, you take public accountability. While I recognize what is being said, I would point out that Senator Buck was also a public school teacher and principal before she went into charter schools. She came with expertise that married the charter school program.

CHAIR DENIS:

When we had the testimony for A.B. 109 during the Thirty-second Special Session, Rebecca Feiden spoke. What would be the need for charter schools to have this legislation?

REBECCA FEIDEN (Executive Director, State Public Charter School Authority):

I do think that clarifying A.B. 109 is important. It is confusing how the statute is written which allows certain expectations in performance and licensure in certain areas but not in others. During the Thirty-second Special Session, we did provide information to the Legislative Committee on Education. At the time, there were approximately 2,200 teachers in State Public Charter School Authority (SPCSA) schools. Of those teachers, 36 were unlicensed. During this school year, there are 2,456 teachers in SPCSA schools, and 39 of them do not

hold a license. This is a small number of people who fall into this category. The majority of those teachers are those in your noncore content areas. Examples include, theater, technology and yoga. We have a limited number who are in core content areas where A.B. 109 would give them time to fall into compliance. This is an improvement to the law and helps to ensure those core content areas have licensed teachers.

CHAIR DENIS:

Does A.B. 109 prohibit someone from doing something like the ARL program?

Ms. FEIDEN:

My understanding is an ARL license is a license pursuant to NRS 391. Once a person has that license, they may still be in the program, but they are qualified to teach in a district school or core content area at a charter school.

CHAIR DENIS:

Is the way the ARL program works that you get the license upfront and then you do the training?

Ms. FEIDEN:

You have to first cover basic topics, and then it is a provisional license which allows you to do extra coursework. It is a short-term license; in just a few years you have to complete the additional coursework.

SENATOR BUCK:

Are charter schools outperforming in some areas of the State?

Ms. FEIDEN:

I cannot speak to charter schools sponsored by the school districts, but the charter schools sponsored by the SPCSA have seen strong performance. A large percentage of our schools are four- and five-star schools.

SENATOR BUCK:

As a district principal, I hired substitutes and sometimes they chose to get their licenses. That occurs across our districts, and even though we say 100 percent, that is not realistic. As a State, we have 1,000 to 1,500 different openings each year. Assembly Bill 109 will be counterproductive. We see more satisfaction with charter schools and teaching staff. How do you not foresee

this as pulling teachers and teacher talent from district schools that need them the most?

MS. FEIDEN:

I will note A.B. 109 is not about substitute licenses, ARL licenses or any other kind of licensure. At this point, we are only aware of approximately 39 teachers who are not licensed at our schools. Many of them are not in those core content classes. There are individuals who would be impacted by this bill, but they are being given a period of time to get their licenses. There is a narrow subset of individuals affected by this bill.

SENATOR BUCK:

My point is there are thousands more potential teachers sitting in classrooms right now.

SAWYER ROSS (Student, Carson Montessori Student Legislative Team):

You originally changed the charter school teacher's certification requirement from 70 percent to all. That could have been disastrous. I am in support of amending the requirement from all to 80 percent. Amending the requirement to 80 percent gives the teachers more wiggle room. If someone is working towards a degree, it will give him or her the chance to get in-class experience. Today, with the teacher shortage, we need to give potential teachers every chance they can get to become certified.

HAYDEN CRUZ (Student, Carson Montessori Student Legislative Team):

I support A.B. 109 and giving teachers five years to get their teaching degrees. This gives them more time to learn. For example, at Carson Montessori, many of our paraprofessionals go on to become teachers. A second example is in the Carson City School District. The director of special education started as a paraprofessional. She now has her doctorate. Giving teachers five years is enough time for an employed teacher.

HANK BROWN (Student, Carson Montessori Student Legislative Team):

We are in support of the section of A.B. 109 that allows industry professionals to step into the classroom and teach their trade. Who better to share their knowledge and expertise than those who have successfully made a career in the given industry? Like Senator Hammond, I believe how lucky we would be if a welder taught us how to weld, a general contractor taught us basic carpentry skills or a chef taught us how to cook.

PETER LOGAN MCKENNA (Student, Carson Montessori Student Legislative Team):
My teammates and I are in support of A.B. 109's new amendments but only if the bill does not become restrictive for charter schools. We like giving individuals working on completing their teaching licensure five years to complete this process. Changing the requirement of licensure from all to 80 percent is a positive. We would love to learn from trade professionals who support our unique school settings. We, as charter school students, are the most affected by this bill.

ERIN PHILLIPS (President, Power2Parent):
Many families have taken advantage of the high-quality education provided by charter schools across Nevada. There are thousands of students on waitlists all over the State hoping to access the unique community and nuanced education that these schools provide. Even as amended, A.B. 109 seems to be a solution looking for a problem. There are excellent programs at charter schools that are tailored to the needs and interests of students. For example, if a charter school has a pilot training program, it can hire a pilot to teach the students. These people are experts in their fields and do not need to go back to school to become licensed teachers.

The burden on these schools this legislation would impose is unnecessary, especially in light of an already problematic teacher shortage. Parents believe that charter schools should continue to maintain their autonomy to meet the individual needs of the students.

CHRIS DALY (Nevada State Education Association):
I have opposition testimony ([Exhibit C](#)) to A.B. 109.

ALEXANDER MARKS (Nevada State Education Association):
I have a letter of educator remarks ([Exhibit D](#)) in opposition to A.B. 109.

CHAIR DENIS:
To ensure we have clarity on the record, if you have a pilot who comes into a charter school and teaches an aviation class, does A.B. 109 still allow for that?

ASSEMBLYWOMAN GORELOW:
Yes, it does still allow for that.

CHAIR DENIS:

If you have a pilot who wants to come in and teach science, then they would have to get their licensure?

ASSEMBLYWOMAN GORELOW:

That is correct.

CHAIR DENIS:

This bill just clarifies the language which, as it stands, is not clear as to who can or cannot teach?

ASSEMBLYWOMAN GORELOW:

Yes, that is correct as well.

CHAIR DENIS:

I see A.B. 109 as a measure of transparency and accountability. We want to hold all of our schools accountable. I will close the hearing on A.B. 109 and open the hearing on A.B. 419.

ASSEMBLY BILL 419 (1st Reprint): Revises provisions governing charter schools. (BDR 34-751)

ASSEMBLYWOMAN SHANNON BILBRAY-AXELROD (Assembly District No. 34):

This Committee has heard testimony nearly every session since our laws governing charter schools were enacted in 1997 on how to improve our network of schools and their sponsorship, whether by school districts, one of our higher education institutions or the SPCSA. This continual drive for improvement led me to request A.B. 419, which aims to further refine charter school governance in our State.

I have a daughter who has been a student at a charter school since it was opened when she was in third grade. We were happy with her school in CCSD, but the things offered at the charter school were exciting. I have been extremely happy with the result. That being said, my theme this Session has been accountability and daylight. Transparency is key to presenting an effective image.

At this time, I will go through A.B. 419 in detail. In section 3, the sponsors of all charter schools—not just the SPCSA—are required to establish standards for

the governance of charter schools so that governing bodies have a clear understanding of the performance benchmarks and targets that must be met for their schools. Additionally, members of a governing body will need to complete training before the opening of the charter school and every three years thereafter.

Members of the SPCSA must be up to speed on their responsibilities and duties, how to evaluate applications to form charter schools and charter school governance. Section 4 requires SPCSA members to undergo training to establish their competence in these areas.

During the last Session and the Interim, stakeholders expressed concerns regarding educational management organizations (EMO) and the lack of transparency regarding their finances and business activities—despite being paid with taxpayer funds by public charter schools. Section 5 and section 6 require a charter school’s governing body to disclose information regarding service providers, including charter management organizations (CMO) and EMOs, and post certain details online. Specifically, section 5 requires that members of a charter school’s governing body post the definitions of CMO and EMO on their website and if the school is operated by a CMO or receives services from an EMO.

Section 6, subsection 1 requires a governing body of a charter school that receives services from an EMO post on its website each fiscal and performance audit, certain information about the charter schools CMO or EMO contracts, and contract information between members of the governing body or persons related to the member and another charter school, group, or system of charter schools. Section 6 further authorizes charter school sponsors to review information on contracts with EMOs disclosed under paragraph (b) and request that additional details be provided, investigations be conducted or other actions taken.

Assembly Bill 419 also seeks to improve charter school accountability. Section 7 requires underperforming charter schools, that have not requested a change in sponsorship, to submit a report to the Legislative Committee on Education on the actions the sponsor has taken to reconstitute the school’s governing body or terminate the charter contract. The reports must be submitted on the actions taken by the sponsor of a charter school that has received a 1- or 2-star rating in each of the immediately preceding three school years.

Section 9 of the bill requires a sponsor to consider the academic, financial and organizational performance of any charter school that holds a contract with a CMO or EMO that the applicant is proposing to contract with for a new school. These provisions also affect applications to amend charter contracts to expand existing charter schools as provided in section 11.3 of the bill. Finally, section 11.7 requires a person who wishes to serve on a governing body to disclose to the sponsor of a charter school any conflicts of interest.

DEBB OLIVER, ED.D. (Executive Director, Nevada Association of School Boards):
The Nevada Association of School Boards has worked with the Nevada school boards and the State Board of Education to implement evidence-based, results-driven governance training. Specifically, the Silver State Governance is a framework based on research for board training and ongoing coaching whose motto is "student outcomes do not change until adult behaviors change."

Having a strong, unified standard of board governance in place for school boards to opt into will benefit all Nevada students. Board meetings should have a student outcomes focus. One of the outcomes of Silver State Governance is for school boards to spend 51 percent or more of their agenda items and meeting minutes on goals which improve student outcomes. Specifically, this is what students know, demonstrate and do. Inviting charter school boards to participate in Silver State Governance, or other pertinent training programs, would have a positive impact on student achievement. Training supports these board members to know what to do in their roles.

To date, we have five public school districts and the State Board of Education that have gone through the initial two-day Silver State Governance training. Our State Board of Education will continue with the ongoing coaching and has already begun visioning and goal-setting sessions.

An example of a school board's progress with this training would be Lincoln County School District. It began implementing Silver State Governance in February 2020, and through the Covid-19 pandemic, this District has seen an increase in student outcomes. Board members had a focus on student outcomes, and they are on target with their interim goals.

I will note that Silver State Governance accounts for all of the guardrails and compliance that school boards are required to do, such as their fiduciary responsibilities or maintaining compliance with State and local regulations. Goal

coaching provided through Silver State Governance aligns these activities to the purpose of the board, which is to create an environment to achieve the best student outcomes for the students we serve.

JANA WILCOX LAVIN (Executive Director, Opportunity180):

At Opportunity180, we are committed to ensuring every kid has access to a high-quality education that ensures he or she graduates college, is career-ready, and is prepared to decide his or her own future. A critical lever to ensuring great schooling for every kid is good governance. We support the development and implementation of sustainable school governance models that are accountable to putting students first.

We have termed A.B. 419 as "training and transparency," and it has two key focal points. The first is on good governance via training and increasing information about schools that partner with management organizations through increased transparency. The first focus of this bill required the codification of government standards for public charter schools and establishes the regular cadence of aligned governance. In addition, it formalizes parity with district school board training requirements for the SPCSA.

Across the State, we have seen different types of public charter schools, single sites and schools that partner with management organizations. The second focus of A.B. 419 provides for increased information as to the relationships between schools and management organizations they partner with, including evaluations of the school satisfaction on a semi-regular basis.

In Nevada, we have had much discussion about management organizations. It is our assertion that increased information will help us address questions raised relating to these partnerships. There is a proposed amendment ([Exhibit E](#)) for section 3 that would allow for, in addition to the SPCSA establishing standards, best in class governance training to provide training directly to charter school boards aligned to the standards across the State. In case those training requirements have costs associated with them, Opportunity180 was recently awarded a federal grant that would provide technical assistance support to the broader public charter school sector. This includes increasing shared best practices across all types of public schools—district and charter—and supporting governance training as required by A.B. 419. We will have those technical assistance funds provided for the next five years.

ASSEMBLYWOMAN BILBRAY-AXELROD:

The proposed amendment in [Exhibit E](#) is language I am putting back into the bill. It was removed, but through communications and the discovery of the federal grant, I wanted to reintroduce that language.

SENATOR BUCK:

I like and have been following the Silver State Governance trainings. This is great, but my concern with [A.B. 419](#) is with the portion regarding transparency and how it focuses on charter schools. I would love to have school districts added to this bill. We have seen in our different trustee situations across WCSD and CCSD there are issues. When it comes to an EMO or CMO, and the percentage of dollars, that is all in public record. It is okay to have that on the website, but I would love to see from the district perspective how many dollars go to the schools.

ASSEMBLYWOMAN BILBRAY-AXELROD:

I would agree, but I do not think [A.B. 419](#) is the vehicle to push that desire. I would like to work with you over the Interim on this point. I do think there needs to be accountability across the board. We can take the language in this bill and scale it up.

DANIEL PIERROTT (Pearson):

I have supporting testimony ([Exhibit F](#)) for [A.B. 419](#).

MR. DALY:

We are neutral on [A.B. 419](#) as amended. Its additional regulation of Nevada charter schools is no longer strong enough to merit our support. Over the last several years, the Nevada State Education Association has been calling for greater accountability controls for charter schools, including a cap on charter school expansion. While this proposal was not successful, the Legislature passed a five-year growth management plan for charter schools. Interestingly enough, while the SPCSA was developing this management plan, they approved nearly 5,000 new charter slots. This last month, we found that charter school slots are projected to increase 8.6 percent in fiscal year 2021-2022 and a whopping 15.9 percent in fiscal year 2022-2023 while enrollment in neighborhood public schools remains relatively stagnant.

We know the explosion of growth in charter schools has been driven by deliberate billionaire-backed efforts to exempt charter schools from the basic

safeguards and standards that apply to our neighborhood public schools. This growth has created an uneven dynamic, undermining local public schools and communities, without producing an overall increase in student learning and growth.

While the SPCSA has made improvements since last Session, including conducting site visits, let us be honest with each other. The SPCSA is only now clearing a relatively low bar of accountability. While it is great the SPCSA has just begun to address the biases against disadvantaged students, when looking at the overall charter student population, charter schools serve proportionally fewer at-risk students, English learners and students with disabilities. Even with progress, there is no path for charter schools to achieve parity in the foreseeable future.

Last June, we learned of the extent of the problems of the inner workings of charter operators and charter management organizations when the *Nevada Current* reported on a dispute between the American Preparatory Academy in Las Vegas and its Utah-based, for-profit management organization. This included large payouts to EMOs who the charter school claimed provided little in terms of services and complicated financial relationships related to charter school authorities.

Assembly Bill 419 does not address the issue of charter growth or student mix. As amended, it no longer prohibits the operators of the lowest performing charter schools from opening new charter schools. Instead, it is a very modest reform when this situation calls for more sweeping change.

CHAIR DENIS:

I will close the hearing on A.B. 419 and open the hearing on A.B. 420.

ASSEMBLY BILL 420 (1st Reprint): Revising provisions governing educational management organizations. (BDR 34-754)

ASSEMBLYWOMAN SHANNON BILBRAY-AXELROD (Assembly District No. 34):

Assembly Bill 420 revises the definition of the entity that provides certain services to charter schools. When you hear the phrase EMO, it sounds like an entity that manages schools. However, these companies are providing a service as a vendor and are accountable to the governing body of a charter school that chooses to contract with them. *Nevada Revised Statute* 388A.030 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." This is very broad and open to misinterpretation.

I found this was the case when I started chairing the Assembly Committee on Education. The more I asked about the term, the more I found different people had a different interpretation of what an EMO is. This bill revises the definition of an EMO to clarify and tighten the term to better reflect what these entities are and how they serve charter schools. Section 1 of the bill defines an EMO as:

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.

SENATOR DONDERO LOOP:

Is A.B. 420 where they have to comply, and we have to know their financial bearing? There are many bills relating to charter schools.

ASSEMBLYWOMAN BILBRAY-AXELROD:

No, this bill only clarifies the definition of EMOs.

SENATOR BUCK:

Could you clarify for everyone what the difference between a CMO and an EMO is?

MS. FEIDEN:

Nationally, a CMO refers to a charter management organization. That is defined in NRS. It refers to a non-profit organization as well. An EMO is a for-profit entity. Typically, they provide similar services. These organizations can provide a wide range of services and the definition speaks to that with the language of "without limitation," but generally these are centralized services.

CHAIR DENIS:

I will close the hearing on A.B. 420 and open the hearing on A.B. 68.

ASSEMBLY BILL 68 (1st Reprint): Makes various changes relating to charter schools. (BDR 34-286)

Ms. FEIDEN:

For this presentation, I have provided you with a bill description ([Exhibit G](#)) of A.B. 68.

Assembly Bill 68 does three main things. First, it adjusts the timeline for action on new charter school applications. Existing statute requires the SPCSA to consider an application for a new charter school within 60 days of receipt of the application or on another mutually agreeable timeline. The review process for new charter applications includes evaluation against the SPCSA's application rubric, a capacity interview and soliciting input from the local school district. Section 1 of A.B. 68 proposes extending the timeline for action on new school applications from 60 to 120 days. This will ensure sufficient time for a robust review, including input from our local districts.

The second change proposed in A.B. 68 is clarifying the provisions for termination and closure of charter schools. While the SPCSA does not close schools frequently, it is a critical accountability tool for persistent underperformance. When we do close a school, it is important that we are intentional and thoughtful, because school closure has a substantial impact on students, families, teachers and communities.

Charter schools are subject to a performance contract and the statute includes two contract termination provisions. One is mandatory, in which the sponsor, such as the SPCSA, has no discretion. The other is permissive and outlines circumstances where the sponsor may terminate a charter contract and close a school. Section 4 and section 5 propose that both termination statutes be applied to a specific campus—or the elementary, middle or high school within a campus—if there are variations in performance.

Some charter school contracts cover multiple campuses, such as the Pinecrest or Mater schools in southern Nevada. Other charter contracts cover a full K-12 elementary, middle and high school. This change would allow the sponsor to target the closure to a campus or elementary, middle or high school that is persistently underperforming, rather than be bound to act on either all or none of the campuses or components of the school under the charter contract. To be clear, this would not require the sponsor to parse out elementary, middle, or

high school, or campuses when considering termination, but rather would allow that discretion if appropriate. For example, if a charter contract covered five campuses and one was persistently underperforming while the others were higher performing, the sponsor could close the one campus that was struggling rather than close all five.

There was one minor amendment in the Assembly. Previously, the language regarding “elementary, middle, and high schools” was simply “grade levels.” “Grade levels” has been changed to specifically refer to “elementary, middle, and high schools” to make clear this provision could not be used to close one grade level. Rather, it is intended to be aligned directly to the star ratings which are done on an elementary, middle and high school level.

The last concept in A.B. 68 relates to schools approved to be rated on the Alternative Performance Framework (APF). Before I get into the specific changes proposed in the bill, I will provide a brief context on APF schools. All schools in Nevada must be rated on the Nevada School Performance Framework—in other words, be given a star rating. However, a school may also apply for approval to the State Board of Education to be rated on the APF. These schools typically fall into one of four categories: schools offering credit recovery programs for severely credit deficient students; behavioral programs; juvenile detention facilities; and special education schools serving students with identified disabilities.

To qualify to be rated under the APF, at least 75 percent of the student population meets one or more of the following criteria: have been expelled or suspended; have repeated disciplinary issues; be severely credit deficient; be under court supervision; or have an individualized education program. There are 30 schools on the APF and most are district schools. However, three charter schools are rated on the APF. One is an SPCSA sponsored school—Beacon Academy—and the other two are district sponsored charters.

Sections 2, 3 and 4 of A.B. 68 seek to recognize the noticeable differences between a typical school and an APF school in NRS 388A. As I mentioned earlier, there are two contract termination statutes, one mandatory and one permissive. The mandatory statute requires the sponsor to terminate a contract for a school that earns three one-star ratings within a five-year period. For any typical school, this makes sense.

For an APF school, particularly one like Beacon that serves severely credit deficient students, a one-star rating may not tell the whole story. They are on the APF to be rated on additional indicators that shed light on other measures of performance. Assembly Bill 68 proposes to exempt APF charter schools from the mandatory termination statute. To be clear, a sponsor would still be able to close these charters as they would be subject to the permissive termination statutes.

The final change proposed related to APF schools has to do with contract amendments. A charter school can request a contract amendment for a variety of reasons such as to increase enrollment, change locations or add a campus. The existing statute requires the sponsor to deny certain amendment requests due to poor performance. Assembly Bill 68 would exempt APF schools from the required denial of an amendment request. To be clear, the State Board of Education still has discretion on amendments and can still deny a request. This change would simply exempt these schools from the requirement to deny certain amendment requests. Ultimately, both of these provisions related to APF schools would allow a sponsor to honor the APF data, not rely solely on the star rating for those schools approved by the State Board of Education to be rated on the APF.

CHAIR DENIS:

When it comes to the APF, does A.B. 68 make it so not any school can transition? Is there a process to become an APF school?

MS. FEIDEN:

That is correct. A set of criteria must be met, and a school must be approved by the State Board of Education to be on that list.

SENATOR DONDERO LOOP:

Due to section 6, subsection 6, could you clarify that APF schools are exempt from the star rating because of the students they are serving or another reason?

MS. FEIDEN:

Federal law requires each state have a rating system and every school be rated. By federal statute, Beacon Academy has to be rated in a star rating system and most recently was rated as a one-star school. Its graduation rate is low because it serves students who are in Grade 12 with few credits. The APF provides an

additional layer of information that helps us to understand the context of that school.

Section 2, subsection 6 exempts schools from mandatory denials that are tied to star ratings. Those mandatory denials make sense in the case of a typical school. A school that has three one-star ratings in a five year period should mandatorily be closed. However, the star rating does not tell the full story for an APF school. Section 2, subsection 6 removes APF schools from the mandatory components but continues to allow those permissive pieces so the SPCSA has discretion.

SENATOR DONDERO LOOP:

Is this the same in our public schools?

MS. FEIDEN:

District charter schools have to be rated on a star rating. If they are an APF school, they also receive an APF rating. There are no closure provisions for a district school. That circumstance would not come up. The intent behind the APF is to look at a broader set of data which allows us to better understand the performance through the lens of the population they serve.

CHAIR DENIS:

The purpose behind section 2, subsection 6 is to encourage these schools to work with this subset of students? If we did not allow for this, then would they automatically be closed after three years of one-star ratings?

MS. FEIDEN:

That is absolutely right. One of the important parts of charter schools is we seek to serve all students, and we provide innovative ways to do that. Beacon Academy is providing an innovative option for students in Clark County who have experienced a number of different challenges in their educational careers. We do not want schools to automatically be forced to close. Our Board should look at the data from the APF and determine if a school should close or not rather than be bound to the mandatory termination statute.

CHAIR DENIS:

By making these changes, would the Board be prohibited from looking at the data and deciding to close an APF school anyway?

MS. FEIDEN:

There are three categories of things that would constitute a reason to close a charter school. They are academic performance, organizational performance, such as things like compliance and financial issues. The permissive termination statute would continue to apply to all schools, including those on the APF. Our Board could opt to close an APF school. The exemption is strictly to the mandatory piece.

ERICA VALDRIZ (Vegas Chamber):

We are in support of A.B. 68. The Chamber supports diverse educational opportunities for students such as charter schools in Nevada. We believe this bill continually supports student achievements and the wellbeing of our students.

CHAIR DENIS:

I will close the hearing on A.B. 68.

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CHAIR DENIS:

Seeing no public comment, the meeting is adjourned at 2:40 p.m.

RESPECTFULLY SUBMITTED:

Ian Gahner,
Committee Secretary

APPROVED BY:

Senator Moises Denis, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
A.B. 338	B	1	Assemblyman David Orentlicher	State Investment in Foreign Country Bonds Slide
A.B. 109	C	1	Chris Daly / Nevada State Education Association	Opposition Testimony
A.B. 109	D	1	Alexander Marks / Nevada State Education Association	Educator Comments
A.B. 419	E	1	Jana Wilcox Lavin / Opportunity180	Proposed Amendment
A.B. 419	F	1	Daniel Pierrott / Pearson	Support Testimony
A.B. 68	G	1	Rebecca Feiden / State Public Charter School Authority	Bill Description