### ASSEMBLY BILL NO. 419-COMMITTEE ON EDUCATION

### MARCH 25, 2021

### Referred to Committee on Education

# SUMMARY—Revises provisions governing charter schools. (BDR 34-751)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

EXPLANATION - Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to education; establishing various provisions related to the sponsorship and governance of charter schools; requiring the disclosure of certain information related to the management of charter schools; setting forth certain requirements for charter schools that have received certain low ratings of performance on the statewide system of accountability for public schools; prohibiting the approval of an application to form a charter school if the charter school is proposed to be managed by certain operators; and providing other matters properly relating thereto.

#### Legislative Counsel's Digest:

<sup>1</sup> Under existing law, the State Public Charter School Authority is required to <sup>2</sup> sponsor charter schools whose applications have been approved by the State Public <sup>3</sup> Charter School Authority. The Department of Education is authorized to approve <sup>4</sup> an application by the board of trustees of a school district or a college or university <sup>5</sup> within the Nevada System of Higher Education to sponsor charter schools. (NRS <sup>6</sup> 388A.220) **Section 2** of this bill requires the Department to adopt regulations that <sup>7</sup> prescribe a framework for determining the qualifications of an applicant to sponsor <sup>8</sup> charter schools. <sup>9</sup> **Section 3** of this bill requires the State Public Charter School Authority to: (1)

9 Section 3 of this bill requires the State Public Charter School Authority to: (1) establish standards for the governance of charter schools; and (2) publish a list of training programs approved by the State Public Charter School Authority for governance of charter schools. Under section 3, the State Public Charter School Authority is authorized to provide a training program for governance of charter schools. Section 3 also requires each member of the governing body of a charter school to complete training on the governance of charter schools at certain times. Section 4 of this bill requires each member of the State Public Charter School





17 Authority to complete training on the responsibilities of the member, the 18 authorization of sponsors of charter schools and the governance of charter schools.

**Section 5** of this bill requires the governing body of a charter school to disclose certain information regarding a charter management organization, educational management organization or other person with which the charter school has entered into a contract to provide services to the charter school. **Section 6** of this bill requires the governing body of a charter school that receives services from an educational management organization to disclose certain information regarding the educational management organization on the Internet website of the charter school and to the sponsor of the charter school. Existing law establishes a statewide system of accountability for public schools. (NRS 385A.600-385A.840) Under existing law, the governing body of a charter school is authorized to request a change in the sponsor of a charter school. (NRS 388A.231) Existing law also authorizes the sponsor of a charter school to

Existing law establishes a statewide system of accountability for public schools. (NRS 385A.600-385A.840) Under existing law, the governing body of a charter school is authorized to request a change in the sponsorship of the charter school. (NRS 388A.231) Existing law also authorizes the sponsor of a charter school to 31 reconstitute the governing body of a charter school or terminate a charter contract 32 33 34 in certain circumstances. (NRS 388A.330) Section 8 of this bill clarifies that the governing body of a charter school is authorized to request to be sponsored by the State Public Charter School Authority. Section 7 of this bill requires the sponsor of 35 a charter school that has received one of the two lowest ratings of performance 36 pursuant to the statewide system of accountability for public schools in the last 3 37 consecutive years and has not requested a change in sponsorship to submit a report 38 to the Legislative Committee on Education of information relating to actions the 39 sponsor of the charter school has taken to reconstitute the governing body of the 40 charter school or terminate the charter contract.

41 Existing law sets forth various requirements for a proposed sponsor of a charter 42 43 44 school to review an application to form a charter school. (NRS 388A.249) Section **9** of this bill requires the proposed sponsor to inform the Executive Director of the State Public Charter School Authority of the proposed operators of a proposed 45 charter school. If the Executive Director determines that the proposed operators of a 46 proposed charter school are the same as or substantially similar to the operators of 47 an existing charter school that has received one of the two lowest ratings of 48 performance pursuant to the statewide system of accountability for public schools 49 in the last 3 consecutive years, section 9 requires the proposed sponsor of the 50 charter school to deny the application.

51 **Sections 10-12** of this bill make conforming changes relating to the 52 requirement to deny an application to form a charter school if the charter school 53 will be operated by certain operators.

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

1 **Section 1.** Chapter 388A of NRS is hereby amended by 2 adding thereto the provisions set forth as sections 2 to 7, inclusive, 3 of this act.

4 Sec. 2. The Department shall adopt regulations that 5 prescribe a framework for determining whether an applicant to

6 sponsor charter schools is qualified to sponsor charter schools and

7 on the evaluation of applications to form charter schools. The

8 Department shall evaluate an application to sponsor charter

9 schools submitted to the Department pursuant to NRS 388A.220

10 based on the framework adopted pursuant to this section.





Sec. 3. 1. The State Public Charter School Authority shall: 1 2 (a) Establish standards for the governance of charter schools; 3 and

(b) Publish a list of training programs on the governance of 4 charter schools approved by the State Public Charter School 5 6 Authority on the Internet website maintained by the State Public 7 Charter School Authority.

8 2. The State Public Charter School Authority may provide 9 training on the governance of charter schools to the governing body of a charter school. 10

11 3. Each member of the governing body of a charter school 12 must complete a training program approved pursuant to subsection 1 or provided pursuant to subsection 2 on the 13 governance of a charter school: 14

(a) Before the opening of the charter school; 15 16

(b) Every 3 years thereafter; and

(c) Each year in which the governing body is composed of two 17 18 or more new members.

Sec. 4. Each member of the State Public Charter School 19 20 Authority must complete training:

21 At the time the member is appointed to the State Public 1. 22 Charter School Authority, on the responsibilities of the member and any framework used by the State Public Charter School 23 24 Authority in performing its duties, including, without limitation, 25 the framework adopted pursuant to section 2 of this act; and

26 Each year, on the evaluation of applications to form 2. 27 charter schools and the governance of charter schools.

28 Sec. 5. Each year, each governing body of a charter school 29 shall post on its Internet website a disclosure of:

30 1. Any conflicts of interest concerning a member of the governing body or sponsor of the charter school and a charter 31 32 management organization, educational management organization 33 or other person with which the governing body of the charter 34 school has entered into a contract to provide any services at the 35 charter school in the immediately preceding year; and

36 Whether the charter school is operated by a charter 2. 37 management organization or receives services from an educational management organization and, if so, the name of the 38 charter management organization or educational management 39 40 organization.

41 Sec. 6. 1. The governing body of a charter school that 42 receives services from an educational management organization 43 shall:

44 (a) Post to the Internet website of the charter school:





1 (1) Each financial audit and each performance audit of the 2 charter school required by the Department pursuant to NRS 3 388A.105 or 388A.110; and

4 (2) Information on the contract with the charter 5 management organization or the educational management 6 organization, including, without limitation:

7 (I) The amount of money received by the educational 8 management organization from public and private sources to 9 carry out the terms of the contract;

10 (II) The expenditures of the educational management 11 organization relating to carrying out the contract, including, 12 without limitation, the payment of salaries, benefits and bonuses; 13 and

14 (III) An identification of each contract, transaction and 15 agreement entered into by the educational management 16 organization related to carrying out the contract with the charter 17 school, including, without limitation, contracts, transactions and 18 agreements with parent organizations, subsidiaries and 19 partnerships of the educational management organization; and

20 (b) Submit information on the contract with the educational 21 management organization and a letter describing whether the 22 governing body of the charter school is satisfied with the 23 contractual relationship with the educational management 24 organization to the sponsor of the charter school.

25 2. On or before December 15 of each odd-numbered year, the 26 sponsor of a charter school that receives information on a contract 27 between the governing body of a charter school and an 28 educational management organization pursuant to subsection 1 29 shall submit a report of such information to the Legislative 30 Committee on Education.

31 Sec. 7. On or before December 15 of each odd-numbered 32 year, the sponsor of a charter school must submit a report 33 describing any actions the sponsor of the charter school has taken 34 pursuant to NRS 388A.330 to the Legislative Committee on 35 Education if:

36 1. The charter school has received, within the immediately 37 preceding 3 or more consecutive school years, one of the two 38 lowest ratings of performance pursuant to the statewide system of 39 accountability for public schools; and

40 2. The governing body of the charter school does not plan to 41 close the charter school pursuant to NRS 388A.306 or change the 42 sponsorship of the charter school to the sponsorship of the State 43 Public Charter School Authority pursuant to NRS 388A.231.





1 Sec. 8. NRS 388A.231 is hereby amended to read as follows:

388A.231 The governing body of a charter school may request,
at any time, a change in the sponsorship of the charter school to an
entity that is authorized to sponsor charter schools pursuant to NRS
388A.220 [-], *including, without limitation, the State Public Charter School Authority.* The State Board shall adopt:

7 1. A process for a charter school that requests a change in the 8 sponsorship of the charter school, which must not require the charter 9 school to undergo all the requirements of an initial application to 10 form a charter school; and

11 2. Objective criteria for the conditions under which such a 12 request may be granted.

13 Sec. 9. NRS 388A.249 is hereby amended to read as follows:

14 388A.249 1. A committee to form a charter school or charter 15 management organization may submit the application to the 16 proposed sponsor of the charter school. If an application proposes to 17 convert an existing public school, homeschool or other program of 18 home study into a charter school, the proposed sponsor shall deny 19 the application.

20 2. The proposed sponsor of a charter school shall, in reviewing 21 an application to form a charter school:

(a) Assemble a team of reviewers, which may include, without
limitation, natural persons from different geographic areas of the
United States who possess the appropriate knowledge and expertise
with regard to the academic, financial and organizational experience
of charter schools, to review and evaluate the application;

(b) Conduct a thorough evaluation of the application, which
includes an in-person interview with the applicant designed to elicit
any necessary clarifications or additional information about the
proposed charter school and determine the ability of the applicants
to establish a high-quality charter school;

(c) Consider the degree to which the proposed charter school
will address the needs identified in the evaluation prepared by the
proposed sponsor pursuant to subsection 5 or 6 of NRS 388A.220,
as applicable;

(d) If the proposed sponsor is not the board of trustees of a
school district, solicit input from the board of trustees of the school
district in which the proposed charter school will be located;

(e) Base its determination on documented evidence collected
 through the process of reviewing the application; [and]

41 (f) Adhere to the policies and practices developed by the 42 proposed sponsor pursuant to subsection 2 of NRS 388A.223 [.]; 43 and

44 (g) Notify the Executive Director of the proposed operators, 45 including, without limitation, a charter management organization





1 or educational management organization, of the proposed charter 2 school.

3 3. The proposed sponsor of a charter school may approve an 4 application to form a charter school only if the proposed sponsor 5 determines that:

6 (a) The application:

7 (1) Complies with this chapter and the regulations applicable 8 to charter schools; and

9 (2) Is complete in accordance with the regulations of the 10 Department and the policies and practices of the sponsor;

(b) The applicant has demonstrated competence in accordance
with the criteria for approval prescribed by the sponsor pursuant to
subsection 2 of NRS 388A.223 that will likely result in a successful
opening and operation of the charter school;

15 (c) Based on the most recent evaluation prepared by the 16 proposed sponsor pursuant to subsection 5 or 6 of NRS 388A.220, 17 as applicable, the proposed charter school will address one or more 18 of the needs identified in the evaluation; and

(d) It has received sufficient input from the public, including,
without limitation, input received at the meeting held pursuant to
subsection 1 of NRS 388A.252 or subsection 1 of NRS 388A.255,
as applicable.

4. The identity of each member of the team of reviewers assembled by a proposed sponsor of a charter school is confidential for 5 years after the review of an application to form a charter school is complete and must not be disclosed unless ordered by a district court in an action brought pursuant to subsection 3 of NRS 388A.255.

29 5. If, after receiving notice of the proposed operators of a 30 proposed charter school pursuant to paragraph (g) of subsection 31 2, the Executive Director determines that the proposed operators 32 of a proposed charter school are the same or substantially similar 33 to the operators of an existing charter school that has received, within the immediately preceding 3 or more consecutive school 34 35 years, one of the two lowest ratings of performance pursuant to the statewide system of accountability for public schools, the 36 proposed sponsor shall deny the application. 37

**6.** On or before January 1 of each odd-numbered year, the Superintendent of Public Instruction shall submit a written report to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature. The report must include:

42 (a) A list of each application to form a charter school that was
43 submitted to the board of trustees of a school district, the State
44 Public Charter School Authority, a college or a university during the
45 immediately preceding biennium;





(b) The educational focus of each charter school for which an 1 2 application was submitted:

(c) The current status of the application; and

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(d) If the application was denied, the reasons for the denial.

5 **Sec. 10.** NRS 388A.252 is hereby amended to read as follows:

6 388A.252 1. If the board of trustees of a school district or a college or a university within the Nevada System of Higher 7 8 Education, as applicable, receives an application to form a charter 9 school, the board of trustees or the institution, as applicable, shall consider the application at a meeting that must be held not later than 10 60 days after the receipt of the application, or a later period mutually 11 12 agreed upon by the committee to form the charter school and the 13 board of trustees of the school district or the institution, as 14 applicable, and ensure that notice of the meeting has been provided pursuant to chapter 241 of NRS. The board of trustees, the college 15 16 or the university, as applicable, shall review an application in 17 accordance with the requirements for review set forth in subsections 18 2 and 3 of NRS 388A.249.

19 2. The board of trustees, the college or the university, as 20 applicable, may approve an application if the requirements of 21 [subsection] subsections 3 and 5 of NRS 388A.249 are satisfied.

22 The board of trustees, the college or the university, as 3. 23 applicable, shall provide written notice to the applicant of its 24 approval or denial of the application. If the board of trustees, the 25 college or the university, as applicable, denies an application, it shall 26 include in the written notice the reasons for the denial and the 27 deficiencies. The applicant must be granted 30 days after receipt of 28 the written notice to correct any deficiencies identified in the written 29 notice and resubmit the application.

If the board of trustees, the college or the university, as 30 4. 31 applicable, denies an application after it has been resubmitted 32 pursuant to subsection 3, the applicant may submit a written request 33 for sponsorship by the State Public Charter School Authority not 34 more than 30 days after receipt of the written notice of denial. Any 35 request that is submitted pursuant to this subsection must be 36 accompanied by the application to form the charter school. 37

**Sec. 11.** NRS 388A.255 is hereby amended to read as follows:

38 388A.255 1. If the State Public Charter School Authority 39 receives an application pursuant to subsection 1 of NRS 388A.249 or subsection 4 of NRS 388A.252, it shall consider the application 40 41 at a meeting which must be held not later than 60 days after receipt 42 of the application or a later period mutually agreed upon by the 43 committee to form the charter school and the State Public Charter School Authority. Notice of the meeting must be posted in 44 45 accordance with chapter 241 of NRS. The State Public Charter





School Authority shall review the application in accordance with the
 requirements for review set forth in subsections 2 and 3 of NRS
 388A.249. The State Public Charter School Authority may approve
 and 5 of NRS 388A.249 are satisfied. Not more than 30 days after
 the meeting, the State Public Charter School Authority shall provide
 written notice of its determination to the applicant.

8 2. If the State Public Charter School Authority denies or fails 9 to act upon an application, the denial or failure to act must be based upon a finding that the requirements of [subsection] subsections 3 10 and 5 of NRS 388A.249 have not been satisfied. The State Public 11 12 Charter School Authority shall include in the written notice the 13 reasons for the denial or the failure to act and the deficiencies. The 14 staff designated by the State Public Charter School Authority shall 15 meet with the applicant to confer on the method to correct the 16 identified deficiencies. The applicant must be granted 30 days after 17 receipt of the written notice to correct any deficiencies identified in 18 the written notice and resubmit the application.

3. If the State Public Charter School Authority denies an application after it has been resubmitted pursuant to subsection 2, the applicant may, not more than 30 days after the receipt of the written notice from the State Public Charter School Authority, appeal the final determination to the district court of the county in which the proposed charter school will be located.

Sec. 12. NRS 388A.725 is hereby amended to read as follows:

26 388A.725 A charter school that is sponsored by the State 1. 27 Public Charter School Authority, or a committee to form a charter 28 school or charter management organization that has submitted an 29 application to be sponsored by the State Public Charter School Authority, may apply to the State Public Charter School Authority 30 31 for authorization to operate as a charter school for distance 32 education. The charter school, committee to form a charter school or 33 charter management organization shall include in its application to 34 the State Public Charter School Authority a description of:

(a) The support available to each pupil, in his or her home or
 community, including, without limitation, the availability and
 frequency of interactions between the pupil and teachers;

(b) The methods the charter school for distance education will
use to administer any test, exam or assessment required by state or
federal law;

41 (c) The methods the charter school for distance education will 42 use to assess the academic success of pupils; and

(d) The criteria pupils must meet to be eligible for enrollment atthe charter school for distance education and the process foraccepting pupils.



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2. The State Public Charter School Authority may authorize:

2 (a) A charter school to operate as a charter school for distance 3 education if the charter school satisfies the requirements of 4 subsection 1.

5 (b) A committee to form a charter school or a charter management organization to form or operate, as applicable, a charter 6 7 school for distance education if the committee to form a charter 8 school charter management organization satisfies the or 9 requirements of [subsection] subsections 1, [and of subsection] 3 and 5 of NRS 388A.249. 10

11 3. The State Public Charter School Authority shall adopt a 12 standard charter contract that meets the requirements for charter 13 contracts pursuant to NRS 388A.270 to be used for each charter 14 school for distance education.

4. In addition to any other provisions required by law, a charter
contract to operate a charter school for distance education entered
into on or after July 31, 2019, must include a description of:

(a) The support available to each pupil, in his or her home or
 community, including, without limitation, the availability and
 frequency of interactions between the pupil and teachers;

(b) The methods the charter school for distance education will
use to administer any test, exam or assessment required by state or
federal law;

(c) The methods the charter school for distance education willuse to assess the academic success of pupils; and

(d) The criteria pupils must meet to be eligible for enrollment at
the charter school for distance education and the process for
accepting pupils.

29 Sec. 13. The provisions of subsection 1 of NRS 218D.380 do 30 not apply to any provision of this act which adds or revises a 31 requirement to submit a report to the Legislature.

32 Sec. 14. 1. This section becomes effective upon passage and 33 approval.

34 2. Sections 1 to 13, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting
 regulations and performing any preliminary administrative tasks
 necessary to carry out the provisions of this act; and

38 (b) On July 1, 2021, for all other purposes.

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