

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.

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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 relating to the sponsorship and governance of charter schools; requiring the disclosure of certain information relating 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; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the State Public Charter School Authority is required to
2 sponsor charter schools whose applications have been approved by the State Public
3 Charter School Authority. The Department of Education is authorized to approve
4 an application by the board of trustees of a school district or a college or university
5 within the Nevada System of Higher Education to sponsor charter schools. (NRS
6 388A.220) **Section 3** of this bill requires the sponsor of a charter school to establish
7 standards for the governance of each charter school which it sponsors. Under
8 **section 3**, the sponsor of a charter school is required to: (1) provide training to the
9 governing body of each charter school it sponsors on the governance of charter
10 schools; or (2) identify an organization approved by the sponsor to provide training
11 on the governance of charter schools. **Section 3** also requires each member of the
12 governing body of a charter school to complete training on the governance of
13 charter schools at certain times. **Section 4** of this bill requires each member of the
14 State Public Charter School Authority to complete training on the responsibilities of
15 the member and the governance of charter schools.

16 **Section 5** of this bill requires the governing body of a charter school to disclose
17 certain information regarding a charter management organization or educational
18 management organization with which the charter school has entered into a contract
19 to provide services to the charter school. **Section 6** of this bill requires the
20 governing body of a charter school that receives services from an educational



21 management organization to disclose certain information regarding the educational
22 management organization and certain contracts held by members of the governing
23 body of the charter school on the Internet website of the charter school and to the
24 sponsor of the charter school. **Section 6** also authorizes the sponsor of a charter
25 school to request certain information and conduct investigations.

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

39 Existing law sets forth various requirements for a proposed sponsor of a charter
40 school to review an application to form a charter school. (NRS 388A.249) Existing
41 law authorizes the governing body of a charter school to request to amend its
42 charter contract. (NRS 388A.276) **Section 9** of this bill requires the proposed
43 sponsor to consider the academic, financial and organizational performance of
44 charter schools that currently hold a contract with the proposed operators of a
45 proposed charter school. **Section 11.3** of this bill imposes similar requirements on
46 the sponsor of a charter school that requests to amend its charter contract.

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.** (Deleted by amendment.)

5 **Sec. 3. 1.** *The sponsor of a charter school shall establish*
6 *standards for the governance of each charter school which it*
7 *sponsors.*

8 *2. The sponsor of a charter school shall provide training on*
9 *the governance of charter schools to the governing body of each*
10 *charter school which it sponsors or identify an organization*
11 *approved by the sponsor of the charter school to provide training*
12 *on the governance of charter schools.*

13 *3. Each member of the governing body of a charter school*
14 *must complete the training provided by the sponsor of the charter*
15 *school or an organization identified by the sponsor of the*
16 *charter school pursuant to subsection 2 on the governance of a*
17 *charter school:*

18 *(a) Before the opening of the charter school; and*

19 *(b) Every 3 years thereafter.*



1 **Sec. 4.** *Each member of the State Public Charter School*
2 *Authority must complete training:*

3 1. *At the time the member is appointed to the State Public*
4 *Charter School Authority, on the responsibilities of the member*
5 *and any framework used by the State Public Charter School*
6 *Authority in performing its duties; and*

7 2. *Each year, on the evaluation of applications to form*
8 *charter schools and the governance of charter schools.*

9 **Sec. 5.** *Each year, each governing body of a charter school*
10 *shall post on its Internet website the definition of a charter*
11 *management organization and an educational management*
12 *organization and whether the charter school is operated by a*
13 *charter management organization or receives services from an*
14 *educational management organization and, if so, the name of the*
15 *charter management organization or educational management*
16 *organization.*

17 **Sec. 6.** 1. *The governing body of a charter school that*
18 *receives services from an educational management organization*
19 *shall:*

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

21 (1) *Each financial audit and each performance audit of the*
22 *charter school required by the Department pursuant to NRS*
23 *388A.105 or 388A.110;*

24 (2) *Information on the contract with the charter*
25 *management organization or the educational management*
26 *organization, including, without limitation:*

27 (I) *The amount of money received by the educational*
28 *management organization from public and private sources to*
29 *carry out the terms of the contract;*

30 (II) *The expenditures of the educational management*
31 *organization relating to carrying out the contract, including,*
32 *without limitation, the payment of salaries, benefits and bonuses;*
33 *and*

34 (III) *An identification of each contract, transaction and*
35 *agreement entered into by the educational management*
36 *organization relating to carrying out the contract with the charter*
37 *school, including, without limitation, contracts, transactions and*
38 *agreements with parent organizations, subsidiaries and*
39 *partnerships of the educational management organization; and*

40 (3) *To the extent practicable, information on any contract*
41 *between a member of the governing body of the charter school or*
42 *any member of the family of the member of the governing body*
43 *and another charter school, sponsor of a charter school, charter*
44 *management organization or educational management*
45 *organization.*



1 *(b) Submit information on the contract with the educational*
2 *management organization and a letter describing whether the*
3 *governing body of the charter school is satisfied with the*
4 *contractual relationship with the educational management*
5 *organization to the sponsor of the charter school.*

6 *2. The sponsor of a charter school may, after reviewing the*
7 *information provided pursuant to paragraph (b) of subsection 1,*
8 *request additional information, conduct an investigation or*
9 *otherwise take action relating to the information received by the*
10 *sponsor of the charter school.*

11 *3. On or before December 15 of each odd-numbered year, the*
12 *sponsor of a charter school that receives information on a contract*
13 *between the governing body of a charter school and an*
14 *educational management organization pursuant to subsection 1*
15 *shall submit a report of such information to the Legislative*
16 *Committee on Education.*

17 **Sec. 7.** *On or before December 15 of each odd-numbered*
18 *year, the sponsor of a charter school must submit a report*
19 *describing any actions the sponsor of the charter school has taken*
20 *pursuant to NRS 388A.330 to the Legislative Committee on*
21 *Education if:*

22 *1. The charter school has received, within each of the*
23 *immediately preceding 3 consecutive school years, one of the two*
24 *lowest ratings of performance pursuant to the statewide system of*
25 *accountability for public schools; and*

26 *2. The governing body of the charter school does not plan to*
27 *close the charter school pursuant to NRS 388A.306 or change the*
28 *sponsorship of the charter school pursuant to NRS 388A.231.*

29 **Sec. 8.** (Deleted by amendment.)

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

31 388A.249 1. A committee to form a charter school or charter
32 management organization may submit the application to the
33 proposed sponsor of the charter school. If an application proposes to
34 convert an existing public school, homeschool or other program of
35 home study into a charter school, the proposed sponsor shall deny
36 the application.

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

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

44 (b) Conduct a thorough evaluation of the application, which
45 includes an in-person interview with the applicant designed to elicit



1 any necessary clarifications or additional information about the
2 proposed charter school and determine the ability of the applicants
3 to establish a high-quality charter school;

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

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

11 (e) Base its determination on documented evidence collected
12 through the process of reviewing the application; ~~and~~

13 (f) Adhere to the policies and practices developed by the
14 proposed sponsor pursuant to subsection 2 of NRS 388A.223 ~~and~~ ;
15 *and*

16 *(g) Consider the academic, financial and organizational*
17 *performance of any charter schools that currently hold a contract*
18 *with the proposed operators, including, without limitation, a*
19 *charter management organization or educational management*
20 *organization, of the proposed charter school.*

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

24 (a) The application:

25 (1) Complies with this chapter and the regulations applicable
26 to charter schools; and

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

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

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

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

41 4. The identity of each member of the team of reviewers
42 assembled by a proposed sponsor of a charter school is confidential
43 for 5 years after the review of an application to form a charter
44 school is complete and must not be disclosed unless ordered by a



1 district court in an action brought pursuant to subsection 3 of
2 NRS 388A.255.

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

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

11 (b) The educational focus of each charter school for which an
12 application was submitted;

13 (c) The current status of the application; and

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

15 **Sec. 10.** (Deleted by amendment.)

16 **Sec. 11.** (Deleted by amendment.)

17 **Sec. 11.3.** NRS 388A.276 is hereby amended to read as
18 follows:

19 388A.276 The governing body of a charter school may submit
20 to the sponsor of the charter school a written request for an
21 amendment of the charter contract. *The sponsor of the charter*
22 *school shall consider the academic, financial and organizational*
23 *performance of any charter schools that currently hold a contract*
24 *with the current or proposed operators, including, without*
25 *limitation, a charter management organization or educational*
26 *management organization, of the charter school. If the proposed*
27 amendment complies with the provisions of this chapter and any
28 other statute or regulation applicable to charter schools, the sponsor
29 and the governing body of the charter school may amend the charter
30 contract in accordance with the proposed amendment. If the sponsor
31 denies the request for an amendment, the sponsor shall provide
32 written notice to the governing body of the charter school setting
33 forth the reasons for the denial.

34 **Sec. 11.7.** NRS 388A.320 is hereby amended to read as
35 follows:

36 388A.320 1. Unless a waiver is granted pursuant to
37 subsection 2 of NRS 388A.243, the governing body of a charter
38 school must consist of:

39 (a) One member who is a teacher or other person licensed
40 pursuant to chapter 391 of NRS or who previously held such a
41 license and is retired, as long as his or her license was held in good
42 standing.

43 (b) One member who:

44 (1) Satisfies the qualifications of paragraph (a); or



1 (2) Is a school administrator with a license issued by another
2 state or who previously held such a license and is retired, as long as
3 his or her license was held in good standing.

4 (c) One parent or legal guardian of a pupil enrolled in the charter
5 school who is not a teacher or an administrator at the charter school.

6 (d) Two members who possess knowledge and experience in
7 one or more of the following areas:

- 8 (1) Accounting;
9 (2) Financial services;
10 (3) Law; or
11 (4) Human resources.

12 2. In addition to the members who serve pursuant to subsection
13 1, the governing body of a charter school may include, without
14 limitation, parents and representatives of nonprofit organizations
15 and businesses. Unless a waiver is granted pursuant to subsection 2
16 of NRS 388A.243, not more than two persons who serve on the
17 governing body may represent the same organization or business or
18 otherwise represent the interests of the same organization or
19 business. A majority of the members of the governing body must
20 reside in this State. If the membership of the governing body
21 changes, the governing body shall provide written notice to the
22 sponsor of the charter school within 10 working days after such
23 change.

24 3. A person may serve on the governing body only if the
25 person submits an affidavit to the sponsor of the charter school
26 indicating that the person:

27 (a) Has not been convicted of a felony relating to serving on the
28 governing body of a charter school or any offense involving moral
29 turpitude.

30 (b) Has received training or read and understands material
31 concerning the roles and responsibilities of members of governing
32 bodies of charter schools and other training and material designed to
33 assist the governing bodies of charter schools, if such training and
34 material is provided to the person by the sponsor or an application to
35 form a charter school or amend a charter contract provides that the
36 member would receive such training or read and understand such
37 material.

38 (c) Complies with the requirements of NRS 388A.323.

39 4. *A person who wishes to serve on the governing body shall*
40 *disclose to the sponsor of the charter school any conflicts of*
41 *interest concerning the person or any family member of the person*
42 *and a charter management organization, educational*
43 *management organization or other person with which the*
44 *governing body of the charter school has entered into a contract to*



1 *provide any services at the charter school in the immediately*
2 *preceding year.*

3 5. The governing body of a charter school is a public body. It is
4 hereby given such reasonable and necessary powers, not conflicting
5 with the Constitution and the laws of the State of Nevada, as may be
6 requisite to attain the ends for which the charter school is
7 established and to promote the welfare of pupils who are enrolled in
8 the charter school.

9 ~~5.1~~ 6. The governing body of a charter school shall, during
10 each calendar quarter, hold at least one regularly scheduled public
11 meeting in the county in which a facility operated by the charter
12 school where pupils receive instruction is located. Upon an
13 affirmative vote of a majority of the membership of the governing
14 body, each member is entitled to receive a salary of not more than
15 \$80 for attendance at each meeting, as fixed by the governing body,
16 not to exceed payment for more than one meeting per month.

17 ~~6.1~~ 7. As used in subsection 1, "teacher" means a person who:
18 (a) Holds a current license to teach issued pursuant to chapter
19 391 of NRS or who previously held such a license and is retired, as
20 long as his or her license was held in good standing; and

21 (b) Has at least 2 years of experience as an employed teacher.

22 ↪ The term does not include a person who is employed as a
23 substitute teacher.

24 **Sec. 12.** (Deleted by amendment.)

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

28 **Sec. 14.** 1. This section becomes effective upon passage and
29 approval.

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

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

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

