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ASSEMBLY COMMITTEE ON EDUCATION

WORK SESSION DOCUMENT

April 9, 2003

Prepared by

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Research Division

W 1/5

ASSEMBLY EDUCATION
DATE: 4/9/03 ROOM: 3143 EXHIBIT W
SUBMITTED BY: CAROL STONEFIELD

TAB

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W 2/5

Sponsor: Assembly Committee on Education

This measure requires that before a board of trustees can enter a privatization agreement for the performance of instructional services, it must undertake an investigation of the proposed contractor. The board must give written notice to the residents of the school district and the bargaining agents of the employees. The notice must include a description of the services, reasons for the agreement, a cost and benefit analysis, and the manner in which a copy of the agreement can be obtained.

The board cannot adopt a privatization agreement if it will result in a reduction in force or the loss of status or benefits for employees. The board cannot adopt the agreement if the costs outweigh the benefits.

Under certain circumstances the board must submit its agreement to the Legislature or the Legislative Committee on Education for approval. The privatization agreement must include standards of academic achievement for pupils, payment of rent for the use of district facilities, and a statement that the district has no obligation to indemnify the contractor against any liability. The terms of the agreement cannot exceed 3 years.

The act applies to contracts entered into on or after the effective date of the act. With respect to a contract existing at the passage of the act, no money apportioned to a district on or after that date may be expended in connection with a contract that does not meet the provisions of this bill.

Proponents: This bill establishes a process of accountability and oversight. Six of 7 Las Vegas schools contracted with Edison are on the list of schools in need of improvement.

The Legislature can modify the terms of an existing contract if there is an overriding public interest.

Opponents: This bill inserts legislative control into what is essentially a local function. Contract decisions are local matters.

Edison chose at-risk schools. The Clark County School District Board of Trustees thought that it would try something different with these schools.

Fiscal Impact: Local government: Yes
State government: No

Proposed Amendments: Nevada State Education Association (see attached)

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Nevada State Education Association
Proposed Amendments to A.B. 512

Section 4
Proposed Amendment

Delete the words "related to education" at page 2, lines 36-37.

Explanation

Section 4 of the bill defines "privatization agreement" in terms of the performance of "instructional services or any other service *related to education* that would, but for the agreement, be performed by an employee of the district." (Emphasis added.) Deleting "related to education" would eliminate any uncertainty about whether a given service – e.g., grounds-keeping at the schools or food service work in school cafeterias – is covered by the bill. So long as the service is one that would otherwise be performed by an employee of the District, any proposed agreement to privatize the service is a privatization agreement and should be covered by the bill.

Section 9
Proposed Amendment

Change "may" to "shall" at page 4, line 39, and delete the prefatory phrase, "If a board of trustees chooses to submit such an agreement for legislative approval" at lines 41-42.

Explanation

Section 9 of the bill provides that certain privatization agreements adopted by the board of trustees of a school district are not effective until they have been submitted to and approved by the Legislature (when the Legislature is in session) or the Legislative Committee on Education (during the interim). The requirement of legislative approval is intended to be mandatory in those cases to which the requirement applies.

As presently drafted, however, subsection 2 of section 9 provides that the board of trustees "*may*" submit a request for approval, and begins the next sentence with the phrase, "If a board of trustees *chooses* to submit such an agreement for legislative approval . . . ." (Emphasis added.) This language is inconsistent with the intent of the bill. Accordingly, subsection 2 should be amended as follows:

> *2. After the adoption of a privatization agreement that is subject to the requirements of subsection 1, the board of trustees of the school district ~~may~~ shall submit a written request for approval of the agreement by the Legislature or by the Legislative Committee on Education. ~~If a board of trustees chooses to submit such an agreement for legislative approval, the~~ The request must be submitted to the Director of the Legislative Counsel Bureau. The written request . . . .* (continue as written).

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Section 21

Proposed Amendment

Add the phrase, "Except as authorized by NRS 386.560" to the beginning of the section.

Explanation

NRS 386.560 permits the governing body of a charter school to contract with the local school board or the University and Community College System for the provision of facilities or to perform any service relating to the operation of the charter school. The language that appears in section 21 of the bill was not intended to preclude such a contract. Accordingly, section 21 should be amended to provide an exception for contracts authorized by NRS 386.560.

Section 23

Proposed Amendment

Delete section 23 of the bill.

Explanation

If section 21 is amended as set forth above, there is no need to amend NRS 386.560 and section 23 can be deleted.

[redacted]

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