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February 2, 2018

Superintendent Pat Skorkowsky
Clark County School District
5100 W. Sahara Avenue
Las Vegas, NV 89146

Re: Request for Joint Development of an Implementation Plan related to the Clark County School District Implementation of Assembly Bill 469

Dear Superintendent Skorkowsky,

I commend the Board of Trustees (Board) and your team's efforts in the steps you have taken in the reorganization required by the Nevada Legislature. I am obligated by law to monitor your progress and ensure that Assembly Bill 469 (A.B. 469) is properly implemented. Section 33 of A.B. 469 requires the Superintendent of Public Instruction to take "*such actions as deemed necessary and appropriate to ensure that a large school district carries out the reorganization of the large school district in accordance with the requirements set forth in this bill.*"

I recognize the significant progress the Clark County School District (District) has made related to implementing A.B. 469, however more work remains for the District to carry out the reorganization in accordance with the law. As such, I deem it necessary and appropriate at this time to require the joint development of an implementation plan that, at a minimum, attends to specific sections of A.B. 469 noted below. Please accept my pledge of continued collaboration as we work together to address the issues and chart a clear path forward in the identified areas noted in this letter in an implementation plan. The complexity and scale of the change required by A.B. 469 and the timelines by which the work is to be accomplished present formidable challenges to the District. Enumerating the accomplishments thus far is beyond the scope of this letter which focuses our attention on the remaining work, but the significant progress made by District staff and the Board is recognized and why an implementation plan, at this time, is appropriate.

As noted below and in more detail in the following pages, the implementation plan is to be developed by March 15, 2018. I believe recent discussions with the District and stakeholders have been positive and mutually beneficial. In the spirit of our ongoing collaboration and cooperation, the Department offers its continued assistance to the District in the development of the implantation plan that realizes the decentralized and autonomous site-based operational model required by A.B. 469. Over the next few weeks, my staff and I will be reaching out to you to offer any support we can to assist you with this request.

Since the law was enacted in May 2017, the District and Board have taken many positive steps to implement the statutory requirements. The Department finds the development of an implementation plan is necessary to address the following aspects of AB 469:

Section 16.2.

The Superintendent shall transfer to each local school precinct the authority to carry out the following responsibilities: (a) select for the local school precinct the: (1) Teachers; (2) Administrators other than the principal; and (3) Other staff who work under the direct supervision of the principal.

The Superintendent transferred authority to select for the local school precinct the teachers, administrators other than the principal, and other staff who work under the direct supervision of the principal to local school precincts through the Strategic Budget Workbook process starting in the 2017-2018 school year. These actions are consistent with the statutory requirements.

As previously detailed in my October 12, 2017, letter, concurrent with this statutory requirement, the Department finds that any negotiated contract approved after A.B. 469 became effective on May 8, 2017 must include provisions complying with A.B. 469. Existing collective bargaining agreements create a situation where local school precincts are occasionally assigned teachers, administrators, and other staff through the "involuntary transfer" process. These processes are outlined in Section 35-3-3-B of the 2016/2017 negotiated agreement between the Clark County Education Association and CCSD, Section 25-8-1 of the 2015-2017 negotiated agreement between the Education Support Employees Association and CCSD, and Section 26-2-4 of the 2013-2015 Negotiated Agreement between the Clark County Association of School Administrators and Professional-Technical Employees and CCSD. Current collective bargaining agreements are inconsistent with the law and the collective bargaining agreement(s) being negotiated with the District now will need to remedy the inconsistencies. The implementation plan must include the necessary steps for the District to carry out this aspect of the reorganization in accordance with the requirements of the A.B. 469.

Section 16.6.

To the extent that any member of the staff of central services is assigned to provide services at a local school precinct on a temporary or permanent basis, the decision regarding the assignment and any subsequent reassignment of the member of the staff must be made in consultation with the principal of the local school precinct and the school associate superintendent.

While conversations about this section of the law are ongoing within the District, especially around the development of service level agreements and the collectively bargained "involuntary transfer" process, the Department can find no evidence that this portion of the law has actually been addressed in a way that is consistent with the decentralized and autonomous site-based operational model required by A.B. 469. The implementation plan must include the necessary steps for the District to carry out this aspect of the reorganization in accordance with the requirements of the A.B. 469.

Section 16.8.

If the authority to carry out any responsibility is transferred to a local school precinct pursuant to subsection 7, the large school district must allocate

additional money to the local school precinct in an amount equal to the amount that would otherwise be paid by the large school district to carry out the responsibility

And

Section 18.1

1. On or before January 15 of each year, the superintendent shall establish for the next school year:

(a) The estimated total amount of money to be received by the large school district from all sources, including any year-end balance that is carried forward, and shall identify the sources of such a year-end balance and whether the year-end balance is restricted. If the year-end balance is restricted, the superintendent shall identify the source of the restriction and the total amount of money to be received by the large school district that is unrestricted. Money may only be identified as restricted if it is required by state or federal law, if it is proscribed by the Department or if it has been otherwise encumbered.

(b) The estimated percentage of the amount of money determined pursuant to paragraph (a) to be unrestricted that will be allocated to the local school precincts. The percentage must equal:

(1) For the first school year in which the large school district operates pursuant to the provisions of sections 2 to 34, inclusive, of this act, not less than 80 percent of the total amount of money from all sources received by the large school district that is unrestricted for the school year; and

(2) For each subsequent school year, 85 percent of the total amount of money from all sources received by the large school district that is unrestricted for the school year.

The Board voted to transfer the money associated with approximately 30 responsibilities to local school precincts for the 2018-2019 school year in an effort to comply with Section 18.1(b) of A.B. 469 (the 85/15 provision for the 2018-2019 school year), but schools will not have full access to that money in the 2018-2019 school year. Instead, the Board instructed the Superintendent to develop annual Service Level Agreements for all transferred services so those services can be purchased back from the District for the 2018-2019 school year – a meaningful step toward compliance. The District estimated that the value of those services for which authority and responsibility was transferred by the Board will exceed 85% of all unrestricted funds, but it has not made a final determination whether schools will receive more than 85% of the total amount of money from all sources received by the large school district that is unrestricted for the 2018-2019 school year. A true accounting will need to be provided to ensure the requirements of Section 18.1(b) of A.B. 469 have been met. The implementation plan must include the necessary steps for the District to carry out this aspect of the reorganization in accordance with the requirements of the A.B. 469.

Section 17.1(b)

On or before January 15 of each year, to assist the local school precincts in preparing their budgets for the next school year, the superintendent shall establish and make public:

(b) A list of equipment, services and supplies that a local school precinct may obtain from the large school district using the money allocated to the local school precinct and the cost for such equipment, services and supplies. The cost of such equipment, services and supplies must not exceed the actual cost to the large school district to provide the equipment, services and supplies to the local school precinct.

On January 16, 2018, the District released Strategic Budget Workbooks to schools. These workbooks contained much of the information required by Section 17 of A.B. 469 but contained only preliminary estimates of the costs associated with services available from the District. Furthermore, the District must make the costs of these services public. The implementation plan must include the necessary steps for the District to carry out this aspect of the reorganization in accordance with the requirements of the A.B. 469.

Section 17.2.

Each local school precinct must carry forward its year-end balance to the next school year for use by the local school precinct. The large school district must account for any such amount that is carried forward as a restricted fund balance.

The 2017-2018 school year marked the first school year that the District operated under the statutory requirements of the reorganization. For that school year, the Superintendent allocated each local school precinct budget and supervisory authority for teachers, administrators other than the principal, and other staff who work under the direct supervision of the principal to local school precincts through the Strategic Budget Workbook process. As such, resources resulting from staff vacancies in these positions must be carried forward as a restricted fund balance for the 2018-2019 school year.

The District released Strategic Budget Workbooks for the 2018-2019 school year on January 16, 2018. The District did not include any restricted fund balance resulting from previous year staff vacancies in Strategic Budget Workbooks. Furthermore, District officials have indicated, in the media and elsewhere, that the District intends to start the practice required by Section 17.2 of the law in the 2018-2019 budget cycle so that the effects can be felt on school budgets in the 2019-2020 school year. The implementation plan must include the necessary steps for the District to carry out this aspect of the reorganization in accordance with the requirements of the A.B. 469.

Section 19.1

The amount of money allocated to a local school precinct by the large school district must be determined on a per pupil basis by assigning a category to each pupil and assigning weights to each category in a manner that provides a greater amount of funding for each pupil who belongs to certain designated categories. Except as otherwise provided in subsections 2 and 3, the categories for which a greater weight must be assigned must include, without limitation:

- (a) Pupils who are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq. or a similar alternative measure prescribed by the State Board of Education;***
- (b) Pupils who are English learners***
- (c) Pupils with disabilities; and***
- (d) Gifted and talented pupils.***

On October 26, 2017, the District sent a letter to the Department asking for a variance from this section of the law under Section 19.2. In response, the Department sent a request for information on December 8, 2017. The District sent information back to the Department on December 15, 2017. The Department provided further guidance around the variance process to the District on January 8, 2018. The District provided a response on January 31, 2018 seeking a variance for the individual weights that the Department has not had an opportunity to review. The implementation plan must include the necessary steps for the District to carry out this aspect of the reorganization in accordance with the requirements of the A.B. 469.

Thank you for your attention to and continued support of the reorganization efforts. I look forward to our continued collaboration in developing a response to this request for an implementation plan and in my ongoing obligation to monitor the implementation of A.B. 469. If you have any questions about this letter, please do not hesitate to reach out to me.

In partnership,

A handwritten signature in blue ink that reads "Steve Canavero". The signature is fluid and cursive, with the first name "Steve" being more prominent than the last name "Canavero".

Steve Canavero
Superintendent of Public Instruction

CC: Senator Michael Roberson, Chair Advisory Committee to Monitor the Implementation of the Reorganization of Large School Districts
Assemblywoman Olivia Diaz, Vice Chair Advisory Committee to Monitor the Implementation of the Reorganization of Large School Districts
Senator Moises Denis, Chair Legislative Committee on Education
Assemblyman Tyrone Thompson, Vice Chair Legislative Committee on Education
Elaine Wynn, President State Board of Education
Deanna Wright, President Clark County Board of Trustees
Risa Lang, Chief Deputy Legislative Counsel, Nevada Legislative Counsel Bureau