NEVADA

Overall Market Rating: Nascent Market; Remains Unstable

Market Overview:

Nevada remains an emerging and evolving market. While it has some significant policy and demand attributes, it is unclear whether this market will be ripe for new school growth due to unresolved funding issues for Education Savings Accounts (ESA). Partisan politics in Nevada have also shifted significantly since 2016. Democratic control of the House and the Senate, and a Democrat in the Governor’s office are legitimately possible in 2018, and that would likely derail any further implementation of the ESA as passed in 2015.

There are two private school choice programs available to parents and students in Nevada:

1. The Choice Scholarship Program provides scholarships to 551 students through Scholarship Granting Organizations (SGO’s) and is funded by a tax credit. The maximum scholarship amount per students in $7,934 (17-18). In the 2017-2018 school year, the average scholarship is projected at $4,114. SGO’s make scholarship amount determinations based on internal criteria on student need.

2. An emergency appropriation of $20M to fund scholarship programs, in part due to the challenge of the ESA, was approved in 2017. Though the overall number of scholarships given out increased, due to uncertainty around future funding SGOs have been slow to distribute too much of the funding, as they do not want to distribute scholarships to students only to have them potentially taken away in a few years.

3. The Education Savings Account was found constitutional, but its funding mechanism was not. After Democrats took control of the Senate, the Legislature was unable to arrive at a compromise to create a new funding mechanism for the program. As of 2018 the program remains unfunded and cannot be implemented. All students are eligible, with students at or below Free and Reduced Lunch (FRL) receiving $5,710, and students above FRL receiving $5,139. These amounts reflect 100% and 90% of the state per pupil funding for public schools, respectively.

Summary Statement: This market continues to flounder. The one-time legislative appropriation to the Choice Scholarship did little to strengthen that program for school growth, and until the ESA program is appropriately funded, this market remains too nascent to support much private school entry.
Demographic Analysis:

Enrollment Figures by Sector

<table>
<thead>
<tr>
<th>Nevada (15-16)</th>
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<tbody>
<tr>
<td>Total Public School Enrollment (including Charter Schools)</td>
</tr>
<tr>
<td>K-12 Private School Enrollment</td>
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<tr>
<td>Charter School Enrollment</td>
</tr>
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Eligibility by Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Current Enrollment (2018-19)</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice Scholarship</td>
<td>2,816</td>
<td>63% of households w children (at or below 300% of FPL)</td>
</tr>
<tr>
<td>Education Savings Account</td>
<td>NA</td>
<td>96% of households w children are eligible (funding is based on need)</td>
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Funding:

Assessment: Funding is inconsistent and unreliable.

Choice Scholarship

<table>
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<th>Maximum</th>
<th>Average</th>
<th>Cap</th>
<th>Disbursement</th>
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<tr>
<td>$7,934</td>
<td>$4,114</td>
<td>$20M Annual Appropriation</td>
<td>Distributed by 3 SGOs; cannot exceed 92% of per pupil</td>
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Funding in both programs statutorily increases over time. The Choice Scholarship increases at the same rate as the Consumer Price Index; the ESA increases as other school aid increases. For the 2019 legislative session, local advocates are prioritizing the maintenance of the $20M appropriation for the Choice Scholarship on an annual basis. Even with the election of a Republican Governor, the expectation is that the ESA will likely remain unfunded in its entirety, so advocates are exploring the possibility of funding only the Special Education provisions of the ESA.
Policy & Regulatory Environment:
Assessment: For faith based schools the regulatory environment is quite good, other independent schools may find requirements onerous.

Non-religious private schools participating in the Choice Scholarship Program must be licensed by the state, which includes teacher credential requirements, curricular requirements, and other operational limitations. Schools affiliated with a church or specific religious ministry are exempt from these requirements. All private schools must maintain a calendar of at least 180 school days, and include curriculum covering the United States and Nevada Constitutions.

Both programs require that students take either the state or a nationally normed referenced examination, with public reporting of the results.

Human Capital:
Assessment: Talent policies may be too rigid for independent schools, but talent is available in the region.

Talent management varies dramatically for private schools in Nevada. In non-religious, independent private schools, administrators and teachers are required to hold at least a bachelor’s degree, and an educator license. Schools with a religious affiliation (church, religious order, faith ministry) are exempt from these requirements.

There is a very active TFA corps and alumni corps in around Las Vegas that brings some talent to the region, however, historically low funding levels in all sectors have suppressed teacher salaries, making Nevada a potentially challenging place to recruit or relocate talent.

Facilities:
Assessment: The market is affordable, but no facility support infrastructure exists.

While the Nevada real estate market, even in Las Vegas, is relatively affordable, private schools are likely to face some barriers when selecting and developing new school sites. In Las Vegas for example, any school must apply for and receive a special use permit to occupy any building in any zoning category. This process can take 80-120 days and requires City Council approval.

There are no dedicated resources for private school facility development, although local philanthropy may be available in Las Vegas.
Local Champions & Climate:

Assessment: Some advocacy partners are present, but there is little local leadership around private school supply.

There is significant education philanthropy available in and around Las Vegas, but little has been done to coordinate or strategically engage education funders with a broad private school strategy.

The Nevada School Choice Coalition leads advocacy and outreach work, and some national organizations engage on policy and political issues as well.