Jason D. Guinasso, Esq. Nevada Bar No. 8478 Alex R. Velto, Esq. Nevada Bar No. 14961 Astrid A Perez, Esq. Nevada Bar No. 15977 5371 Kietzke Ln Reno, Nevada 89511 jguinasso@hutchlegal.com avelto@hutchlegal.com aperez@hutchlegal.com Attorneys for Intervenor, aligned as Defendant, 9 EDUCATION FREEDOM PAC 10 11 12 13 14 BEVERLY ROGERS, AN INDIVIDUAL, 15 RORY REID, AN INDIVIDUAL. 16 17 Plaintiffs, 18 19|| V. 20 BARBARA CEGAVSKE, in her Official capacity as NEVADA SECRETARY OF 21 STATE, Defendant, 22 23 EDUCATION FREEDOM PAC, Intervenors, aligned 24 as Defendant. 25

26

27

28

RÉC'D & FILED

2022 MAY 19 PM 12: 14

Electronically Filed BY May 20 2022 09:53 a.m. Elizabeth A Brown Clerk of Supreme Court

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR CARSON CITY

Case No.:

22 OC 00027 1B

Dept. No.: II

NOTICE OF APPEAL

NOTICE IS HEREBY GIVEN THAT: EDUCATION FREEDOM PAC.

Intervenors, aligned as Defendant above named, by and through their counsel of record Jason

28

D. Guinasso, Esq., Alex R. Velto, Esq., and Astrid A. Perez, Esq., of HUTCHISON & STEFFEN, PLLC, hereby appeals to the SUPREME COURT OF NEVADA the final judgment from the Decision Invalidating Petition to Create a Statute to Govern Future Appropriations to an Educational System Outside the School Districts and Injunction Preventing the Forward Progress of this Initiative, entered in this action on April 26, 2022, attached hereto and incorporated herein as Exhibit "1."

AFFIRMATION

The undersigned does hereby affirm that the preceding document, NOTICE OF APPEAL, filed in the First Judicial District Court of the State of Nevada, County of Washoe, does not contain the social security number of any person.

DATED this /8 day of May, 2022.

HUTCHISON & STEFFEN

Jason D. Symasso, Esq Nevada Bar No. 8478

Alex R. Velto, Esq.

Nevada Bar No. 14961

Astrid A Perez, Esq.

Nevada Bar No. 15977

5371 Kietzke Ln

Reno, Nevada 89511

Attorneys for Intervenor, aligned as Defendant,

EDUCATION FREEDOM PAC

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of the law firm of HUTCHISON & STEFFEN, PLLC and that on the Aday of May, 2022, I caused service a true and correct copy of the NOTICE OF APPEAL to be completed by US Mail to:

Bradley S. Schrager, Esq.
John Samberg, Esq.
Daniel Bravo, Esq.
Wolf, Rifkin, Shapiro, Schulman &
Rabkin, LLP
3773 Howard Hughes Pkway, Suite 590 South
Las Vegas, Nevada 89169
bschrager@wrslawyers.com
jsamberg@wrslawyers.com
dbravo@wrslawyers.com

Craig Newby, Esq.
State of Nevada
555 E. Washington Ave., Suite 3900
Las Vegas, NV 89101
cnewby@ag.nv.gov

Jackie Tucker
Judicial Assistant
Honorable Charles M. McGee
mcgeelegalassistant@gmail.com
BShadron@carson.org

Employee of Hutchison & Steffen, PLLC

EXHIBIT INDEX

Index No.	Document Title	No. of Pages*
Exhibit	Notice of Entry of Order of Decision Invalidating Petition to Create a Statute to Govern Future Appropriations to an	
1	Educational System Outside the School Districts and Injunction Preventing the Forward Progress of this Initiative	21

* Includes exhibit cover page

INTENTIONALLY LEFT BLANK EXHIBIT PAGE ONLY

EXHIBIT 1



1 BRADLEY S. SCHRAGER, ESQ. (NSB 10217) JOHN SAMBERG, ESQ. (NSB 10828) 2 DANIEL BRAVO, ESQ. (NSB 13078) WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP 3 | 3773 Howard Hughes Parkway, Suite 590 South Las Vegas, Nevada 89169 (702) 341-5200/Fax: (702) 341-5300 bschrager@wrslawyers.com jsamberg@wrslawyers.com 5 dbravo@wrslawyers.com 6 7 Attorneys for Plaintiffs 8 IN THE FIRST JUDICIAL DISTRICT COURT 9 OF THE STATE OF NEVADA IN AND FOR CARSON CITY 10 11 BEVERLY ROGERS, an individual; Case No.: 22 OC 00027 1B RORY REID, an individual 12 Dept.: II 13 Plaintiffs, NOTICE OF ENTRY OF ORDER 14 VS. 15 BARBARA CEGAVSKE, in her official capacity as NEVADA SECRETARY OF 16 STATE, 17 Defendant. 18 and 19 **EDUCATION FREEDOM PAC** 20 Intervenor Defendant. 21 22 23 NOTICE IS HEREBY GIVEN that the DECISION INVALIDATING PETITION TO CREATE A STATUTE TO GOVERN FUTURE APPROPRIATIONS TO AN EDUCATIONAL SYSTEM OUTSIDE THE SCHOOL DISTRICTS and 26 INJUNCTION PREVENTING THE FORWARD PROGRESS OF THIS INITIATIVE

was entered in the above-captioned matter on the 26th day of April, 2022.

27

A true and correct copy is attached hereto as Exhibit 1.

AFFIRMATION

The undersigned hereby affirm that the foregoing document does not contain the social security number of any person.

DATED this 30 day of April, 2022

WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP

BRADLEY S. SCHRAGER, ESQ. (NSB 10217)
JOHN SAMBERG, ESQ. (NSB 10828)
DANIEL BRAVO, ESQ. (NSB 13078)
3773 Howard Hughes Parkway, Suite 590 South
Las Vegas, Nevada 89169
(702) 341-5200/Fax: (702) 341-5300

bschrager@wrslawyers.com

jsamberg@wrslawyers.com dbravo@wrslawyers.com

Attorneys for Plaintiffs

1

2

3

5 6

7

8

9

11

12

13 14

15

16 17

18

19 20

21 22

23 24

2526

27

28

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of May, 2022, a true and correct copy of the NOTICE OF ENTRY OF ORDER was served upon all parties via U.S. Mail postage pre-paid, Las Vegas, Nevada and via electronic mailing to the following:

Lucas Foletta

Freedom PAC

Reno, Nevada 89501

McDONALD CARANO LLP

Telephone: (775) 788-2000

Attorneys for Education

lfoletta@mdonaldcarano.com

100 W. Liberty St., 10th Floor

Craig A. Newby, Esq.
OFFICE OF THE ATTORNEY
GENERAL
555 E. Washington Avenue, Suite #3900
Las Vegas, NV 89101
CNewby@ag.nv.gov

Attorney for Barbara Cegavske

Jackie Tucker Judicial Assistant Honorable Charles M. McGee mcgeelegalassistant@gmail.com

BShadron@carson.org

Dannielle Fresquez and

Dannielle Fresquez, an Employee of WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP

INDEX OF EXHIBITS

Exhibit No.	Documents	Pages
1	Decision Invalidating Petition To Create A Statute To Govern Future Appropriations To An Educational System Outside The School Districts And Injunction Preventing The Forward Progress Of This Initiative	16

EXHIBIT 1

REC'D & FILED

2822 APR 26 AM 10: 30

AUDITEY ROTAL ATT

ģ 3

1

4

5 Ŀ

7 θ

9

10 11

12

13] //

15

16 17

16

1,9

20 21

22

23

24 25

27

26

28

BEVERLY ROGERS, AN INDIVIDUAL.

AND RORY REID, AN INDIVIDUAL,

Plaintiffs.

Vs.

BARBARA CEGAVSKE, in her Official capacity as NÉVADA SECRETARY OF STATE,

Defendant,

EDUCATION FREEDOM PAC,

Intervenor, aligned as Defendant.

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF "NEVADA

IN AND FOR CARSON CITY

CASE NO.: 220C0027 1B

DEPT. NO. II

PART A

DECISION INVALIDATING PETITION TO CREATE A STATUTE TO GOVERN FUTURE APPROPRIATIONS TO AN **EDUCATIONAL SYSTEM OUTSIDE THE SCHOOL** DISTRICTS.

PART B

INJUNCTION PREVENTING THE FORWARD PROGRESS OF THIS INITIATIVE

PART A:

DISCUSSION

This opinion presents the second of two Decisions addressing

two of three initiatives filed by the Intervenor, Education Freedom PAC ("EFP"), who are proposing sweeping changes in the way public education is administered here in the State of Nevada.

Ŀ

 A Decision and Order has already been filed in the first case, which is captioned RORY REID, an individual; BEVERLY ROGERS, an individual, Plaintiffs versus BARBARA CEGAVSKE, in her official capacity as NEVADA SECRETARY OF STATE, Defendant; Case No. 22 OC 00028 1B ("Reid !").

EFP intervened and was joined as a party defendant in both cases.

The case at hand reverses the order of the Plaintiffs' names so that Beverly Rogers' name appears first.

Like it did in Reid I, Intervenor sought dismissal for claimed unnecessary delays which they attributed to the Plaintiffs. For the reasons set forth in the Reid I Decision, that motion MAY BE AND HEREBY IS DENIED.

So, while there are a host of similarities, these two cases have not been consolidated because <u>more</u> important differences exist than similarities.

The biggest difference is that the Education Freedom PAC was seeking a full-blown Constitutional Amendment in Reid I.

By contrast, the Instant case proposes by initiative to bring into existence a very detailed statute and administrative plan which places the State Treasurer in a position where he or she, in the future, may be in charge of maintaining accounts and dispersing grants to educators given standing by the statute.

The statute itself is a full twenty-two (22) pages, single spaced, small font.

"EFP" filed the petition at the end of January and if eventually funded, it would authorize parents to earmark accounts for educational expenses outside the school district, including tuition and fees for participating entities and private schools.

To demonstrate the breadth of this legislation, the Court has edited more than a dozen of the headings by Section as follows:

- Section 9.2 accounts maintained by a financial management firm;
- Sec. 9.10 bars funding for home schooling; however, under Section 13.1(e) a parent can be an eligible entity;
- Sec. 10.2 the funding is permissive within the Legislature;

?

A

2.1

1	Sec. 10.3	if funded the percent is 90%;
2	Sec. 10,6	4% set aside for administrative costs;
3	Sec. 11	limitations on spending;
5	Sec. 14	Testing and achievement examinations and
6		Reporting;
8	Sec. 16	Questionably effective anti-liability provisions;
9 10	Sec. 19	an innovative proposal: Senate-centered Youth Legislature;
11	Sec. 21	Interscholastic Activities made workable;
12	Sec. 29.7	Eligibility for interscholastic activities;
14	Sec. 34	Malfeasance and disciplines;
15	Sec. 35	Yet another disclaimer, as follows:
17		"Nothing herein shall require the
18		Legislature to appropriate money to
19		fund education freedom accounts or
20		any expenses related thereto."
21	One strikin	g similarity with Reid I is the arguments over the
22	language in the	requisite Declaration of Effect ("DOE"). Once again,
23	the main stakeh	olders argue strenuously their respective opinions
25	over whether or	not the DOE already provides legally sufficient clarity,

or, as Plaintiffs argue, whether or not it should be amended to add language making it clearer.

5.

:6

Unlike Reid I, and with one glaring impasse, this Court believes that if the Court and counsel would spend a day massaging the language of the DOE, there is a very realistic probability that the document could be revised in a manner that is satisfactory to both sides.

However, the glaring impasse with the DOE in this case, as in Reid I, is an insufficient explanation of the affect of the initiative on the budgets of all the school districts in the State and/or the need to draw revenues from the General Fund.

Before going further, the Court wishes to acknowledge that the intervenor, EFP, used somebody, or more likely a whole bunch of somebodies, who spent a heroic amount of time in an effort to forge a non-public school learning program under the auspices of an amended Chapter 385 of the Nevada Revised Statutes.

The Intervenor, EFP, feels that they have "sanitized" their initiative from claimed defects causing confusion in the language in the DOE, and should be allowed to proceed.

A critical related factor, also found in Reid I, urges a conclusion that the scheme does not represent an <u>unfunded mandate</u> and, that it is self-proving.

As the argument goes, there cannot be an unfunded mandate because there is <u>no</u> funding, period!

Funding is left to the Legislature.

1

2

3

4

5

ò

7

Ð

9

10

11

12

13

14

1,5

16

17

18

10

20

21

22

23

24 25

26

27

28

Quoted directly from the language in the proposed order submitted by EFP, on page 3, lines 7 through 15, EFP urges as follows:

"The Petition neither contains an appropriate or an expenditure of money. The EFA program is contingent upon an appropriation by the Legislature to fund it; Section 37 of the Petition states specifically, "[t]he provisions of this act become effective upon an appropriation by the Legislature to fund the educational freedom accounts." (Exhibit 1 at Sec. 37.) And Section 35 states that "[n]othing herein shall require the Legislature to appropriate money to fund education freedom accounts or any expenses related thereto." (Id. At Sec. 35.) What's more, Section 10(2) states "[n]othing herein shall require the Legislature to appropriate money to fund the grants described in this section. The availability of grants is subject to the availability of funds as determined by the Legislature." (Id. At Sec. 10(2).)

See page 4 above where Section 35 of the proposed statute is again quoted in full.

 Put another way, the fact that the funding is entirely discretionary with a future Legislature, could mean that the State Treasurer would not award a single grant and Nevada would have a new law "on the books" so to speak, but also have a "toothless tiger," on the books, so to speak, because the plan goes nowhere without funding.

Finally, EFP submits, that the scheme does not constitute an unfunded mandate because there is no mandate at all.

And, if there isn't a mandate, it has to be "precatory", a wish or a request.

This author thinks the entire conversation begs the question and presents the very same kind of sleight of hand that was true for the proposed Constitutional Amendment in Reid I.

The Court sees no interpretation other than that the initiative contains the same defect posited in Reid I: it is a non-contemporaneous directive to the Legislature to consider funding the initiative at a later session, and, as such cannot withstand the scrutiny of the Constitution.

Once again, it is a <u>literal</u> read of Section 6, Article 9, of the Constitution which discloses the main flaw in the Petitioner's argument. Consider removing a few words, and emphasizing one key word, and Section 6 [the Constitution] reads like this:

1.8

2.2

 "[This Section]...does not permit a proposal of any statute or statutory amendment which...recognizes the expenditure of money, unless SUCH statute...Imposes a sufficient tax...or...otherwise...provides for raising the necessary revenues". (emphasis supplied)

It says nothing about the right or latitude to postpone funding to a date out in the future, which will require forging yet another statute.

What it does say, is that this Bill, any Bill, that creates a statute

MUST <u>simultaneously</u>, impose a tax, or identify a legal revenue

source!

The Intervenor's effort to amend Senate Bill 385 cannot be permitted because there is no contemporaneous identification of a finite revenue source to fund the proposal.

Put another way, Section 6 simply does <u>not</u> allow funding to be postponed until a future Legislature convenes and then look for a

revenue source, while it is trying to balance the rest of the State budget.

In this Judge's view, no other interpretation of the legislative scheme is plausible.

Three final issues must be addressed:

1. Pre-election Petition;

¥

<u>;;0</u>

- 2. Administrative Matters Excluded;
- 3. Schwartz Reviewed;

PRE-ELECTION PETITION:

The first issue addresses the caution contained in *Herbst Gaming Inc. v Secretary of State*, 122 Nev. 877, 141 P.3d 1224 (2006) that

limits challenges available when contesting the scope of "preelection" initiatives – that is, challenges coming in front of the actual

ballot – which must implicate very narrow and specific constitutional
requirements.

Other due process and equal protection claims are not ripe for challenge until the election itself has resulted in passage.

Here Article 6, Section 19, once again, legitimates a pre-emptive limited constitutional challenge requiring up front that the initiative

must be tied to a revenue source to go forward. Thus, it falls into the range of permissible challenges.

1.1

1,2

ADMINISTRATIVE ISSUES

Herbst, supra, can also be cited for the principle, urged by the Plaintiffs, that initiatives like the one under scrutiny are not to involve themselves in administrative matters as opposed to legislative acts, Id. 122 Nev. Pp. 883 et seq.

The Plaintiffs are right. The 22-page bill under scrutiny is replete with administrative criteria, which will have to be culled before going to the ballot.

In that sense, it is similar to the DOE previously discussed, which needs some serious editing to properly notice the financial impact before it is tendered to prospective voters.

So, the Court suggests that those shortcomings are both "curable" matters that require effort but can be "fixed".

Unfixable is the revenue source component.

SCHWARTZ DISCUSSION

This case, which is factually closer to our case than any other, was handed down by the Nevada Supreme Court on September 29,

2016. Although it goes by *Schwartz v. Lopez*, 132 Nev. 732, 382 P.3d 386 (2016), the opinion actually subsumes two cases; the second is *Duncan v. State* which has almost identical issues.

In both cases, the Plaintiffs challenged the constitutionality of a pair of bills enacted previously known as Senate Bill 302 and Senate Bill 515.

This legislation appropriated a Two Billion Dollar lump sun to be disbursed as in our case, through the office of the State Treasurer.

The State Treasurer took it all in, and on his own authority and interpretation concluded that the funding was sufficient to fund not only the earmarked public school system, but also could be available to fund educational savings accounts for parents to subsidize non-public educational opportunities similar to the ones in our case.

The High Court determined that Senate Bill 302 on its face, or in combination with Senate Bill 515 — by any inference — cannot be construed as an appropriation measure, specifically designed to be used to serve private schooling, tutoring and other non-public educational opportunities.

 B

Although the statutes under examination are markedly different from Senate Bill 385 in our case, the *Schwartz* Decision suggests that there is nothing impermissible about the Legislature funding a program for a so-called "sectarian purpose", like private schooling.

But an absolutely essential ingredient for inclusion in the statute is the specific directive to identify a revanue source by the Legislature contemporaneous with the establishment of the administrative program to use the funding.

To this extent, Schwartz is entirely consistent and represents a guidepost to come to a conclusion about essential issues that achieve a budget balance.

A specific directive to appropriate revenue for the educational programs proffered by the Intervenor/Defendants is essential to the viability of the statute.

The Schwartz case has very recently been modified to recognize that a "public importance" exception applies when a representative citizen sues to protect public funds by challenging a legislative appropriation.

 б

1.5

1.5

Nevada Policy Research Institution v. Cannizzaro, 138 Nev. Adv.

Op. 28, April 21, 2022.

^{*} 1

a

1:1 1:2

Obviously, the issue in *Nevada Policy Research Institute, supra*, involve standing issues and separation of power issues that are not present in the instant case.

Accordingly, the Schwartz case is inapposite except that it may imply a duty that confirms that both Plaintiffs and Defendant in our case have been demonstrating a public-importance role that notches up the level of scrutiny when considering a specific provision in the Nevada Constitution.

The Intervenor/Defendant's challenge falls short of the mark.

The statute fails from the lack of a funding directive.

PART B

ORDER ENJOINING PETITION

Like its counterpart, REID i, the intervenor has made an honest and thoughtful effort to create an opportunity for a substantial public forum to amend a statute that purports to administer and fund educational opportunities for children across the State whose parents

wish, for whatever reason, to eschew participation in the traditional school district.

 Unfortunately for the Intervenor, this initiative — the one they rely upon— impermissibly commands the Nevada Legislature to amend a scheme of education "status-900" and install an unproven program that violates the deliberative functions of the Legislature.

IT IS THEREFORE ORDERED and declared that Initiative Petition

C-04-2022 is legally deficient because of a glaring but curable

omission in the Declaration of Effect; and because it violates the

prohibition against imposing administrative functions, which also may

be curable.

What the Court finds and rules as incurable comes from the patently obvious command in Section 6 of Article 19 of the Nevada Constitution to contemporaneously link the proposal to a viable identified funding source in order to have Constitutional footing to go on with it.

IT IS FURTHER ORDERED and declared that Intervenor-Defendant Education Freedom PAC, its proponents, officers, or agents, are hereby enjoined from collecting signatures in support of the Petition and from

submitting any signatures for verification pursuant to NRS 293.1276, and any signatures previously collected are declared invalid.

IT IS FURTHER ORDERED and declared that Defendant Secretary of State Barbara Cegavske is enjoined from placing the Petition on the ballot.

IT IS SO ORDERED.

ş

i 4

e i

 DATED this $25^{\prime\prime}$ day of April, 2022.

Chals M. Mig

CHARLES M. McGEE Senior Judge on Assignment

CERTIFICATE OF SERVICE

l

I certify that I am an employee of the First Judicial District Court of Nevada; that on the day of April 2022, I served a copy of this document by placing a true copy in an envelope addressed to:

Lucas Foletta, Esq.	Craig Newby, Esq.
100 West Liberty St. 10 th Floor	State of Nevada
Reno, NV 89501	555 E. Washington Ave., Suite 3900
Bradley Schrager, Esq. 3773 Howard Hughes Parkway, Suite 590 South Las Vegas, NV 80160	Las Vegas, NV 89101

the envelope sealed and then deposited in the Court's central mailing basket in the court clerk's office for delivery to the USPS at 1111 South Roop Street, Carson City, Nevada, for mailing.

Devin Earl/ Law Clerk



Jason D. Guinasso, Esq. REC'D & FILED Nevada Bar No. 8478 Alex R. Velto, Esq. 2022 MAY 19 PH 12: 14 Nevada Bar No. 14961 Astrid A Perez, Esq. Nevada Bar No. 15977 5371 Kietzke Ln Reno, Nevada 89511 jguinasso@hutchlegal.com avelto@hutchlegal.com aperez@hutchlegal.com Attorneys for Intervenor, aligned as Defendant, EDUCATION FREEDOM PAC 8 9 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA 10 IN AND FOR CARSON CITY 11 EDUCATION FREEDOM PAC, Case No.: 22 OC 00027 1B 13 Petitioner, Dept. No.: II 14 15 CASE APPEAL STATEMENT BARBARA CEGAVSKE, in her Official Capacity 16 NEVADA SECRETARY OF STATE; BEVERLY ROGERS, an individual, RORY 17 REID, an individual, Respondent. 18 19 20 21 COMES NOW, Petitioner, EDUCATION FREEDOM PAC ("Education Freedom"), by and through its attorney of record, JASON D. GUINASSO, ESQ. of HUTCHISON & STEFFEN, PLLC, pursuant to NRAP 3(f), and hereby submits to the Court Appellant's Case Appeal Statement: 24 1///

25 | 1//

1	1		
1	1.	Name of ap	pellant filing this case appeal statement:
2		EDUCATIO	ON FREEDOM PAC.
3	2.	Identify the	e judge issuing the decision, judgment, or order appealed from:
4		The Honora	ble Senior Judge on Assignment, Charles M. McGee - Case No. 22 OC 00027 1B.
5	3.	Identify each	ch appellant and the name and address of counsel for each appellant:
6		Education F	Freedom is represented by Jason D. Guinasso, Esq., Alex R. Velto, Esq., and Astrid
7	A. Per	ez, Esq.	
8		0	Appellate Counsel: Jason D. Guinasso, Esq.
9			Address: Hutchison & Steffen, PLLC: 5371 Kietzke Ln, Reno, NV 89511
10		0	Trial Counsel: Lucas Foletta, Esq.
11			Address: McDonald Carano, LLP, 100 West Liberty St. 10th Floor, Reno, NV
12			89501.
13	4.	Identify each	ch respondent and the name and address of appellate counsel, if known, for
14	each r	espondent (i	f the name of the respondent's appellate counsel is unknown, indicate as much
15	and pi	rovide the na	me and address of that respondent's trial counsel):
1			- · · · · · · · · · · · · · · · · · · ·
16	Respoi		a Cegavske, in her official capacity as Nevada Secretary of State
16 17	Respon		a Cegavske, in her official capacity as Nevada Secretary of State Appellate Counsel: Unknown
	Respon	ndent, Barbar	
17	Respon	ndent, Barbar	Appellate Counsel: Unknown
17 18	Respon	ndent, Barbar	Appellate Counsel: Unknown Trial Counsel: Craig A. Newby, Esq.
17 18 19	Respon	ndent, Barbar	Appellate Counsel: Unknown Trial Counsel: Craig A. Newby, Esq. Address: 555 E. Office of the Attorney General
17 18 19 20		ndent, Barbar	Appellate Counsel: Unknown Trial Counsel: Craig A. Newby, Esq. Address: 555 E. Office of the Attorney General Washington Ave. Suite 3900, Las Vegas, NV 89101 Mailing Address: Same as Address
17 18 19 20 21		ndent, Barbar	Appellate Counsel: Unknown Trial Counsel: Craig A. Newby, Esq. Address: 555 E. Office of the Attorney General Washington Ave. Suite 3900, Las Vegas, NV 89101 Mailing Address: Same as Address
17 18 19 20 21 22		ndent, Barbar	Appellate Counsel: Unknown Trial Counsel: Craig A. Newby, Esq. Address: 555 E. Office of the Attorney General Washington Ave. Suite 3900, Las Vegas, NV 89101 Mailing Address: Same as Address y Rogers

10.

including the type of judgment or order being appealed and the relief granted by the district court:

This is an appeal of a district court order invaliding an initiative petition which prevents the

Provide a brief description of the nature of the action and result in the district court,

Secretary of State from certifying the initiative, and Education Freedom from circulating it to Nevada registered voters for signature before the 2022 election. The decision prevents Education Freedom from giving Nevada parents an opportunity to have and take advantage of an education freedom account ("EFA"), which would allow parents a greater choice for their children within Nevada's education system. Education Freedom seeks expedited review so that it is not denied its due process rights and able to continue the Constitutional initiative within the 2022 initiative deadline. This final decision is the subject of this appeal. While Education Freedom attempted to receive an expedited decision from the lower court, Petitioners in that matter took steps to delay the process. As such, this Court's ruling is needed to give Nevada voters a right to choose whether they will vote in favor of the petition, instead of allowing one Nevada court from invalidating an entire initiative petition. Otherwise, the district court's decision will not only deny the public and Education Freedom due process, but also be disastrous for Nevada's education system.

Nevada has consistently ranked at the bottom of the list in education. Most recently in 2022, Nevada ranked 49th in a rank of least to most educated states.¹ Education Freedom PAC "Education Freedom" formed to address Nevada's education issues. Education Freedom's focus is to provide parents in Nevada with broader choice in their children's education and encourage more competition and innovation within Nevada's education system. Therefore, on January 31, 2022, Education Freedom filed Initiative Petition S-02-2022 ("Petition"). The Petition proposes to establish an education freedom

¹ Estrella Rosas, 2022 Most & Least Educated States, SCHOLAROO (Feb. 15, 2022), https://scholaroo.com/most-educated-states/

15

19 20

22

21

23

24||///

25||///

account ("EFA") program to which parents will be authorized to pay for certain educational expenses, including, but no limited to, tuition and fees at participating entities, including private schools.

On February 22, 2022, Respondents Beverly Rogers and Rory Reid filed a complaint for Declaratory and Injunctive relief Challenging the Petition pursuant to NRS 295.061(1). alleging that the description of effect was not compliant with statute; that the Petition was an unfunded expenditure in violation of Nev. Const. Art 19, Sec. 6; and that the Petition improperly dictated administrative details. Education Freedom filed a motion to intervene and on March 1, 2022, a Stipulation and Order Regarding Intervention was filed. After significant delay, and a motion filed by Education Freedom requesting a hearing, a hearing was set an Oral Arguments were heard before the district court on March 29, 2022.

On April 26, 2022, the district court issued Decision Invalidating Petition to Create a Statute to Govern Future Appropriations to An Educational System Outside the School Districts and Injunction Preventing the Forward Progress of this Initiative. The Court's Decision and consequential holding is now the subject of this appeal.

11. Indicate whether the case has previously been the subject of an appeal to or original writ proceeding in the Supreme Court and, if so, the caption and Supreme Court docket number of the prior proceeding:

No, the case is not currently the subject of an appeal.

12. Indicate whether this appeal involves child custody or visitation:

No, the appeal does not involve child custody or visitation.

13. If this case is a civil case, indicate whether this appeal involves the possibility of settlement:

No, the issues on appeal do not involve the possibility of settlement.

AFFIRMATION

The undersigned does hereby affirm that the preceding document, CASE APPEAL STATEMENT, filed in the First Judicial District Court of the State of Nevada, County of Washoe, does not contain the social security number of any person.

DATED this 15 day of May, 2022.

HUTCHINSON & STEFFEN, PLLE

Jason D. Gumasso, Ess Nevada Bar No. 8478

Nevada Bar No. 8478 Alex R. Velto, Esq. Nevada Bar No. 14961 Astrid A Perez, Esq. Nevada Bar No. 15977 5371 Kietzke Ln Reno, Nevada 89511

Attorneys for Intervenor, aligned as Defendant, EDUCATION FREEDOM PAC

2021222324

25

5

9

10

11

12

13

14

15

16

17

18

1 **CERTIFICATE OF SERVICE** 2 Pursuant to NRCP 5(b), I certify that I am an employee of the law office of Hutchinson & Steffen, and that on the 19th day of May, 2022, I caused service of a true and correct copy of the CASE APPEAL STATEMENT, to be completed by US Mail: 5 Bradley S. Schrager, Esq. 6|| John Samberg, Esq. Daniel Bravo, Esq. 7 Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP 8 3773 Howard Hughes Pkway, Suite 590 South Las Vegas, Nevada 89169 bschrager@wrslawyers.com jsamberg@wrslawyers.com 10 dbravo@wrslawyers.com 11 || Craig Newby, Esq. State of Nevada 12 | 555 E. Washington Ave., Suite 3900 Las Vegas, NV 89101 13|| cnewby@ag.nv.gov 14 Jackie Tucker Judicial Assistant 15

Honorable Charles M. McGee mcgeelegalassistant@gmail.com 16 BShadron@carson.org

17

18

19

20

21

22

23

24

25

An employee of Hutchison & Steffen, PLLC

Date: 05/19/2022 15:44:30.6 MIJR5925

Docket Sheet

Page: 1

Judge: MCGEE, CHARLES

Case No. 22 OC 00027 1B

Ticket No. CTN:

ROGERS, BEVERLY et al

Ву:

CEGAVSKE, BARBARA

DRSPND

-vs-

Ву:

Dob:

Sex:

Lic: Sid:

NEVADA SECRETARY OF STATE DRSPND

By:

Dob:

Sex:

Lic:

Sid:

Plate#:

Make:

Accident: Year:

Type: Venue:

Location:

REID, RORY

Bond: Type:

Set: Posted:

PLNTPET PLNTPET

ROGERS, BEVERLY EDUCATION FREEDOM PAC IVNR

Charges:

Ct

Offense Dt: Arrest Dt:

Comments:

Cvr:

Ct.

Offense Dt:

Cvr:

Arrest Dt: Comments:

Sentencing	ntencing
------------	----------

No.	Filed	Action	Operator	Fine/Cost	Due
1	05/19/22	RECEIPT	1BPETERSON	0.00	0.00
2	05/19/22	APPEAL BOND DEPOSIT Receipt: 74460 Date: 05/19/2022	1BPETERSON	500.00	0.00
3	05/19/22	NOTICE OF CHANGE OF ADDRESS	1BPETERSON	0.00	0.00
4	05/19/22	CASE APPEAL STATEMENT	1BPETERSON	0.00	0.00
5	05/19/22	NOTICE OF APPEAL FILED Receipt: 74461 Date: 05/19/2022	1BPETERSON	24.00	0.00
6	05/06/22	NOTICE OF SUBSTITUTION OF COUNSEL	1BPETERSON	0.00	0.00
7	05/04/22	NOTICE OF ENTRY OF ORDER	1BVANESSA	0.00	0.00
8	04/26/22	SUMMARY JUDGMENT	1BJHIGGINS	0.00	0.00
9	04/26/22	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BPETERSON	0.00	0.00
10	04/26/22	ORDER - PART A - DECISION INVALIDATING PETITION TO CREATE A STATUTE TO GOVERN FUTURE APPROPRIATIONS TO AN EDUCATION SYSTEM OUTSIDE THE SCHOOL DISTRICTS; PART B - INJUCTION PREVENTING THE FORWARD PROGRESS OF THIS INITIATIVE	1BPETERSON	0.00	0.00
11	04/06/22	HEARING HELD: The following event: EVIDENTIARY HEARING scheduled for 03/29/2022 at 1:00 pm has been resulted as follows: Result: HEARING HELD	1BVANESSA	0.00	0.00
		Judge: MCGEE, CHARLES Location:			
12	04/05/22	NOTICE OF PROPOSED ORDERS	1BVANESSA	0.00	0.00

Date: 05/19/2022 15:44:30.6 MIJR5925

Docket Sheet

Page: 2

No.	Filed	Action	Operator	Fine/Cost	Due
13	03/31/22	ORDER GRANTING INTERVENOR'S EX PARTE MOTION FOR HEARING PURSUANT TO NRS 295.961	1BVANESSA	0.00	0.00
14	03/31/22	STIPULATION AND ORDER REGARDING INTERVENTION	1BVANESSA	0.00	0.00
15	03/25/22	REPLY'S MEMORANDUM OF PAOINT AND AUTHORITIES IN SUPPORT OF COMPLAINT FOR DECLARATORY AND INJUCTIVE RELIEF CHALLENGING INITIATIVE PETITION	1BSBARAJAS	0.00	0.00
16	03/24/22	HEARING DATE MEMO	1BPETERSON	0.00	0.00
17	03/24/22	LIMITED RESPONSE TO MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF CHALLENGING INITIATIVE PETITION	1BCCOOPER	0.00	0.00
18	03/23/22	AFFIDAVIT OF MAILING	1BVANESSA	0.00	0.00
19	03/23/22	MEMORANDUM OF TEMPORARY ASSIGNMENT	1BVANESSA	0.00	0.00
20	03/23/22	NOTICE OF ASSIGNMENT BY CLERK	1BVANESSA	0.00	0.00
21	03/15/22	EDUCATION FREEDOM PACS ANSWERING BRIEF IN RESPONSE TO PLAINTIFFS MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF CHALLENGING INITIATIVE PETITION S-02-2022 PURSAUTNT OT NRS 295.061(1)	1BCCOOPER	0.00	0.00
22	03/15/22	INTERVENTORS EX PARTE MOTION FOR HEARING PURSUANT TO NRS 295.061	1BCCOOPER	0.00	0.00
23	03/15/22	ANSWER IN INTERVENTION TO COMPLAINT Receipt: 73638 Date: 03/16/2022	1BCCOOPER	218.00	0.00
4	03/14/22	DECLARATION OF SERVICE	1BVANESSA	0.00	0.00
5	03/07/22	RECEIPT	1BVANESSA	0.00	0.00
6	03/01/22	REQUEST FOR SUBMISSION	1BVANESSA	0.00	0.00
7	03/01/22	DECLARATION OF SERVICE	1BVANESSA	0.00	0.00
8	03/01/22	SUMMONS	1BVANESSA	0.00	0.00
9	02/24/22	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BSBARAJAS	0.00	0.00
0	02/24/22	PEREMPTORY CHALLENGE OF JUDGE	1BSBARAJAS	0.00	0.00
1	02/23/22	FILE RETURNED AFTER SUBMISSION - NO ACTION TAKEN	1BSBARAJAS	0.00	0.00
2	02/22/22	FILE RETURNED AFTER SUBMISSION - ORDER ENTERED	1BSBARAJAS	0.00	0.00
3	02/22/22	ORDER TRANSFERRING CASE TO DEPARTMENT 2	1BSBARAJAS	0.00	0.00
4	02/22/22	ISSUING SUMMONS	1BCCOOPER	0.00	0.00

Date: 05/19/2022 15:44:30.6 MIJR5925

Docket Sheet

Page: 3

No.	Filed	Action	Operator	Fine/Cost	Due
35	02/22/22	MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF COMPLAINT FOR DECLRATORY AND INJUNCTIVE RELIEF CHALLENGING INITIATIVE PETITION S-02-2022 PURSUANT TO NRS 295.061(1)	1BCCOOPER	0.00	0.00
36	02/22/22	PLAINTIFF'S/PETITIONER'S INITIAL APPEARANCE AFFIRMATION PURSUANT TO NRS 239.030	1BCCOOPER	0.00	0.00
37	02/22/22	ADDITIONAL DEFENDANT (RORY REID) Receipt: 73293 Date: 02/22/2022	1BCCOOPER	30.00	0.00
38	02/22/22	COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF CHALLENING INITATIVE PETITION S-02-2022 PURSUANT TO NRS 295.061(1) Receipt: 73293 Date: 02/22/2022	1BCCOOPER	265.00	0.00
			Total:	1,037.00	0.00
Totals By: COST HOLDING INFORMATION				537.00 500.00 0.00	0.00 0.00 0.00

REC'D & FILED

2022 APR 26 AM 10: 30

AUBREY ROWLATT

2

1

3

4 5

6

7

9

10

11 12

13

14 15

16

17 18

19 20

21

22

24

23

25

26

27

28

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

BEVERLY ROGERS, AN INDIVIDUAL.

AND RORY REID, AN INDIVIDUAL,

Plaintiffs,

Vs.

BARBARA CEGAVSKE, in her Official capacity as NEVADA SECRETARY OF STATE,

Defendant,

EDUCATION FREEDOM PAC,

Intervenor, aligned as Defendant.

CASE NO.: 220C0027 1B

DEPT. NO. II

PART A

DECISION INVALIDATING PETITION TO CREATE A STATUTE TO GOVERN FUTURE APPROPRIATIONS TO AN EDUCATIONAL SYSTEM OUTSIDE THE SCHOOL DISTRICTS.

PART B

INJUNCTION PREVENTING THE FORWARD PROGRESS OF THIS INITIATIVE

PART A:

DISCUSSION

This opinion presents the second of two Decisions addressing

two of three initiatives filed by the Intervenor, Education Freedom PAC ("EFP"), who are proposing sweeping changes in the way public education is administered here in the State of Nevada.

A Decision and Order has already been filed in the first case, which is captioned RORY REID, an individual; BEVERLY ROGERS, an individual, Plaintiffs versus BARBARA CEGAVSKE, in her official capacity as NEVADA SECRETARY OF STATE, Defendant; Case No. 22 OC 00028 1B ("Reid I").

EFP intervened and was joined as a party defendant in both cases.

The case at hand reverses the order of the Plaintiffs' names so that Beverly Rogers' name appears first.

Like it did in Reid I, Intervenor sought dismissal for claimed unnecessary delays which they attributed to the Plaintiffs. For the reasons set forth in the Reid I Decision, that motion MAY BE AND HEREBY IS DENIED.

So, while there are a host of similarities, these two cases have not been consolidated because <u>more</u> important differences exist than similarities.

The biggest difference is that the Education Freedom PAC was seeking a full-blown Constitutional Amendment in Reid I.

By contrast, the instant case proposes by initiative to bring into existence a very detailed statute and administrative plan which places the State Treasurer in a position where he or she, in the future, may be in charge of maintaining accounts and dispersing grants to educators given standing by the statute.

The statute itself is a full twenty-two (22) pages, single spaced, small font.

"EFP" filed the petition at the end of January and if eventually funded, it would authorize parents to earmark accounts for educational expenses outside the school district, including tuition and fees for participating entities and private schools.

To demonstrate the breadth of this legislation, the Court has edited more than a dozen of the headings by Section as follows:

Section 9.2 accounts maintained by a financial management firm;

- Sec. 9.10 bars funding for home schooling; however, under Section 13.1(e) a parent can be an eligible entity;
- Sec. 10.2 the funding is permissive within the Legislature;

1	Sec. 10.3	if funded the percent is 90%;		
2	Sec. 10.6	4% set aside for administrative costs;		
3	Sec. 11	limitations on spending;		
5	Sec. 14	Testing and achievement examinations and		
6		Reporting;		
7	Sec. 16	Questionably effective anti-liability provisions;		
9	Sec. 19	an innovative proposal: Senate-centered Youth		
10		Legislature;		
11	Sec. 21	Interscholastic Activities made workable;		
12	Sec. 29.7	Eligibility for interscholastic activities;		
14	Sec. 34	Malfeasance and disciplines;		
15 16	Sec. 35	Yet another disclaimer, as follows:		
17		"Nothing herein shall require the		
18		Legislature to appropriate money to		
19		fund education freedom accounts or		
20		any expenses related thereto."		
21	One striking similarity with Reid I is the arguments over the			
22	language in the requisite Declaration of Effect ("DOE"). Once again,			
23	the main stakeholders argue strenuously their respective opinions			
25	over whether or	not the DOE already provides legally sufficient clarity,		

 or, as Plaintiffs argue, whether or not it should be amended to add language making it clearer.

Unlike Reid I, and with one glaring impasse, this Court believes that if the Court and counsel would spend a day massaging the language of the DOE, there is a very realistic probability that the document could be revised in a manner that is satisfactory to both sides.

However, the glaring impasse with the DOE in this case, as in Reid I, is an insufficient explanation of the affect of the initiative on the budgets of all the school districts in the State and/or the need to draw revenues from the General Fund.

Before going further, the Court wishes to acknowledge that the intervenor, EFP, used somebody, or more likely a whole bunch of somebodies, who spent a heroic amount of time in an effort to forge a non-public school learning program under the auspices of an amended Chapter 385 of the Nevada Revised Statutes.

The Intervenor, EFP, feels that they have "sanitized" their initiative from claimed defects causing confusion in the language in the DOE, and should be allowed to proceed.

A critical related factor, also found in Reid I, urges a conclusion that the scheme does not represent an unfunded mandate and, that it is self-proving.

As the argument goes, there cannot be an unfunded mandate because there is no funding, period!

Funding is left to the Legislature.

Quoted directly from the language in the proposed order submitted by EFP, on page 3, lines 7 through 15, EFP urges as follows:

"The Petition neither contains an appropriate or an expenditure of money. The EFA program is contingent upon an appropriation by the Legislature to fund it: Section 37 of the Petition states specifically, "[t]he provisions of this act become effective upon an appropriation by the Legislature to fund the educational freedom accounts." (Exhibit 1 at Sec. 37.) And Section 35 states that "[n]othing herein shall require the Legislature to appropriate money to fund education freedom accounts or any expenses related thereto." (Id. At Sec. 35.) What's more, Section 10(2) states "[n]othing herein shall require the Legislature to appropriate money to fund the grants described in this section. The availability of grants is subject to the availability of funds as determined by the Legislature." (Id. At Sec. 10(2).)

See page 4 above where Section 35 of the proposed statute is again quoted in full.

26

1

2

3

5

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

27

Put another way, the fact that the funding is entirely discretionary with a future Legislature, could mean that the State Treasurer would not award a single grant and Nevada would have a new law "on the books" so to speak, but also have a "toothless tiger," on the books, so to speak, because the plan goes nowhere without funding.

Finally, EFP submits, that the scheme does not constitute an unfunded mandate because there is <u>no</u> mandate at all.

And, if there isn't a mandate, it has to be "precatory", a wish or a request.

This author thinks the entire conversation begs the question and presents the very same kind of sleight of hand that was true for the proposed Constitutional Amendment in Reid I.

The Court sees no interpretation other than that the initiative contains the same defect posited in Reid I: it is a non-contemporaneous directive to the Legislature to consider funding the initiative at a later session, and, as such cannot withstand the scrutiny of the Constitution.

Once again, it is a <u>literal</u> read of Section 6, Article 9, of the Constitution which discloses the main flaw in the Petitioner's argument. Consider removing a few words, and emphasizing one key word, and Section 6 [the Constitution] reads like this:

"[This Section]...does not permit a proposal of any statute or statutory amendment which...recognizes the expenditure of money, unless *SUCH* statute...imposes a sufficient tax...or...otherwise...provides for raising the necessary revenues". (emphasis supplied)

It <u>says nothing</u> about the right or latitude to postpone funding to a date out in the future, which will require forging yet <u>another</u> statute.

What it does say, is that this Bill, any Bill, that creates a statute

MUST <u>simultaneously</u>, impose a tax, or identify a legal revenue

source!

The Intervenor's effort to amend Senate Bill 385 cannot be permitted because there is no contemporaneous identification of a finite revenue source to fund the proposal.

Put another way, Section 6 simply does <u>not</u> allow funding to be postponed until a future Legislature convenes and then look for a

revenue source, while it is trying to balance the rest of the State budget.

In this Judge's view, no other interpretation of the legislative scheme is plausible.

Three final issues must be addressed:

- 1. Pre-election Petition;
- 2. Administrative Matters Excluded;
- 3. Schwartz Reviewed;

PRE-ELECTION PETITION:

The first issue addresses the caution contained in *Herbst Gaming Inc. v Secretary of State*, 122 Nev. 877, 141 P.3d 1224 (2006) that limits challenges available when contesting the scope of "pre-election" initiatives – that is, challenges coming in front of the actual ballot – which must implicate very narrow and specific constitutional requirements.

Other due process and equal protection claims are not ripe for challenge until the election itself has resulted in passage.

Here Article 6, Section 19, once again, legitimates a pre-emptive limited constitutional challenge requiring <u>up front</u> that the initiative

must be tied to a revenue source to go forward. Thus, it falls into the range of permissible challenges.

ADMINISTRATIVE ISSUES

Herbst, supra, can also be cited for the principle, urged by the Plaintiffs, that initiatives like the one under scrutiny are not to involve themselves in administrative matters as opposed to legislative acts, Id. 122 Nev. Pp. 883 et seq.

The Plaintiffs are right. The 22-page bill under scrutiny is replete with administrative criteria, which will have to be culled before going to the ballot.

In that sense, it is similar to the DOE previously discussed, which needs some serious editing to properly notice the financial impact before it is tendered to prospective voters.

So, the Court suggests that those shortcomings are both "curable" matters that require effort but can be "fixed".

Unfixable is the revenue source component.

SCHWARTZ DISCUSSION

This case, which is factually closer to our case than any other, was handed down by the Nevada Supreme Court on September 29,

2016. Although it goes by *Schwartz v. Lopez*, 132 Nev. 732, 382 P.3d 386 (2016), the opinion actually subsumes two cases; the second is *Duncan v. State* which has almost identical issues.

In both cases, the Plaintiffs challenged the constitutionality of a pair of bills enacted previously known as Senate Bill 302 and Senate Bill 515.

This legislation appropriated a Two Billion Dollar lump sun to be disbursed as in our case, through the office of the State Treasurer.

The State Treasurer took it all in, and on his own authority and interpretation concluded that the funding was sufficient to fund not only the earmarked public school system, but also could be available to fund educational savings accounts for parents to subsidize non-public educational opportunities similar to the ones in our case.

The High Court determined that Senate Bill 302 on its face, or in combination with Senate Bill 515 --- by any inference ---- cannot be construed as an appropriation measure, specifically designed to be used to serve private schooling, tutoring and other non-public educational opportunities.

Although the statutes under examination are markedly different from Senate Bill 385 in our case, the *Schwartz* Decision suggests that there is nothing impermissible about the Legislature funding a program for a so-called "sectarian purpose", like private schooling.

But an absolutely essential ingredient for inclusion in the statute is the specific directive to identify a revenue source by the Legislature contemporaneous with the establishment of the administrative program to use the funding.

To this extent, *Schwartz* is entirely consistent and represents a guidepost to come to a conclusion about <u>essential</u> issues that achieve a budget balance.

A specific directive to appropriate revenue for the educational programs proffered by the Intervenor/Defendants is essential to the viability of the statute.

The Schwartz case has very recently been modified to recognize that a "public importance" exception applies when a representative citizen sues to protect public funds by challenging a legislative appropriation.

Nevada Policy Research Institution v. Cannizzaro, 138 Nev. Adv. Op. 28, April 21, 2022.

Obviously, the issue in *Nevada Policy Research Institute, supra*, involve standing issues and separation of power issues that are not present in the instant case.

Accordingly, the *Schwartz* case is inapposite except that it may imply a duty that confirms that both Plaintiffs and Defendant in our case have been demonstrating a public-importance role that notches up the level of scrutiny when considering a specific provision in the Nevada Constitution.

The Intervenor/Defendant's challenge falls short of the mark.

The statute fails from the lack of a funding directive.

PART B

ORDER ENJOINING PETITION

Like its counterpart, REID I, the Intervenor has made an honest and thoughtful effort to create an opportunity for a substantial public forum to amend a statute that purports to administer and fund educational opportunities for children across the State whose parents

wish, for whatever reason, to eschew participation in the traditional school district.

Unfortunately for the Intervenor, this initiative — the one they rely upon---- impermissibly commands the Nevada Legislature to amend a scheme of education "status-900" and install an unproven program that violates the deliberative functions of the Legislature.

IT IS THEREFORE ORDERED and declared that Initiative Petition
C-04-2022 is legally deficient because of a glaring but curable
omission in the Declaration of Effect; and because it violates the
prohibition against imposing administrative functions, which also may
be curable.

What the Court finds and rules as incurable comes from the patently obvious command in Section 6 of Article 19 of the Nevada Constitution to contemporaneously link the proposal to a viable identified funding source in order to have Constitutional footing to go on with it.

IT IS FURTHER ORDERED and declared that Intervenor-Defendant Education Freedom PAC, its proponents, officers, or agents, are hereby enjoined from collecting signatures in support of the Petition and from

submitting any signatures for verification pursuant to NRS 293.1276, and any signatures previously collected are declared invalid.

IT IS FURTHER ORDERED and declared that Defendant Secretary of State Barbara Cegavske is enjoined from placing the Petition on the ballot.

IT IS SO ORDERED.

DATED this $25^{\prime\prime}$ day of April, 2022.

Charles M. McGEE

Senior Judge on Assignment

CERTIFICATE OF SERVICE

I certify that I am an employee of the First Judicial District Court of Nevada; that on the <u>\$\omega\beta\$</u> day of April 2022, I served a copy of this document by placing a true copy in an envelope addressed to:

Lucas Foletta, Esq.
100 West Liberty St. 10th Floor
Reno, NV 89501

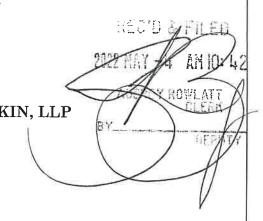
Bradley Schrager, Esq. 3773 Howard Hughes Parkway, Suite 590 South Las Vegas, NV 89169 Craig Newby, Esq. State of Nevada 555 E. Washington Ave., Suite 3900 Las Vegas, NV 89101

the envelope sealed and then deposited in the Court's central mailing basket in the court clerk's office for delivery to the USPS at 1111 South Roop Street, Carson City, Nevada, for mailing.

Devin Earl Law Clerk

ORIGINAL

BRADLEY S. SCHRAGER, ESQ. (NSB 10217)
JOHN SAMBERG, ESQ. (NSB 10828)
DANIEL BRAVO, ESQ. (NSB 13078)
WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP
3773 Howard Hughes Parkway, Suite 590 South
Las Vegas, Nevada 89169
(702) 341-5200/Fax: (702) 341-5300
bschrager@wrslawyers.com
jsamberg@wrslawyers.com
dbravo@wrslawyers.com



Attorneys for Plaintiffs

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA IN AND FOR CARSON CITY

BEVERLY ROGERS, an individual; RORY REID, an individual

Plaintiffs.

VS.

BARBARA CEGAVSKE, in her official capacity as NEVADA SECRETARY OF STATE,

Defendant,

and

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

EDUCATION FREEDOM PAC

Intervenor Defendant.

Case No.: 22 OC 00027 1B Dept.: II

NOTICE OF ENTRY OF ORDER

NOTICE IS HEREBY GIVEN that the DECISION INVALIDATING
PETITION TO CREATE A STATUTE TO GOVERN FUTURE APPROPRIATIONS
TO AN EDUCATIONAL SYSTEM OUTSIDE THE SCHOOL DISTRICTS and
INJUNCTION PREVENTING THE FORWARD PROGRESS OF THIS INITIATIVE
was entered in the above-captioned matter on the 26th day of April, 2022.

A true and correct copy is attached hereto as Exhibit 1.

AFFIRMATION

The undersigned hereby affirm that the foregoing document does not contain the social security number of any person.

DATED this <u>20</u> day of April, 2022

WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP

BRADLEY S. SCHRAGER, ESQ. (NSB 10217) JOHN SAMBERG, ESQ. (NSB 10828) DANIEL BRAVO, ESQ. (NSB 13078) 3773 Howard Hughes Parkway, Suite 590 South

Las Vegas, Nevada 89169 (702) 341-5200/Fax: (702) 341-5300

bschrager@wrslawyers.com jsamberg@wrslawyers.com dbravo@wrslawyers.com

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of May, 2022, a true and correct copy of the **NOTICE OF ENTRY OF ORDER** was served upon all parties via U.S. Mail postage pre-paid, Las Vegas, Nevada and via electronic mailing to the following:

Craig A. Newby, Esq.
OFFICE OF THE ATTORNEY
GENERAL
555 E. Washington Avenue, Suite #3900
Las Vegas, NV 89101
CNewby@ag.nv.gov

Lucas Foletta
McDONALD CARANO LLP
100 W. Liberty St., 10th Floor
Reno, Nevada 89501
Telephone: (775) 788-2000
lfoletta@mdonaldcarano.com

Attorney for Barbara Cegavske

Attorneys for Education Freedom PAC

Jackie Tucker
Judicial Assistant
Honorable Charles M. McGee
mcgeelegalassistant@gmail.com

BShadron@carson.org

 2

Danmell Jusquer

Dannielle Fresquez, an Employee of

WOLF, RIFKIN, SHAPIRO, SCHULMAN

& RABKIN, LLP

INDEX OF EXHIBITS

Exhibit No.	Documents	Pages
1	Decision Invalidating Petition To Create A Statute To Govern Future Appropriations To An Educational System Outside The School Districts And Injunction Preventing The Forward Progress Of This Initiative	16

EXHIBIT 1

REC'D & FILED

2022 APR 26 AM 10: 30

AUBREY ROWLE

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

BEVERLY ROGERS, AN INDIVIDUAL.

AND RORY REID, AN INDIVIDUAL,

CASE NO.: 220C0027 1B

Plaintiffs,

Vs.

1

2

3

di.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

BARBARA CEGAVSKE, in her Official capacity as NEVADA SECRETARY OF STATE,

Defendant,

EDUCATION FREEDOM PAC,

Intervenor, aligned as Defendant.

DEPT. NO. II

PART A

DECISION INVALIDATING PETITION TO CREATE A STATUTE TO GOVERN FUTURE APPROPRIATIONS TO AN EDUCATIONAL SYSTEM OUTSIDE THE SCHOOL DISTRICTS.

PART B

INJUNCTION PREVENTING THE FORWARD PROGRESS OF THIS INITIATIVE

PART A:

DISCUSSION

This opinion presents the second of two Decisions addressing

27

two of three initiatives filed by the Intervenor, Education Freedom PAC ("EFP"), who are proposing sweeping changes in the way public education is administered here in the State of Nevada.

A Decision and Order has already been filed in the first case,
which is captioned RORY REID, an individual; BEVERLY ROGERS, an
individual, Plaintiffs versus BARBARA CEGAVSKE, in her official
capacity as NEVADA SECRETARY OF STATE, Defendant; Case No. 22
OC 00028 1B ("Reid I").

EFP intervened and was joined as a party defendant in both cases.

The case at hand reverses the order of the Plaintiffs' names so that Beverly Rogers' name appears first.

Like it did in Reid I, Intervenor sought dismissal for claimed unnecessary delays which they attributed to the Plaintiffs. For the reasons set forth in the Reid I Decision, that motion MAY BE AND HEREBY IS DENIED.

So, while there are a host of similarities, these two cases have not been consolidated because <u>more</u> important differences exist than similarities.

ı

a

1.5

1.7

The biggest difference is that the Education Freedom PAC was seeking a full-blown Constitutional Amendment in Reid I.

By contrast, the instant case proposes by initiative to bring into existence a very detailed statute and administrative plan which places the State Treasurer in a position where he or she, in the future, may be in charge of maintaining accounts and dispersing grants to educators given standing by the statute.

The statute itself is a full twenty-two (22) pages, single spaced, small font.

"EFP" filed the petition at the end of January and if eventually funded, it would authorize parents to earmark accounts for educational expenses outside the school district, including tuition and fees for participating entities and private schools.

To demonstrate the breadth of this legislation, the Court has edited more than a dozen of the headings by Section as follows:

Section 9.2 accounts maintained by a financial management firm;

- Sec. 9.10 bars funding for home schooling; however, under Section 13.1(e) a parent can be an eligible entity;
- Sec. 10.2 the funding is permissive within the Legislature;

1.0

1.1

1	Sec. 10.3	if funded the percent is 90%;		
2	Sec. 10.6	4% set aside for administrative costs;		
3	Sec. 11	limitations on spending;		
5	Sec. 14	Testing and achievement examinations and		
6		Reporting;		
7	Sec. 16	Questionably effective anti-liability provisions;		
9	Sec. 19	an innovative proposal: Senate-centered Youth Legislature;		
10	Sec. 21	Interscholastic Activities made workable;		
12	Sec. 29.7	Eligibility for interscholastic activities;		
14	Sec. 34	Malfeasance and disciplines;		
15	Sec. 35	Yet another disclaimer, as follows:		
17		"Nothing herein shall require the		
18		Legislature to appropriate money to		
,,		fund education freedom accounts or		
20		any expenses related thereto."		
21	One striking similarity with Reid I is the arguments over the			
22	language in the requisite Declaration of Effect ("DOE"). Once again,			
24	the main stakeholders argue strenuously their respective oninions			
25	over whether or	not the DOE already provides legally sufficient clarity,		

or, as Plaintiffs argue, whether or not it should be amended to add language making it clearer.

б

1.4

Unlike Reid I, and with one glaring impasse, this Court believes that if the Court and counsel would spend a day massaging the language of the DOE, there is a very realistic probability that the document could be revised in a manner that is satisfactory to both sides.

However, the glaring impasse with the DOE in this case, as in Reid I, is an insufficient explanation of the affect of the initiative on the budgets of all the school districts in the State and/or the need to draw revenues from the General Fund.

Before going further, the Court wishes to acknowledge that the intervenor, EFP, used somebody, or more likely a whole bunch of somebodies, who spent a heroic amount of time in an effort to forge a non-public school learning program under the auspices of an amended Chapter 385 of the Nevada Revised Statutes.

The Intervenor, EFP, feels that they have "sanitized" their initiative from claimed defects causing confusion in the language in the DOE, and should be allowed to proceed.

A critical related factor, also found in Reid I, urges a conclusion that the scheme does not represent an <u>unfunded mandate</u> and, that it is self-proving.

As the argument goes, there cannot be an unfunded mandate because there is no funding, period!

Funding is left to the Legislature.

Quoted directly from the language in the proposed order submitted by EFP, on page 3, lines 7 through 15, EFP urges as follows:

"The Petition neither contains an appropriate or an expenditure of money. The EFA program is contingent upon an appropriation by the Legislature to fund it: Section 37 of the Petition states specifically, "[t]he provisions of this act become effective upon an appropriation by the Legislature to fund the educational freedom accounts." (Exhibit 1 at Sec. 37.) And Section 35 states that "[n]othing herein shall require the Legislature to appropriate money to fund education freedom accounts or any expenses related thereto." (Id. At Sec. 35.) What's more, Section 10(2) states "[n]othing herein shall require the Legislature to appropriate money to fund the grants described in this section. The availability of grants is subject to the availability of funds as determined by the Legislature." (Id. At Sec. 10(2).)

See page 4 above where Section 35 of the proposed statute is again quoted in full.

1

2

5

б

8

9

10

11.

12

13

14

15

16

17

1.8

19

20

21

22

23

24

25

26

Put another way, the fact that the funding is entirely discretionary with a future Legislature, could mean that the State Treasurer would not award a single grant and Nevada would have a new law "on the books" so to speak, but also have a "toothless tiger," on the books, so to speak, because the plan goes nowhere without funding.

Finally, EFP submits, that the scheme does not constitute an unfunded mandate because there is <u>no</u> mandate at all.

And, if there isn't a mandate, it has to be "precatory", a wish or a request.

This author thinks the entire conversation begs the question and presents the very same kind of sleight of hand that was true for the proposed Constitutional Amendment in Reid I.

The Court sees no interpretation other than that the initiative contains the same defect posited in Reid I: it is a non-contemporaneous directive to the Legislature to consider funding the initiative at a later session, and, as such cannot withstand the scrutiny of the Constitution.

Once again, it is a <u>literal</u> read of Section 6, Article 9, of the Constitution which discloses the main flaw in the Petitioner's argument. Consider removing a few words, and emphasizing one key word, and Section 6 [the Constitution] reads like this:

1.2

1.8

"[This Section]...does not permit a proposal of any statute or statutory amendment which...recognizes the expenditure of money, unless *SUCH* statute...imposes a sufficient tax...or...otherwise...provides for raising the necessary revenues". (emphasis supplied)

It <u>says nothing</u> about the right or latitude to postpone funding to a date out in the future, which will require forging yet <u>another</u> statute.

What it does say, is that this Bill, any Bill, that creates a statute

MUST <u>simultaneously</u>, impose a tax, or identify a legal revenue

source!

The Intervenor's effort to amend Senate Bill 385 cannot be permitted because there is no contemporaneous identification of a finite revenue source to fund the proposal.

Put another way, Section 6 simply does <u>not</u> allow funding to be postponed until a future Legislature convenes and then look for a

revenue source, while it is trying to balance the rest of the State budget.

In this Judge's view, no other interpretation of the legislative scheme is plausible.

Three final issues must be addressed:

1. Pre-election Petition;

1.9

- 2. Administrative Matters Excluded;
- 3. Schwartz Reviewed;

PRE-ELECTION PETITION:

The first issue addresses the caution contained in *Herbst Gaming Inc. v Secretary of State,* 122 Nev. 877, 141 P.3d 1224 (2006) that limits challenges available when contesting the scope of "pre-election" initiatives – that is, challenges coming in front of the actual ballot – which must implicate very narrow and specific constitutional requirements.

Other due process and equal protection claims are not ripe for challenge until the election itself has resulted in passage.

Here Article 6, Section 19, once again, legitimates a pre-emptive limited constitutional challenge requiring <u>up front</u> that the initiative

<u>must</u> be tied to a revenue source to go forward. Thus, it falls into the range of permissible challenges.

ADMINISTRATIVE ISSUES

Herbst, supra, can also be cited for the principle, urged by the Plaintiffs, that initiatives like the one under scrutiny are not to involve themselves in administrative matters as opposed to legislative acts, Id. 122 Nev. Pp. 883 et seq.

The Plaintiffs are right. The 22-page bill under scrutiny is replete with administrative criteria, which will have to be culled before going to the ballot.

In that sense, it is similar to the DOE previously discussed, which needs some serious editing to properly notice the financial impact before it is tendered to prospective voters.

So, the Court suggests that those shortcomings are both "curable" matters that require effort but can be "fixed".

Unfixable is the revenue source component.

SCHWARTZ DISCUSSION

This case, which is factually closer to our case than any other, was handed down by the Nevada Supreme Court on September 29,

1.3 1.4

 2016. Although it goes by *Schwartz v. Lopez*, 132 Nev. 732, 382 P.3d 386 (2016), the opinion actually subsumes two cases; the second is *Duncan v. State* which has almost identical issues.

In both cases, the Plaintiffs challenged the constitutionality of a pair of bills enacted previously known as Senate Bill 302 and Senate Bill 515.

This legislation appropriated a Two Billion Dollar lump sun to be disbursed as in our case, through the office of the State Treasurer.

The State Treasurer took it all in, and on his own authority and interpretation concluded that the funding was sufficient to fund not only the earmarked public school system, but also could be available to fund educational savings accounts for parents to subsidize non-public educational opportunities similar to the ones in our case.

The High Court determined that Senate Bill 302 on its face, or in combination with Senate Bill 515 --- by any inference ---- cannot be construed as an appropriation measure, specifically designed to be used to serve private schooling, tutoring and other non-public educational opportunities.

Although the statutes under examination are markedly different from Senate Bill 385 in our case, the *Schwartz* Decision suggests that there is nothing impermissible about the Legislature funding a program for a so-called "sectarian purpose", like private schooling.

But an absolutely essential ingredient for inclusion in the statute is the specific directive to identify a revenue source by the Legislature contemporaneous with the establishment of the administrative program to use the funding.

To this extent, *Schwartz* is entirely consistent and represents a guidepost to come to a conclusion about <u>essential</u> issues that achieve a budget balance.

A specific directive to appropriate revenue for the educational programs proffered by the Intervenor/Defendants is essential to the viability of the statute.

The Schwartz case has very recently been modified to recognize that a "public importance" exception applies when a representative citizen sues to protect public funds by challenging a legislative appropriation.

R

1,5

Nevada Policy Research Institution v. Cannizzaro, 138 Nev. Adv. Op. 28, April 21, 2022.

Obviously, the issue in *Nevada Policy Research Institute, supra*, involve standing issues and separation of power issues that are not present in the instant case.

Accordingly, the Schwartz case is inapposite except that it may imply a duty that confirms that both Plaintiffs and Defendant in our case have been demonstrating a public-importance role that notches up the level of scrutiny when considering a specific provision in the Nevada Constitution.

The Intervenor/Defendant's challenge falls short of the mark.

The statute fails from the lack of a funding directive.

PART B

ORDER ENJOINING PETITION

Like its counterpart, REID i, the Intervenor has made an honest and thoughtful effort to create an opportunity for a substantial public forum to amend a statute that purports to administer and fund educational opportunities for children across the State whose parents

1.5

1.9

2.2

wish, for whatever reason, to eschew participation in the traditional school district.

Unfortunately for the Intervenor, this initiative — the one they rely upon---- impermissibly commands the Nevada Legislature to amend a scheme of education "status-900" and install an unproven program that violates the deliberative functions of the Legislature.

C-04-2022 is legally deficient because of a glaring but curable omission in the Declaration of Effect; and because it violates the prohibition against imposing administrative functions, which also may be curable.

What the Court finds and rules as incurable comes from the patently obvious command in Section 6 of Article 19 of the Nevada Constitution to contemporaneously link the proposal to a viable identified funding source in order to have Constitutional footing to go on with it.

IT IS FURTHER ORDERED and declared that Intervenor-Defendant Education Freedom PAC, its proponents, officers, or agents, are hereby enjoined from collecting signatures in support of the Petition and from

submitting any signatures for verification pursuant to NRS 293.1276, and any signatures previously collected are declared invalid.

IT IS FURTHER ORDERED and declared that Defendant Secretary of State Barbara Cegavske is enjoined from placing the Petition on the ballot.

IT IS SO ORDERED.

DATED this $25^{\prime\prime\prime}$ day of April, 2022.

Charles M. Mig

CHARLES M. McGEE Senior Judge on Assignment

4 5

Q

CERTIFICATE OF SERVICE

I certify that I am an employee of the First Judicial District Court of Nevada; that on the <u>Se</u> day of April 2022, I served a copy of this document by placing a true copy in an envelope addressed to:

Lucas Foletta, Esq.	Craig Newby, Esq.
100 West Liberty St. 10 th Floor	State of Nevada
Reno, NV 89501	555 E. Washington Ave., Suite 3900 Las Vegas, NV 89101
Bradley Schrager, Esq.	
3773 Howard Hughes Parkway,	
Suite 590 South	
Las Vegas, NV 89169	

the envelope sealed and then deposited in the Court's central mailing basket in the court clerk's office for delivery to the USPS at 1111 South Roop Street, Carson City, Nevada, for mailing.

Devin Earl Law Clerk

6.

FIRST JUDICIAL DISTRICT COURT MINUTES

CASE NO. <u>22 OC 00028 1B</u> TITLE: RORY REID AND BEVERLY ROGERS

VS BARBARA CEGAVSKE

CASE NO. 22 OC 00027 1B TITLE: BEVERLY ROGERS AND RORY REID

VS

03/29/22 – DEPT. II – HONORABLE CHARLES MCGEE V. Alegria, Clerk – Not Reported

EVIDENTIARY HEARING

Present: Petitioner's, via telephone, with counsel Bradley Schrager; Lucas Foletta, counsel for Intervenor; Craig Newby, via telephone, counsel for Respondent.

Statements were made by Court and counsel.

Opening statements were made by Schrager, Foletta and Newby.

Court disclosed prior acquaintance with a party involved in the School District. Upon inquiry by Court, counsel had no problem with the Court and that affiliation.

Court, Foletta and Schrager discussed unfunded mandates in the Public Education System and the Nevada Constitution article 19 section 6. Statements were made by Court, Schrager and Foletta regarding whether the disposition in one case is the disposition on the other. Schrager requested for each case to be considered but handled separately. Statements were made by Court. Matter taken under submission.

Foletta requested to proceed with today's hearing on case number 22 OC 00027 1B.

Opening Statements were made by Schrager and Foletta.

Statements were made by Court and counsel.

Matter taken under submission.

The Court minutes as stated above are a summary of the proceeding and are not a verbatim record. The hearing held on the above date was recorded on the Court's recording system.

DISTRICT COURT CIVIL COVER SHEET

Carson City County, Nevada I. Party Information (provide both home and mailing addresses if different) Defendantil Info Edd 22 / plane): 1: 36 Plaintiff(s) (name/address/phone): BEVERLY ROGERS, an individual; RORY REID, an individual

BARBARA CEGAVSKE, in her official capacity as NEVADA SECRETARY OF STATE DEPLITY Attorney (name/address/phone): Attorney (name/address/pl Bradley S. Schrager, Esq., John Samberg, Esq., Daniel Bravo, Esq. Unknown Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP 3773 Howard Hughes Parkway, Suite 590 South Las Vegas, Nevada 89169 (702) 341-5200 II. Nature of Controversy (please select the one most applicable filing type below) Civil Case Filing Types Real Property Torts Landlord/Tenant Negligence Other Torts Unlawful Detainer Auto Product Liability Other Landlord/Tenant Premises Liability Intentional Misconduct Title to Property Other Negligence Employment Tort Judicial Foreclosure Malpractice Insurance Tort Foreclosure Mediation Assistance Medical/Dental Other Tort Other Title to Property Legal Other Real Property Accounting Condemnation/Eminent Domain Other Malpractice Other Real Property Probate Construction Defect & Contract Judicial Review/Appeal Probate (select case type and estate value) **Construction Defect** Judicial Review Summary Administration Chapter 40 Petition to Seal Records General Administration Other Construction Defect Mental Competency Special Administration **Contract Case** Nevada State Agency Appeal Set Aside Surviving Spouse Uniform Commercial Code Department of Motor Vehicle Trust/Conservatorship Building and Construction Worker's Compensation Other Probate Insurance Carrier Other Nevada State Agency Estate Value Commercial Instrument **Appeal Other** Greater than \$300,000 Collection of Accounts Appeal from Lower Court \$200,000-\$300,000 Employment Contract \$100,001-\$199,999 Other Judicial Review/Appeal \$25,001-\$100,000 Other Contract \$20,001-\$25,000 \$2,501-20,000 \$2,500 or less Civil Writ Other Civil Filing Civil Writ Other Civil Filing Writ of Habeas Corpus Writ of Prohibition Compromise of Minor's Claim Writ of Mandamus Other Civil Writ Foreign Judgment Writ of Ouo Warrant Other Civil Matters Business Court filings should be filed using the Business Court civil coversheet.

2-22-22 Date

Signature of initiating party or representative