

**ADOPTED REGULATION OF THE
DEPARTMENT OF EDUCATION**

LCB File No. R044-05

Effective October 31, 2005

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-14, NRS 386.540.

A REGULATION relating to charter schools; revising provisions relating to the formation and operation of charter schools; and providing other matters properly relating thereto.

Section 1. Chapter 386 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *“Authorized insurer” has the meaning ascribed to it in NRS 679A.030.*

Sec. 3. 1. *Except as otherwise provided in subsection 4 of NAC 386.140, a committee to form a charter school shall obtain insurance from an authorized insurer as follows:*

(a) Industrial insurance coverage in accordance with the applicable provisions of the Nevada Industrial Insurance Act, chapters 616A to 616D, inclusive, of NRS.

(b) General liability insurance with a minimum coverage of \$1,000,000. The general liability insurance policy must include coverage for sexual abuse, molestation, and sports and athletic participation and have a broad form policy, with the named insureds as follows:

- (1) The sponsor of the charter school;*
- (2) All employees of the charter school, including, without limitation, former, present and future employees;*
- (3) Volunteers at the charter school; and*

- (4) Directors of the charter school, including, without limitation, executive directors.*
 - (c) Umbrella liability insurance with a minimum coverage of \$10,000,000.*
 - (d) Educators' legal liability insurance with a minimum coverage of \$1,000,000.*
 - (e) Employment practices liability insurance with a minimum coverage of \$1,000,000.*
 - (f) Employment benefits liability insurance with a minimum coverage of \$1,000,000.*
 - (g) Insurance covering errors and omissions of the sponsor and governing body of the charter school with a minimum coverage of \$1,000,000.*
 - (h) Automobile liability insurance with a minimum coverage of \$1,000,000.*
- ↪ *The cost of insurance required by this section must be provided to the proposed sponsor by the authorized insurer and included in each budget submitted pursuant to subsection 4 of NAC 386.180 and NAC 386.370.*

2. If an application to form a charter school is approved, the governing body of the charter school shall maintain the insurance required by this section.

Sec. 4. NAC 386.010 is hereby amended to read as follows:

386.010 As used in NAC 386.010 to 386.445, inclusive, *and sections 2 and 3 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 386.020 to 386.050, inclusive, *and section 2 of this regulation* have the meanings ascribed to them in those sections.

Sec. 5. NAC 386.020 is hereby amended to read as follows:

386.020 "Charter school" means a public school that is formed pursuant to NRS 386.500 to 386.610, inclusive, and NAC 386.010 to 386.415, inclusive ~~H~~, *and sections 2 and 3 of this regulation.*

Sec. 6. NAC 386.130 is hereby amended to read as follows:

386.130 1. The Department will prescribe forms for the use of a committee to form a charter school in applying to:

- (a) The Department, pursuant to subsection 2 of NRS 386.520;
 - (b) The board of trustees of the school district in which the proposed charter school will be located, pursuant to NRS 386.525; and
 - (c) The State Board of Education, pursuant to NRS 386.525,
- ↪ to form a charter school.

2. An application to form a charter school must not propose to form a charter school in more than one county. The Department will accept only one application per year from each committee to form a charter school. The State Board of Education and the board of trustees of a school district shall accept only one application per year from each committee to form a charter school. An application that is submitted to:

- (a) The Department, pursuant to subsection 2 of NRS 386.520;
- (b) The board of trustees of the school district in which the proposed charter school will be located, pursuant to NRS 386.525; and
- (c) The State Board of Education, pursuant to NRS 386.525,

↪ must be submitted on forms prescribed pursuant to subsection 1 and must be submitted to the Department not later than 5 p.m. on September 1 of the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation and to the board of trustees or the State Board of Education not later than 5 p.m. on January 15 of the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation.

3. An application to form a charter school may not be submitted earlier than 2 fiscal years immediately preceding the fiscal year in which the proposed charter school will begin operation.

4. Pursuant to NRS 386.520 and 386.525, only a committee to form a charter school may submit an application to form a charter school. The Department will not accept an application from a committee whose membership includes a:

- (a) Potential contractor of the proposed charter school;
- (b) Potential lessor of a facility that the proposed charter school may lease; or
- (c) Representative of an educational management organization with which the proposed charter school may contract.

↪ Neither the State Board of Education nor the board of trustees of a school district shall accept an application from a committee to form a charter school whose membership includes a person or entity described in paragraph (a), (b) or (c).

5. An application may be submitted only for the kind of school, as defined in NRS 388.020, that will be operated during the first year of operation. If the applicant intends to expand the kind of school for which the charter school is authorized to operate after the first year of operation, the written charter must be amended pursuant to subsection ~~3~~ 5 of NRS 386.527.

6. Except as otherwise provided in this subsection, if an application to form a charter school is approved and the charter school fails to become an operational charter school, the committee that submitted the application may not submit another application for a charter school within the same school district until after the completion of 2 fiscal years immediately succeeding the fiscal year in which the originally proposed charter school would have become an operational charter school. The restriction set forth in this subsection does not apply to an application submitted for a charter school that is dedicated to providing educational programs and opportunities for pupils who are at risk.

Sec. 7. NAC 386.140 is hereby amended to read as follows:

386.140 In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to the Department pursuant to that subsection by a committee to form a charter school must also include certain information regarding the facility, personnel and equipment of the proposed charter school, including, without limitation:

1. The name of the proposed charter school.
2. If the facility that the charter school will occupy exists at the time of application and is suitable for use by the charter school, but is not owned by the school district in which the charter school will be located:

- (a) The address of the charter school;
- (b) The type of facility that the charter school will occupy;
- (c) A floor plan of the facility that the charter school will occupy, including a notation of the size of the facility which is set forth in square feet;

- (d) The name and address of the owner of the facility that the charter school will occupy;
- (e) If the facility that the charter school will occupy will be leased or rented, a copy of the proposed lease or rental agreement;

- (f) If available at the time that the application is submitted, a copy of the certificate of occupancy for the facility; and

- (g) Documentation which demonstrates that *the committee has obtained the insurance required by section 3 of this regulation and that* the proposed sponsor of the charter school is satisfied with the type and amount of insurance or other means that will be used to indemnify the sponsor against financial loss pursuant to paragraph (l) of subsection 1 of NRS 386.550.

3. If the facility that the charter school will occupy is, at the time of application, being used as a public school, the name and location of that school and documentation which ~~{sets}~~ :

(a) Sets forth the specific days and times during which the charter school is authorized to use the facility.

(b) Demonstrates that the committee has obtained the insurance required by section 3 of this regulation and that the proposed sponsor of the charter school is satisfied with the type and amount of insurance or other means that will be used to indemnify the sponsor against financial loss pursuant to paragraph (l) of subsection 1 of NRS 386.550.

4. If the proposed charter school has not obtained a suitable facility, personnel or equipment:

(a) A statement in writing describing why the proposed charter school has not obtained a suitable facility, personnel or equipment;

(b) A plan for obtaining a suitable facility, personnel or equipment, including, without limitation, as applicable:

(1) A statement in writing that explains whether an existing facility will be remodeled or a new facility will be built; and

(2) A schedule for completing or obtaining a suitable facility, personnel and equipment, including, without limitation, if applicable, a description of and time schedule for any plan to raise funds for completing or obtaining the facility, personnel and equipment;

(c) The date on which it is anticipated that the charter school will open;

(d) A description of the equipment that will be used at the charter school, including, without limitation:

(1) Office furniture and equipment;

(2) Computer equipment;

(3) Musical instruments;

- (4) Equipment to be used in a machinery shop; and
- (5) Supplies and other items necessary for the use of equipment described in this paragraph; ~~and~~
- (e) *A written estimate, prepared by an authorized insurer, of the cost of obtaining insurance required by section 3 of this regulation and documentation which demonstrates that the proposed sponsor of the charter school is satisfied with the type and amount of insurance provided for in the written estimate or other means that will be used to indemnify the sponsor against financial loss pursuant to paragraph (l) of subsection 1 of NRS 386.550; and*
- (f) If applicable, evidence in writing that the acceptance of the application by the proposed sponsor of the charter school is necessary to obtain a facility, equipment or personnel.

Sec. 8. NAC 386.180 is hereby amended to read as follows:

386.180 In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to the Department pursuant to that subsection by a committee to form a charter school must also include certain miscellaneous information concerning the proposed charter school, including, without limitation:

1. A description of the lottery system that the proposed charter school will use pursuant to NRS 386.580 if more eligible pupils apply for enrollment in the charter school than the number of spaces for pupils which are available.
2. The name, address, telephone number and, if applicable, the ~~e-mail~~ *electronic mail* address of the person selected to act as liaison pursuant to NAC 386.110.
3. Information concerning records of pupils that will be maintained by the proposed charter school in accordance with NAC 386.360, including, without limitation:
 - (a) The name and title of the person who will be responsible for:

- (1) Maintaining records of pupils; and
 - (2) Providing records of pupils to the school district in which the charter school is located for inclusion in the automated system of accountability information for Nevada that is established and maintained by the Department pursuant to NRS 386.650.
- (b) An example of the manner in which the cumulative record of a pupil is proposed to be stored.
 - (c) The proposed location within the charter school in which records of pupils will be stored.
 - (d) The name of the person who will be responsible for the records of pupils if the charter school is dissolved or the written charter of the charter school is not renewed.
 - (e) The policy of the charter school regarding the retention of the records of pupils.
4. A proposed budget that sets forth the estimated revenues and expenditures of the charter school for the first 2 years of operation ~~1.1~~, *including, without limitation, the cost of insurance required by section 3 of this regulation*. In addition, the proposed budget must be accompanied by a statement of cash flow and a budget for the period before the charter school commences operation.
 5. A list of rules setting forth the policies of the charter school regarding truancy and other situations in which a pupil is absent from school.
 6. If known at the time of application:
 - (a) The name of each contractor, including, without limitation, an educational management organization, the board of trustees of a school district, the ~~1.1 University and Community College System of~~ Nevada *System of Higher Education* and any business, corporation, organization or other entity, whether or not conducted for profit, with whom the charter school intends to contract to provide any service to the charter school;

(b) A copy of the format for the contract that will be used for each contractor identified in paragraph (a), if a particular format is anticipated at the time the application is submitted;

(c) The name of a contact person for each contractor identified in paragraph (a);

(d) The telephone number and mailing address of each contractor identified in paragraph (a);
and

(e) A description of the service to be provided by the contractor.

7. If the application was prepared by a person who is not a member of the committee to form the charter school or by another entity, including, without limitation, an educational management organization, or if such a person or entity assisted the committee in preparing the application:

(a) The name of the person or entity;

(b) The name and location of any public school, private school or charter school with which the person or entity has been or is presently affiliated, including, without limitation, the street address and mailing address of that school;

(c) The dates on which the person or entity was affiliated with a school described in paragraph (b), if any such affiliation occurred;

(d) A statement indicating whether the person or entity is presently affiliated with a school described in paragraph (b) or has ceased the affiliation;

(e) If the affiliation has ceased, a statement indicating the reason for the cessation; and

(f) A detailed resume listing the qualifications of the person or entity.

Sec. 9. NAC 386.202 is hereby amended to read as follows:

386.202 1. If the Subcommittee on Charter Schools receives an application to form a charter school pursuant to subsection 4 of NRS 386.525, the staff of the Department, acting on behalf of the State Board of Education, will verify the contents of the application by:

- (a) Performing a physical inspection of the location of the proposed charter school, if applicable;
- (b) Consulting with the members of the committee to form the charter school and, where appropriate, the proposed administrators and staff members of the proposed charter school; and
- (c) Performing any other investigation necessary or useful in verifying the contents of the application.

2. If the Subcommittee on Charter Schools receives an application pursuant to subsection 4 of NRS 386.525 after the application has been denied twice by the board of trustees of a school district, the application that is submitted to the State Board of Education must be the same application that was denied by the board of trustees except that it may be revised in response to concerns stated by the board of trustees in its second denial of the application if such a revision does not significantly alter the application.

3. Within 10 days after an application is received by the Subcommittee on Charter Schools, the Department will review the application and determine whether the application:

- (a) Complies with NRS 386.500 to 386.610, inclusive, and the regulations applicable to charter schools; and
- (b) Is complete in accordance with the regulations of the Department.

4. Within 20 days after an application is received by the Subcommittee on Charter Schools, the Department shall provide to the applicant its findings pursuant to subsection 3, including the items that are incomplete or noncompliant. The Department may hold a meeting with the

applicant or provide the information required by this subsection in another format suitable to the applicant.

5. Within 20 days after an application is received by the Subcommittee on Charter Schools, the Department shall provide to the State Board of Education:

- (a) The findings of the Department pursuant to subsection 3;
- (b) If applicable, the reasons for the first and second denial of the application by the board of trustees of a school district;
- (c) A copy of the proposed written agreement if the State Board approves the application pursuant to subsection ~~4~~ 4 of NRS 386.527 or a copy of the proposed written agreement if the State Board approves the application pursuant to subsection ~~4~~ 6 of NRS 386.527; and
- (d) Any other information the Department determines is necessary for the State Board in its review of the application.

6. Other than material required to convert a written charter issued by the State Board of Education pursuant to subsection ~~4~~ 6 of NRS 386.527 to a written charter issued pursuant to subsection ~~4~~ 4 of NRS 386.527, no additional application material will be accepted from the applicant after the submission referred to in subsections 1 and 2 unless specifically requested by the State Board, the Subcommittee on Charter Schools or the Department to assist in the review of the application.

7. At the meeting described in subsection 5 or 6 of NRS 386.525, as applicable, the Subcommittee on Charter Schools or the State Board of Education, as applicable, shall:

- (a) Consider the application along with any reports generated by the employees of the Department and, if the application was previously denied by the board of trustees of a school

district, any reports generated by the employees of that school district pursuant to NAC 386.200; and

(b) Determine whether the application complies with all applicable state and federal statutes and regulations.

8. After the Subcommittee on Charter Schools holds a meeting pursuant to subsection 5 of NRS 386.525, the Subcommittee shall immediately transmit to the State Board of Education a recommendation for approval or denial of the application by the State Board. The Subcommittee shall not delay in the transmission of its recommendation.

9. The State Board of Education shall not approve an application for a written charter pursuant to subsection ~~4~~ 4 of NRS 386.527 if the application does not satisfy the requirements of paragraphs (a) and (b) of subsection 1 of NRS 386.525. A written charter may be granted pursuant to subsection ~~4~~ 6 of NRS 386.527 if the applicant is not prepared to commence operation. If such a charter is granted, the provisions of NAC 386.240 apply.

10. If the State Board of Education denies an application, it shall forward a copy of the written notice of the denial, including, without limitation, the reasons for the denial, to the Department within 5 days after the decision to deny the application is made.

11. If the State Board of Education approves an application, the:

(a) Written charter must include the application, as approved, and a written agreement signed by the President of the State Board and charter school.

(b) Written notice provided to the Department pursuant to NRS 386.527 indicating approval of the application must include the written charter.

Sec. 10. NAC 386.205 is hereby amended to read as follows:

386.205 1. If a charter school occupies a facility that is not being used as a public school by the school district in which the charter school is located, the charter school shall submit to the Department and to the sponsor of the charter school a copy of the certificate of occupancy for the facility occupied by the charter school if a copy of the certificate of occupancy was not included in the application to form the charter school. A copy of the certificate of occupancy must be submitted to the sponsor of a charter school before a written charter is issued to the charter school pursuant to subsection ~~[2]~~ 4 of NRS 386.527.

2. The provisions of this section apply regardless of whether the sponsor of the charter school determines that the facility the charter school occupies is acceptable for use as a charter school.

Sec. 11. NAC 386.240 is hereby amended to read as follows:

386.240 1. The board of trustees of a school district or the State Board of Education may issue a written charter pursuant to subsection ~~[4]~~ 6 of NRS 386.527 if the board of trustees or State Board, as applicable, determines that the applicant is not prepared to commence operation on the date of issuance of the written charter. Except as otherwise provided in this subsection, a written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527 expires 1 year after the date of issuance and is nonrenewable. A written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527 to a charter school that is dedicated to providing educational programs and opportunities for pupils who are at risk expires 2 years after the date of issuance and is nonrenewable. If a written charter is issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527, a governing body must be selected and the provisions of NRS 386.549 and NAC 386.345 apply to the governing body.

2. A written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527 must include:

(a) A notation indicating the date on which the charter expires and indicating that the charter is nonrenewable;

(b) Each reason why the charter school is not prepared to commence operation on the date of issuance of the charter;

(c) The conditions that the governing body of the charter school must satisfy to convert the written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527 to a written charter issued pursuant to subsection ~~[2]~~ 4 of NRS 386.527;

(d) The tasks that must be accomplished by the governing body of the charter school before it may submit a supplemental application to convert the written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527 to a written charter issued pursuant to subsection ~~[2]~~ 4 of NRS 386.527, including, without limitation, the timeline by which those tasks must be accomplished; and

(e) A statement by the governing body of the charter school indicating that it understands that:

(1) To receive apportionments from the State Distributive School Account, the charter school must comply with NAC 386.355; ~~and~~

(2) The governing body shall not authorize the attendance of pupils at the charter school unless the charter school has obtained a written charter issued pursuant to subsection ~~[2]~~ 4 of NRS 386.527 ~~[1]~~ ; and

(3) The governing body must obtain the insurance required by section 3 of this regulation before commencing operation as a charter school.

3. Before the expiration of a written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527, the holder of the charter may submit a supplemental application to the sponsor

requesting that the sponsor determine whether the charter school is eligible for a written charter issued pursuant to subsection ~~[2]~~ 4 of NRS 386.527. The supplemental application must be submitted not less than 30 days before the expiration of the written charter issued pursuant to subsection ~~[4]~~ 6 of NRS 386.527.

Sec. 12. NAC 386.355 is hereby amended to read as follows:

386.355 1. The count day for a charter school is the same as the count day for the school district in which the charter school is located and is the last day of the first school month of that school district.

2. To receive apportionments from the State Distributive School Account, a charter school must have pupils enrolled and attending school and account for at least 20 school days in the first school month, which may include days on which class is not in session, including, without limitation, ~~[legal holidays,]~~ in-service days and conference days for teachers.

3. If an individual pupil is enrolled and attending a charter school at least 1 school day before the count day, that pupil will be counted.

Sec. 13. NAC 386.410 is hereby amended to read as follows:

386.410 The sponsor of a charter school shall submit to the Department an annual report of compliance for the charter school. If the board of trustees of a school district is the sponsor of a charter school, the annual report of compliance must be included in the report that is required pursuant to NRS 386.610. The annual report of compliance must include:

1. A determination whether the charter school and its governing body comply with the terms and conditions of operation set forth in the written charter.

2. A determination whether the membership of the governing body of the charter school complies with NRS 386.549 and NAC 386.345, including, without limitation, whether:

(a) The governing body consists of at least three teachers, as defined in subsection 4 of NRS 386.549;

(b) A majority of the members of the governing body reside in the county in which the charter school is located; and

(c) Each member of the governing body has filed an affidavit with the Department indicating that he has not been convicted of a felony or offense involving moral turpitude.

3. A determination whether the governing body has held at least one regularly scheduled public meeting in the county in which the charter school is located during each calendar quarter and each meeting complied with chapter 241 of NRS.

4. A determination whether the governing body and the charter school comply with the provisions of NRS 332.800.

5. Upon examination of the agenda and minutes of each meeting of the governing body and the reports submitted to the governing body during each meeting, a determination whether the governing body is fulfilling its duty to evaluate the performance of each entity with whom the governing body has entered into a contract, including, without limitation, the performance of an educational management organization.

6. If the charter school is dedicated to providing educational programs and opportunities for pupils who are at risk, a determination whether the:

(a) Percentage of pupils who are at risk complies with NAC 386.080; and

(b) Educational program and services provided to those pupils is appropriate and carried out in an effective manner.

7. A determination whether the charter school has complied with generally accepted standards of accounting and fiscal management.

8. A determination whether all money received by the charter school from this State and from the board of trustees of a school district is deposited and maintained in a bank, credit union or other financial institution in this State.

9. A determination whether the charter school has adopted a final budget, as required by NRS 386.550 and NAC 386.370.

10. A determination whether the charter school complies with NRS 386.573 regarding orders for payment of money.

11. A determination whether the charter school administers achievement and proficiency examinations in accordance with chapter 389 of NRS and chapter 389 of NAC.

12. A summary of the manner in which the charter school ensures the health and safety of the pupils enrolled in the charter school, including, without limitation, a determination whether the charter school:

(a) Complies with the requirements for reporting the abuse or neglect of a child;

(b) Complies with Title V of the Rehabilitation Act of 1973, 29 U.S.C. §§ 791 et seq.;

(c) Provides adequate health services;

(d) Maintains records of the immunizations required of pupils in accordance with NRS 392.435;

(e) Complies with NRS 392.450 by providing drills for pupils in the appropriate procedures to be followed in the event of an emergency and by posting escape routes; and

(f) Complies with the requirements for crisis response in public schools in accordance with NRS 392.600 to 392.656, inclusive.

13. A determination whether each facility that the charter school occupies complies with applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation.

14. A determination whether the charter school complies with NRS 386.585, including, without limitation, whether the charter school:

(a) Provides a copy of the rules of behavior, prescribed punishments and procedures to be followed in imposing punishments to each pupil;

(b) Maintains, for public inspection at the charter school, a copy of the rules of behavior, prescribed punishments and procedures to be followed in imposing punishments; and

(c) Complies with the policies and procedures for the suspension and expulsion of pupils.

15. A description of the attendance policy of the charter school and a determination whether the policy is:

(a) Distributed to each pupil in accordance with NAC 386.350; and

(b) Available for public inspection during the school's regular business hours.

16. If pupils with disabilities are enrolled in the charter school, a determination whether the provision of special educational services and programs to those pupils complies with the requirements set forth in chapters 388 and 395 of NRS and NAC 388.150 to 388.450, inclusive.

17. A determination whether the charter school provides instruction in the core academic subjects set forth in subsection 1 of NRS 389.018, as applicable for the grade levels of pupils who are enrolled in the charter school.

18. A determination whether the charter school provides at least the courses of study that are required of pupils by statute or regulation for promotion to the next grade or graduation from a

public high school and requires the pupils who are enrolled in the charter school to take those courses of study.

19. A determination whether the charter school complies with NRS 386.590 regarding the employment of teachers and other educational personnel.

20. A determination whether the status of the employees of the charter school and the rights and benefits provided to those employees comply with NRS 386.595.

21. A description of the manner in which the charter school maintains personnel records for its employees.

22. A description of the procedure for the enrollment of pupils in the charter school, including, without limitation, whether the charter school enrolls pupils on the basis of a lottery system if more pupils who are eligible for enrollment apply for enrollment than the number of spaces that are available.

23. If the charter school provides instruction to pupils enrolled in kindergarten, first grade or second grade, a determination whether the charter school complies with NRS 392.040 regarding the ages for enrollment in those grades.

24. A determination whether the charter school refrains from charging tuition or fees, except for those fees that are authorized by specific statute or by the written charter of the charter school.

25. A determination whether the charter school provides written notice to the parents and legal guardians of pupils enrolled in grades 9 to 12, inclusive, whether the charter school is accredited by the Commission on Schools of the Northwest Association of Accredited Schools.

26. A determination whether the charter school complies with NRS 386.583 regarding the adoption of rules for academic retention.

27. A determination of whether the charter school maintains ~~the~~ *the* type and amount of insurance ~~in~~ :

(a) Required by section 3 of this regulation.

(b) In a manner that complies with paragraph (l) of subsection 1 of NRS 386.550, which may include ~~workmen's~~ *workers'* compensation insurance, or is otherwise prepared to hold harmless, indemnify and defend the sponsor of the charter school as required by that paragraph.

28. A determination whether the written inventory of equipment, supplies and textbooks that is maintained by the charter school pursuant to NAC 386.342 is current and accurate.

Sec. 14. NAC 386.445 is hereby amended to read as follows:

386.445 1. The rate of interest for loans made from the Fund is the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date of the transaction.

2. If a loan is made to a charter school from the Fund, the Department shall deduct from the apportionments made to the charter school pursuant to NRS 387.124, an amount of money equal to the annual repayment amount of the loan, including interest. The deductions must be made:

(a) In quarterly amounts corresponding with the quarterly apportionment to the charter school.

(b) In equal amounts during the period of repayment agreed upon by the governing body of the charter school and the Department, not to exceed 3 years.

3. If a loan is made to an operational charter school, the deductions must be made commencing in the same fiscal year in which the loan is made. If a loan is made to a charter school that has a written charter issued pursuant to subsection ~~4~~ *6* of NRS 386.527, the

deductions must be made commencing with the first fiscal year immediately succeeding the fiscal year in which the charter school becomes an operational charter school.

4. If a charter school that receives a loan:

(a) Defaults on repayment of the full amount of the loan;

(b) Was issued a written charter pursuant to subsection ~~4~~ 6 of NRS 386.527 and the charter school fails to obtain a written charter issued pursuant to subsection ~~4~~ 4 of NRS 386.527; or

(c) Closes or otherwise ceases operation,

↪ the charter school shall be solely liable for repayment of the full amount of the loan.

5. As used in this section, “fiscal year” means the 12-month period beginning on the first day of July and ending on the last day of June.

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R044-05

The Department of Education adopted regulations assigned LCB File No. R044-05 which pertain to chapter 389 of the Nevada Administrative Code on October 7, 2005.

Notice date: 8/30/2005
Hearing date: 10/7/2005

Date of adoption by agency: 10/7/2005
Filing date: 10/31/2005

INFORMATIONAL STATEMENT

1. A description of how public comment was solicited, a summary of public response, and explanation how other interested persons may obtain a copy of the summary.

Notice of Workshop to Solicit Comments on Proposed Regulations was sent to approximately 150 individuals and educational organizations. A workshop was held on October 7, 2005. There were no comments from the public.

The Notice of Intent to Act Upon a Regulation for public hearing and adoption of the proposed revisions to NAC 386.140 and NAC 386.355, Insurance for Charter Schools and apportionment, was sent to approximately 150 individuals and educational organizations. The public hearing was conducted on October 7, 2005, to provide the opportunity for comments by affected parties and the public. There was one comment from the public. The Board adopted the proposed regulation.

2. The Number of Persons Who:

a) Attended Each Hearing: Workshop: 7 Regular meeting: 7

b) Testified at Each Hearing: Workshop: 0 Regular meeting: 1

c) Submitted Written Statements: Workshop: 0 Regular meeting: 0

A copy of any written comments may be obtained by contacting Nita Barnes, Administrative Assistant to the Nevada State Board of Education, at the Department of Education (775) 687-9225, or by writing to the Department of Education at 700 East Fifth Street, Carson City, Nevada 89701-5096.

3. A description of how comment was solicited from affected businesses, a summary of the response and an explanation how other interested parties may obtain a copy of the summary.

Comments were solicited through the workshop notice of August 30, 2005, and the public hearing notice of August 30, 2005. At the October 7, 2005 Workshop to Solicit

Comments there were no public comments to the proposed language revisions. At the October 7, 2005 Public Hearing there was one public comment to the proposed language.

Dr. Dotty Merrill, Assistant Superintendent of Washoe County School District, spoke on behalf of Washoe and Clark County School Districts in support of these changes and stated that the Risk Manager for Washoe County School District had reviewed the proposals as they apply to insurance and strongly encouraged adoption of the regulations.

A copy of the summary and/or minutes of the public hearing may be obtained by contacting Nita Barnes, Administrative Assistant to the Nevada State Board of Education, Nevada Department of Education, 775-687-9225, or by writing to the Nevada Department of Education at 700 East Fifth Street, Carson City, Nevada 89701-5096.

4. If the regulation was adopted with or without change to any part of the proposed regulation, a summary of the reasons for adopting.

The Nevada State Board of Education/Nevada State Board for Career and Technical Education adopted the regulation language from temporary to permanent at the public hearing held October 7, 2005. The reason for adopting the changes to regulations NAC 386.140 and NAC 386.355 is charter school developers need to be apprised of the requirements for insurance and to delete legal holidays from the count of school days in session.

5. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

There is no anticipated economic effect of the regulation changes on the business that the agency regulates and there are no known adverse effects. There are no beneficial, immediate or long term economic effects on the state, school districts, and schools.

6. The estimated cost to the agency for enforcement of the adopted regulation.

There is no additional cost to the agency for enforcement of this regulation.

7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

No other state or governmental agency regulations will be overlapped or duplicated by the above noted regulations. There is no duplication or overlap of federal regulations.

8. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

There are none.

9. **If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

This regulation does not provide or involve a new fee.