

**ADOPTED REGULATION OF THE
STATE PUBLIC CHARTER SCHOOL AUTHORITY**

LCB File No. R087-16

Effective December 21, 2016

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

AUTHORITY: §§1 and 2, NRS 388A.438.

A REGULATION relating to charter schools; requiring the State Public Charter School Authority to expend certain money from a gift, grant, bequest or donation in accordance with the terms of the gift, grant, bequest or donation; revising the periods during which an application for a loan from the Account for Charter Schools must be submitted and the dates on which the Authority must determine the balance of money in the Account; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law: (1) requires the State Public Charter School Authority to adopt regulations prescribing the deadline for submission of an application for a loan from the Account for Charter Schools; and (2) allows the Authority the adopt such other regulations as it deems necessary to carry out the provisions of law relating to the Account. (NRS 388A.438) **Section 1** of this regulation requires the Authority, to the extent permitted by law, to expend money obtained from a gift, grant, bequest or donation which requires terms different from those established by the Authority in accordance with the terms of the gift, grant, bequest or donation. **Section 2** of this regulation revises the deadlines for submission of an application to the Authority for a loan from the Account. **Section 2** also revises the dates upon which the Authority must determine the balance of money in the Account.

Section 1. Chapter 386 of NAC is hereby amended by adding thereto a new section to read as follows:

Notwithstanding the provisions of NAC 386.420 to 386.445, inclusive, if a gift, grant, bequest or donation which requires the use of criteria, timelines, interest rates or repayment terms which differ from those established by the State Public Charter School Authority results in the deposit of money from a source other than the State General Fund into the Account, the

State Public Charter School Authority shall, to the extent permitted by law, expend the money in accordance with the terms of the gift, grant, bequest or donation.

FIRST
PARALLEL
SECTION

Sec. 2. NAC 386.435 is hereby amended to read as follows:

386.435 1. ~~{An}~~ *Except as otherwise provided in this subsection, an* application for a loan from the Account must be submitted by the governing body of a charter school to the State Public Charter School Authority on or after January 1 and on or before March 15 *or on or after July 1 and on or before October 15* of the calendar year in which the loan will be made. *The State Public Charter School Authority may, upon request of the governing body of a charter school and for good cause shown, accept an application for a loan from the Account at any time.* The State Public Charter School Authority shall not accept an application for a loan from the Account unless the State Public Charter School Authority has determined pursuant to subsection 2 that the balance of money in the Account is \$5,000 or more. An application must include:

- (a) The name of the charter school.
- (b) The name, address and telephone number of the person whom the State Public Charter School Authority may contact regarding the application.
- (c) The proposal of the charter school to repay the loan, consistent with NAC 386.445.
- (d) A description of:
 - (1) The financial needs of the charter school;
 - (2) The business plan for the charter school;
 - (3) The effect that receipt of the loan will have on the operation of the charter school; and
 - (4) The effect, if any, that receipt of the loan will have on the ability of the governing body or the charter school to obtain other financial assistance from public and private sources.

(e) A list of the anticipated expenses for which the money obtained from the loan will be used.

(f) A budget for the charter school for the fiscal year in which the loan is received and for each fiscal year of the proposed period for repayment of the loan. The budget must:

- (1) Include an identification of all sources of revenue and expenses;
- (2) Include the cost for repayment of the loan; and
- (3) Be accompanied by a written narrative explaining each of the assumptions made in developing the budget.

(g) If the charter school is an operational charter school:

- (1) A statement of the financial history of the applicant; and
- (2) Three credit references for the applicant.

(h) If a member of the governing body has or had an association or affiliation with another charter school in this State or another state, a statement of the financial history of the charter school with which the member has or had such an association or affiliation. The provisions of this paragraph apply regardless of whether the member has terminated the association or affiliation.

(i) A statement of the monthly cash flow for the operation of the charter school, including, without limitation, an identification of the amount and timing of receipt of revenue relating to the amount and timing of expenditures.

(j) A resolution of the governing body authorizing submission of the application.

(k) If the charter school is sponsored pursuant to subsection 5 or 7 of NRS ~~386.527,~~ [388A.270](#), a letter of endorsement from the sponsor of the charter school.

(l) Any other information the *Executive* Director of the State Public Charter School Authority determines is necessary.

2. On or before *January 1 and* July 1 of each year, the State Public Charter School Authority shall determine the balance of money in the Account. If the State Public Charter School Authority determines that the balance of money in the Account is \$5,000 or more, the State Public Charter School Authority shall provide notice of that fact and the availability of loans from the Account to each charter school that has been issued a written charter or has a charter contract executed pursuant to NRS ~~386.527.~~ *388A.270.*