

**ADOPTED REGULATION OF THE
DEPARTMENT OF EDUCATION**

LCB File No. R074-07

Effective October 31, 2007

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

AUTHORITY: §1, NRS 386.540.

A REGULATION relating to charter schools; revising provisions relating to certain policies of insurance required for charter schools; and providing other matters properly relating thereto.

Section 1. NAC 386.215 is hereby amended to read as follows:

386.215 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]~~ *Except as otherwise provided in subsection 2, general* liability insurance with a minimum coverage of \$1,000,000. The general liability insurance policy must include coverage for *molestation and* 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.]~~ **\$3,000,000.**
- (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]~~ ***If applicable, motor vehicle*** liability insurance with a minimum coverage of \$1,000,000.
- (i) ***If applicable, liability insurance for sports and athletic participation with a minimum coverage of \$1,000,000.***

↪ The cost of insurance required by this ~~[section]~~ ***subsection*** 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. The sponsor of a charter school may waive all or part of the general liability insurance required pursuant to paragraph (b) of subsection 1 if the sponsor determines that such a waiver is reasonable based upon the risk profile of the charter school or the conditions of the insurance market, or both, including, without limitation, a determination that the cost of obtaining the insurance is excessive or that the insurance is not available because of special circumstances of the charter school.

3. 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.

4. As used in this section, "motor vehicle" has the meaning ascribed to it in NRS 485.050.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R074-07**

NAC 386.215 – Provisions and Maintenance of Insurance Coverage

The State Board of Education adopted regulations assigned LCB File No. R074-07 which pertain to chapter 386 of the Nevada Administrative Code.

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 200 individuals and educational organizations. A workshop was held on August 18, 2007. There was no public comment.

The Notice of Intent to Act Upon a Regulation for public hearing and adoption of the amendments to NAC 386.215 – Provision and Maintenance of Insurance Coverage was sent to approximately 200 individuals and educational organizations. The public hearing was conducted on October 6, 2007 to provide the opportunity for comments by affected parties and the public. There was public comment. The Nevada State Board of Education/Nevada State Board for Career and Technical Education adopted the proposed amendments to the regulation with additional amendments.

2. The Number of Persons Who:

a) Attended Each Hearing: First Workshop: 9; First Hearing: 11, Second Hearing: N/A
b) Testified at Each Hearing: First Workshop: 0; First Hearing: 0; Second Hearing: N/A
c) Submitted Written Statements: First Workshop: 3; First Hearing: 0; Second Hearing: 0

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 July 10, 2007; and the public hearing notice of August 31, 2007. At the October 7, 2006 Workshop to Solicit Comments, there were public comments to the proposed amendments to the regulation language. At the October 7, 2006 public hearings there were public comment to the proposed amendments to the regulation language.

Summary of Comments:

Workshop/Public Hearing Comments:

There were no comments:

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 adopted the proposed amendments to the regulation language at the public hearing held October 6, 2007. The reason for adopting the regulation Provision and Maintenance of Insurance coverage in NAC 386.215 is the proposed changes will reduce umbrella liability insurance from \$10,000,000 to \$3,000,000 and require vehicle liability insurance and sports liability insurance only if they are applicable.

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

There is no anticipated economic effect on the Department of Education. Charter schools may realize a financial reduction is required insurance coverage. The amendments could be beneficial to charter schools because it may reduce the cost of insurance required for charter schools. There are no beneficial, immediate and long term affects on the state, school district, and schools

There is no estimated economic effect on the public, either adversely or beneficially, nor immediate or long term.

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 governmental 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 regulation. 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 for a new fee or increase an existing fee.