

**ADOPTED REGULATION OF
THE DEPARTMENT OF EDUCATION**

LCB File No. R035-14

§§1-14, 16-19, 21-30, 32-38, 40, 42, 44, 46, 48-53, 55-58, 60, 62, 64, 66-70, 72, 78 and 80 and subsection 1 of §79 become effective on December 22, 2014;
§§15, 20, 31, 39, 41, 43, 45, 54, 59, 61, 63, 65, 71 and 73-77 and subsection 2 of §79 become effective on January 1, 2020; and
§47 becomes effective on July 1, 2020

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

AUTHORITY: §§1-80, NRS 386.540.

A REGULATION relating to charter schools; making various changes relating to the process for applying to sponsor or form a charter school; making various changes to the requirements for operating a charter school; making various other changes relating to charter schools; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Department of Education to adopt regulations that prescribe requirements for becoming a sponsor of charter schools, sponsoring charter schools, forming charter schools and the operation of charter schools. (NRS 386.540)

Before 2013, a charter school operated pursuant to a written charter that was issued by the sponsor of the charter school. In 2013, the Legislature required instead that a charter school operate pursuant to a charter contract executed between the sponsor and the governing body of the charter school. (Chapter 484, Statutes of Nevada 2013, pp. 2905-39) The Legislature authorized existing charter schools to continue operating pursuant to their written charters until the expiration of those charters. (Section 20 of chapter 484, Statutes of Nevada 2013, p. 2938) Upon the expiration of a written charter, the sponsor and governing body of the charter school must execute a charter contract for the charter school to continue operation. **Sections 19, 22, 30, 38, 40, 42, 44, 46, 53, 58, 60, 62 and 64** of this regulation add references to charter contracts in existing regulations, where appropriate. On or before December 31, 2019, all written charters will expire. **Sections 20, 31, 39, 41, 43, 45, 47, 54, 59, 61, 63, 65, 71, 73-77 and 79** of this regulation eliminate references to written charters, effective January 1, 2020.

Existing law provides that the term of a charter contract is 6 years and begins on the first day of operation of the charter school after the charter contract has been executed. (NRS 386.527) **Section 2** of this regulation interprets the term “first day of operation of the charter school after the charter contract has been executed.”

Existing law requires the Department to conduct a comprehensive review of sponsors of charter schools at least once every 3 years. (NRS 386.540) **Section 3** of this regulation sets forth certain procedures the Department will follow in conducting such a review.

Existing law authorizes an applicant to form a charter school to resubmit an application that the proposed sponsor of the charter school has denied in order to correct any deficiencies in the original application that are identified by the proposed sponsor. (NRS 386.525) **Section 4** of this regulation requires the proposed sponsor of a charter school to consider a resubmitted application at a public meeting.

Section 6 of this regulation requires the governing body of a charter school to obtain approval from the sponsor of the charter school for certain amendments to a written charter or charter contract, as applicable.

Existing law requires the governing body of a charter school to submit a written request to the sponsor of the charter school if the governing body wants to expand the instruction and other educational services to pupils who are enrolled in grade levels other than the grade levels currently approved for enrollment in the charter school. (NRS 386.527) **Section 7** of this regulation requires the governing body of a charter school to submit a written request to the sponsor of the charter school if the governing body wants to eliminate a grade level to which the charter school provides instruction or other educational services.

Section 8 of this regulation: (1) requires the governing body of a charter school that wishes to acquire a new or additional facility to submit a written request for approval of the acquisition to the sponsor of the charter school; and (2) authorizes the sponsor of the charter school to deny the request if the charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.

Section 9 of this regulation requires, under certain circumstances, the governing body of a charter school to submit a written request to the sponsor of the charter school for a determination of whether a proposed amendment to a written charter or charter contract, as applicable, is material. **Section 9** also provides that if the sponsor of a charter school determines that a proposed amendment is material, the governing body of the charter school must obtain approval from the sponsor before the amendment becomes effective.

Existing law imposes certain limitations on a contract between the governing body of a charter school and an educational management organization. (NRS 386.562) **Section 10** of this regulation requires the governing body of a charter school to hold a public meeting for the purpose of deciding whether to approve, amend, renew or terminate any such contract. **Section 10** also requires the governing body to obtain approval from the sponsor of the charter school before entering into or terminating such a contract.

Section 11 of this regulation requires the governing body of a charter school to notify the sponsor of the charter school not later than 10 days after the charter school changes its mailing address, telephone number, facsimile number, articles of incorporation or bylaws. **Section 11** also requires the governing body to hold a public meeting for the purpose of approving any such change.

Existing law authorizes a sponsor to terminate a charter contract if the charter school has persistently underperformed. (NRS 386.535) **Section 12** of this regulation interprets the term “persistently underperformed.”

Section 13 of this regulation requires a charter school that intends to use a building or other facility to provide tutoring or other services to a pupil enrolled in the charter school’s program of distance education to obtain the proper health and safety inspections before any pupil obtains tutoring or other services in the building or facility.

Existing regulations authorize both a committee to form a charter school and the governing body of a charter school to select a person to function as the administrative head of the charter school. (NAC 386.100) **Section 19** of this regulation clarifies that if the committee to form a charter school does not appoint an administrative head, the governing body of the charter school is required to do so.

Section 22 of this regulation: (1) revises the requirements for a board of trustees of a school district to apply to the Department for authorization to sponsor charter schools; and (2) applies the same requirements to a college or university within the Nevada System of Higher Education that applies to the Department for such an authorization. **Section 22** also: (1) sets forth a deadline for applications to become sponsors; and (2) provides that the Department will approve or deny an application not later than 30 days after receipt of the application.

Existing regulations require a committee to form a charter school to submit to the Department a letter of intent to form a charter school. (NAC 386.125) **Section 23** of this regulation: (1) requires the letter of intent to be submitted to the proposed sponsor of the charter school; and (2) revises the required contents of the letter of intent.

Existing regulations require the Department to prescribe forms for the use of a committee to form a charter school in applying to form a charter school and sets forth certain requirements for such an application. (NAC 386.130) **Section 24** of this regulation requires each sponsor approved by the Department to prescribe such forms. **Section 24** also revises the deadline for a committee to apply to form a charter school.

Section 25 of this regulation prohibits a charter school from accepting applications for enrollment before the application to form a charter school has been approved by the sponsor of the charter school.

Sections 26-30 of this regulation amend the requirements for an application to form a charter school. **Section 33** of this regulation revises the grounds for denying an application to form a charter school.

Existing regulations require a charter school to submit to the Department a copy of the certificate of occupancy for the facility in which the charter school is located before a written charter is issued. (NAC 386.205) **Section 34** of this regulation instead requires the charter school to submit the certificate to the sponsor of the charter school before the charter school provides instruction to pupils.

Section 35 of this regulation requires the governing body of a charter school to provide written notice to the Department of any changes to the mailing address of the charter school not later than 5 days after the change occurs.

Existing regulations require a committee to form a charter school to obtain insurance coverage for the charter school. If the application to form a charter school is approved, the governing body of the charter school must maintain the insurance coverage. (NAC 386.215) **Section 36** of this regulation requires that any insurer providing insurance to the committee or the governing body have a minimum rating and classification. **Section 5** of this regulation requires that in addition to existing requirements for insurance coverage, the governing body of a charter school is required to maintain one of the following: (1) insurance that includes coverage for the payment of hearing expenses, compensatory damages and fees and costs for legal services that the charter school may be required to pay in relation to certain due process complaints; or (2) a reserve fund that must be used exclusively for the payment of those potential expenses.

Section 38 of this regulation requires the governing body of a charter school to hold a public meeting before submitting to the sponsor of the charter school a written request for an amendment to its written charter or charter contract, as applicable.

Existing regulations authorize the sponsor of a charter school to approve a request for certain amendments to a written charter if the request is compliant and complete. (NAC 386.326, 386.3265) **Sections 40 and 42** of this regulation add a requirement that the charter school must have been rated in the first, second or third highest tiers during the last rating of the charter school pursuant to the statewide system of accountability for public schools in order for the sponsor to approve a request for those amendments.

Existing regulations set forth restrictions on the membership of the governing body of a charter school. (NAC 386.345) **Section 51** of this regulation prohibits, with limited exceptions, a person from being a member of a governing body if the person is related by blood or marriage to: (1) an employee of the governing body or charter school; or (2) another member of the governing body. **Section 51** also requires each sponsor of a charter school to prescribe an application for potential members of the governing body of the charter school.

Section 57 of this regulation requires that a copy of a signed contract between the governing body of a charter school and an educational management organization be submitted to the sponsor of the charter school.

Existing regulations set forth requirements for the budgeting and finance of charter schools. (NAC 387.600-387.780) One such requirement is that the governing body of each charter school must establish and maintain property and equipment records and inventory controls. (NAC 387.770) **Section 69** of this regulation requires that the equipment records and inventory controls identify the source of the money used to purchase the property, equipment or inventory or the name of the person who donated the property, equipment or inventory. **Section 50** of this regulation removes a separate requirement that the governing body of a charter school maintain a written inventory of equipment, supplies and textbooks.

Existing regulations prohibit a charter school from expending money, incurring any liability or entering into a contract which involves the expenditure of money in excess of the amounts appropriated for that function. Existing regulations also provide a limited exception for certain contracts for public works. (NAC 387.740) **Section 68** of this regulation eliminates the exception for public works but adds a new exception for capital projects.

Existing regulation requires the governing body of a charter school to cause the charter school to be audited on an annual basis. (NAC 387.775) **Section 70** of this regulation requires that for charter schools which operate pursuant to a charter contract, the audit must include an analysis and findings on compliance with the performance indicators for finances set forth in the performance framework of the charter school.

In 2011, the Legislature created the State Public Charter School Authority and transferred authority to sponsor charter schools from the State Board of Education to the Authority, commencing on January 1, 2012. (Chapter 381, Statutes of Nevada 2011, p. 2380) **Sections 17, 32, 37, 48, 56 and 72** of this regulation make conforming changes to existing regulations.

Sections 21, 23, 24, 29, 33, 34, 50, 51, 55, 66, 67 and 70 of this regulation require that certain information related to charter schools be submitted to the proposed sponsor or sponsor of the charter school rather than the State Board or Department.

Sections 16, 18, 25, 27, 28, 32, 33, 40, 42 and 51 of this regulation make technical corrections to internal references of NRS.

Section 1. Chapter 386 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 13, inclusive, of this regulation.

Sec. 2. *For the purposes of subsection 9 of NRS 386.527, the “first day of operation of the charter school after the charter contract has been executed” means the July 1 immediately preceding the first day that the charter school provides instruction to pupils.*

Sec. 3. 1. *At least once every 3 years, the Department will conduct a comprehensive review of each sponsor of charter schools that the Department has approved for sponsorship.*

2. *In conducting a comprehensive review of a sponsor, the Department will:*

(a) Review the annual reports submitted to the Department by the sponsor pursuant to NRS 386.610.

(b) Determine whether the sponsor has complied with all applicable statutes and regulations.

(c) Determine whether the sponsor has complied with nationally recognized best practices in carrying out its duties as a sponsor.

3. Based on the comprehensive review described in subsection 2, the Department will determine whether to continue or revoke the authorization of the sponsor to sponsor charter schools.

Sec. 4. *If:*

1. A board of trustees of a school district or a college or university within the Nevada System of Higher Education receives an application to form a charter school that is resubmitted pursuant to subsection 6 of NRS 386.525; or

2. The State Public Charter School Authority receives an application to form a charter school that is resubmitted pursuant to subsection 9 of NRS 386.525,

↳ the board of trustees, the college or university or the State Public Charter School Authority, as applicable, must consider the resubmitted application at a public meeting held not later than 60 days after the receipt of the resubmitted application, or within any other period mutually agreed upon by the parties. The public meeting must be held in accordance with chapter 241 of NRS.

Sec. 5. 1. *In addition to maintaining the insurance required pursuant to NAC 386.215, the governing body of a charter school shall maintain one of the following:*

(a) Insurance that includes coverage for the payment of:

(1) Any compensatory damages and fees and costs for legal services that the charter school may be required to pay the parent of a pupil who files a due process complaint pursuant to NAC 388.306; and

(2) The expenses of the hearing officer and any other expenses relating to a hearing described in NAC 388.306; or

(b) A reserve fund that must be used exclusively for the payment of:

(1) Any compensatory damages and fees and costs for legal services that the charter school may be required to pay to the parent of a pupil who files a due process complaint pursuant to NAC 388.306; and

(2) The expenses of the hearing officer and any other expenses relating to a hearing described in NAC 388.306.

2. If the governing body of a charter school:

(a) Obtains insurance pursuant to paragraph (a) of subsection 1, the insurance must include minimum coverage in an amount required by the sponsor of the charter school.

(b) Establishes a reserve fund pursuant to paragraph (b) of subsection 1, the governing body shall ensure that:

(1) Not later than 5 years after the date on which the reserve fund is created, the fund has a balance of not less than \$25,000.

(2) The reserve fund is maintained in an account in a bank, credit union or other financial institution in this State that is separate from all other accounts of the charter school. Any interest earned on money in the account must be credited to the account.

(3) If any money is withdrawn from the reserve fund, the amount withdrawn is repaid to the fund not later than the end of the fiscal year immediately following the fiscal year in which

the money is withdrawn unless the sponsor of the charter school agrees to a different repayment schedule.

3. An insurer that provides the insurance described in paragraph (a) of subsection 1 must have a rating of “A-” or better and be classified in a financial category of “VII” or better as determined by A.M. Best Company of Oldwick, New Jersey.

Sec. 6. *The governing body of a charter school must obtain approval from the sponsor of the charter school for any of the following amendments to the written charter or charter contract, as applicable:*

- 1. Changing the name or location of the charter school.*
- 2. Changing the mission or goals of the charter school that were described in the application to form the charter school pursuant to subsection 5 of NRS 386.520.*
- 3. An amendment to a condition set forth in the written charter or charter contract, as applicable, that the governing body must satisfy before the charter school provides instruction to pupils.*
- 4. An amendment to a plan for the transportation of pupils.*
- 5. Expanding the instruction and other educational services provided by the charter school to pupils who are enrolled in grade levels other than the grade levels of pupils currently approved for enrollment in the charter school.*
- 6. Eliminating one or more grade levels for which the charter school provides instruction or other educational services.*

Sec. 7. *1. If the governing body of a charter school wishes to amend its written charter or charter contract, as applicable, pursuant to NRS 386.527 to eliminate a grade level for which the charter school provides instruction or other educational services, the governing*

body must submit to the sponsor of the charter school a written request for such an amendment not later than 90 days before the date on which the governing body proposes to eliminate the instruction or educational services.

2. The written request must include, without limitation, an explanation of the reasons that the charter school wishes to eliminate the instruction or educational services.

Sec. 8. *1. If the governing body of a charter school wishes to amend its written charter or charter contract, as applicable, pursuant to NRS 386.527 to acquire a new or additional facility, the governing body must submit to the sponsor of the charter school a written request for approval of the acquisition. The request must include any information prescribed by the sponsor and be submitted before the governing body takes any action to acquire the facility.*

2. The sponsor of a charter school may deny a request received pursuant to subsection 1 if the charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.

3. Not later than 15 days after receiving a request pursuant to subsection 1, the sponsor of the charter school shall provide to the governing body of the charter school written notice of the approval or disapproval of the request.

Sec. 9. *If the governing body of a charter school wishes to amend its written charter or charter contract, as applicable, in a way that is not described in NAC 386.326, 386.3265 or sections 6, 7 or 8 of this regulation, the governing body must submit a written request to the sponsor of the charter school for a determination of whether the proposed amendment is:*

1. A material amendment to the written charter or charter contract, as applicable. If the sponsor determines that the proposed amendment is material, the governing body must obtain approval from the sponsor before the amendment becomes effective.

2. A nonmaterial amendment to the written charter or charter contract, as applicable. If the sponsor determines that the proposed amendment is not material, the governing body is not required to obtain approval from the sponsor before the amendment becomes effective.

Sec. 10. *1. Before the governing body of a charter school enters into a contract with an educational management organization or amends, renews or terminates any such contract:*

(a) The governing body shall hold a public meeting that complies with the provisions of chapter 241 of NRS; and

(b) A majority of the governing body must vote at the public meeting to approve the contract or amendment, renewal or termination thereof.

2. If the governing body of a charter school votes to enter into or terminate a contract with an educational management organization, the governing body must obtain approval from the sponsor of the charter school before the governing body enters into or terminates the contract.

3. If the governing body of a charter school votes to amend or renew a contract with an educational management organization, the governing body must notify the sponsor of the charter school before the governing body amends or renews the contract.

Sec. 11. *1. The governing body of a charter school shall notify the sponsor of the charter school not later than 10 days after the charter school makes any change to the mailing address, telephone number, facsimile number, articles of incorporation or bylaws of the charter school.*

2. Before making any change described in subsection 1, the governing body of a charter school must approve the changes in a public meeting held pursuant to chapter 241 of NRS.

Sec. 12. *As used in NRS 386.535, a charter school has “persistently underperformed” if:*

1. The charter school was not rated in the first, second or third highest tier during the last three ratings of the charter school pursuant to the statewide system of accountability for public schools; or

2. If the charter school is operating under a charter contract, the charter school has not complied consistently with the performance indicators, measures and metrics set forth in the performance framework of the charter school, as determined by the sponsor.

Sec. 13. *If a charter school provides a program of distance education pursuant to NRS 388.820 to 388.874, inclusive, and the charter school intends to use a building or other facility to provide tutoring or other services to a pupil enrolled in the program of distance education, the governing body of the charter school must obtain the proper health and safety inspections of the building or facility before any pupil obtains tutoring or other services in the building or facility. As used in this section, “proper health and safety inspections” means all health and safety inspections that are required based on the charter school’s intended use of the building or facility.*

FIRST
PARALLEL
SECTION

Sec. 14. 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 to 13, inclusive, of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 386.015 to 386.050, inclusive, have the meanings ascribed to them in those sections.

SECOND
PARALLEL
SECTION

Sec. 15. 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 to 13, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in NAC 386.015 to ~~386.050,~~ **386.040**, inclusive, have the meanings ascribed to them in those sections.

Sec. 16. 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~~ **386.490** to ~~386.610,~~ **386.649**, inclusive, and NAC 386.010 to 386.415, inclusive ~~+~~, **and sections 2 to 13, inclusive, of this regulation.**

Sec. 17. NAC 386.050 is hereby amended to read as follows:

386.050 “Written charter” means a written charter granted by the board of trustees of a school district, a college or university within the Nevada System of Higher Education or the State ~~Board of Education~~ **Public Charter School Authority** pursuant to NRS 386.527. The written charter includes both the application to form a charter school approved by the sponsor and a written agreement signed by the sponsor and the charter school.

Sec. 18. NAC 386.090 is hereby amended to read as follows:

386.090 As used in subsection ~~4~~ **6** of NRS 386.520 and subsection ~~5~~ **6** of NRS 386.549, the Department will interpret the term “2 years of experience as an employed teacher” to mean 2 years of experience as an employed teacher in any state in a position for which a teaching license is required.

Sec. 19. NAC 386.100 is hereby amended to read as follows:

386.100 1. A committee to form a charter school may select a person to function as the administrative head of the proposed charter school. ~~The~~ **If the committee does not make such a selection, the** governing body of ~~a~~ **the** charter school ~~may~~ **must** select a person to function as the administrative head of ~~a~~ **the** charter school.

FIRST
PARALLEL
SECTION

2. A person selected to function as the administrative head of a charter school : ~~{pursuant to subsection 1:}~~

- (a) Must meet the qualifications set forth in subsection 6 of NRS 386.590; and
- (b) Shall manage the programs and operations of the charter school in accordance with:
 - (1) The written charter ~~{of the school:}~~ *or charter contract, as applicable;* and
 - (2) All other applicable federal, state and local laws and regulations.

3. If an administrative head of a charter school was not identified in the application to form the charter school ~~{and} ,~~ *the governing body of* the charter school ~~{subsequently selects an administrative head:}~~ *must submit to the Department and sponsor of the charter school* the name, title, address and telephone number of the administrative head ~~{must be submitted to the Department and to the sponsor of the charter school}~~ not later than 5 business days after the ~~{administrative head is selected:}~~ *governing body makes the selection.* If the charter school replaces the administrative head, the name, title, address and telephone number of the new administrative head must be submitted to the Department and to the sponsor of the charter school not later than ~~{30} 5~~ business days after such replacement.

4. A person who has been convicted of a felony or a crime involving moral turpitude may not serve as an administrative head of a charter school.

Sec. 20. NAC 386.100 is hereby amended to read as follows:

386.100 1. A committee to form a charter school may select a person to function as the administrative head of the proposed charter school. If the committee does not make such a selection, the governing body of the charter school must select a person to function as the administrative head of the charter school.

2. A person selected to function as the administrative head of a charter school:

SECOND
PARALLEL
SECTION

- (a) Must meet the qualifications set forth in subsection 6 of NRS 386.590; and
- (b) Shall manage the programs and operations of the charter school in accordance with:
 - (1) The ~~{written charter or}~~ charter contract ; ~~{, as applicable;}~~ and
 - (2) All other applicable federal, state and local laws and regulations.

3. If an administrative head of a charter school was not identified in the application to form the charter school, the governing body of the charter school must submit to the Department and sponsor of the charter school the name, title, address and telephone number of the administrative head not later than 5 business days after the governing body makes the selection. If the charter school replaces the administrative head, the name, title, address and telephone number of the new administrative head must be submitted to the Department and to the sponsor of the charter school not later than 5 business days after such replacement.

4. A person who has been convicted of a felony or a crime involving moral turpitude may not serve as an administrative head of a charter school.

Sec. 21. NAC 386.110 is hereby amended to read as follows:

386.110 A committee to form a charter school shall, to enable the ~~{Department}~~ *proposed sponsor* to deal with a single person as the committee applies to form a charter school, appoint from among its members a person to act as liaison between the committee and the ~~{Department.}~~ *proposed sponsor.*

Sec. 22. NAC 386.120 is hereby amended to read as follows:

386.120 1. ~~{The Department will prescribe forms for the use of}~~ *If* the board of trustees of a school district ~~{in applying}~~ *or a college or university within the Nevada System of Higher Education applies to the Department* for authorization to sponsor charter schools pursuant to NRS 386.515 ~~{The}~~, *the* following information must be provided on the application:

(a) The date on which the board of trustees , *the college or the university, as applicable,* voted to apply for authorization to sponsor charter schools, as reflected in the minutes of the board ~~†~~ *of trustees, the college or the university, as applicable.*

(b) The signature of the superintendent of the school district that the board of trustees serves ~~†~~ *or the signature of the president of the college or university, as applicable.*

(c) *A description of the following:*

(1) *The organizational capacity and infrastructure of the applicant.*

(2) *The procedures and criteria for the applicant's evaluation of charter school applications in accordance with NRS 386.525, including, without limitation, the manner in which the applicant will determine:*

(I) *Whether an applicant to form a charter school is of high quality; and*

(II) *Whether the charter school will meet the identified educational needs of pupils and serve to promote the diversity of public educational choices in this State.*

(3) *The procedures that the applicant will use to negotiate and execute a charter contract with the governing body of a charter school.*

(4) *The procedures and criteria for the applicant's evaluation of applications for the renewal of charter contracts.*

(5) *The procedures that the applicant will use to monitor the performance of each charter school that the applicant sponsors.*

2. ~~†Upon completion of the forms prescribed pursuant to subsection 1, the board of trustees of a school district that applies for authorization to sponsor charter schools pursuant to NRS 386.515 shall forward the application to the Department for approval.†~~ *An application to sponsor charter schools must be submitted to the Department not later than May 1*

immediately preceding the date set forth in the application on which the applicant will begin accepting applications to form charter schools.

3. Not later than 30 days after receipt of an application for authorization to sponsor charter schools, the Department will:

(a) Review the application;

(b) Determine whether to approve or deny the application; and

(c) Notify the applicant in writing of the Department's determination.

4. If the Department denies an application for authorization to sponsor charter schools, the applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

Sec. 23. NAC 386.125 is hereby amended to read as follows:

386.125 1. A committee to form a charter school must submit to the ~~Department~~ *proposed sponsor* a letter of intent to form a charter school. The letter of intent must be submitted in the same fiscal year in which the application to form the charter school is submitted and must be received by the ~~Department~~ *proposed sponsor not* fewer than 15 days before the application is submitted.

2. The letter of intent must include:

(a) The name of the proposed charter school;

(b) The name, address, telephone number and electronic mail address of the person selected pursuant to NAC 386.110 to act as liaison between the committee and the proposed sponsor;

(c) The name of the school district in which the proposed charter school will be located;

~~{(b)}~~ (d) Whether the proposed charter school will be dedicated to providing educational programs and opportunities for pupils who are at risk;

~~{(e)}~~ (e) Whether the proposed charter school will ~~{operate exclusively for the enrollment of pupils who receive special education pursuant to NRS 388.440 to 388.520, inclusive;~~

~~—(d)}~~ *provide a program of distance education;*

(f) The date on which the proposed charter school will begin operation; and

~~{(e)}~~ (g) Whether the ~~{proposed sponsor is the school district in which the charter school will be located, a college or university within the Nevada System of Higher Education or the State Board of Education. If the proposed sponsor is a school district, a college or a university, as applicable, the application may be submitted to the State Board of Education pursuant to NRS 386.525 only if the application has been denied twice by the school district, the college or the university, as applicable, pursuant to NRS 386.525.}~~ *committee intends to contract or is considering contracting with an educational management organization to provide service to the charter school and, if so, the name of the educational management organization.*

Sec. 24. NAC 386.130 is hereby amended to read as follows:

386.130 1. ~~{The}~~ *Each applicant approved by the* Department ~~{will}~~ *to sponsor charter schools shall* 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;~~

~~—(c) A college or university within the Nevada System of Higher Education, pursuant to NRS 386.525; and~~

~~—(d) The State Board of Education, pursuant to NRS 386.525;~~

→} *the proposed sponsor* to form a charter school.

2. ~~{An application}~~ *Except as authorized by subsection 4 of NAC 386.340, a committee* to form a charter school must not propose to form a charter school in more than one county. ~~{The Department will}~~ *A proposed sponsor may* accept only one application per year from each committee to form a charter school. ~~{The State Board of Education, a college or university within the Nevada System of Higher 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.}~~

3. 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;~~

~~—(c) A college or university within the Nevada System of Higher Education, pursuant to NRS 386.525; and~~

~~—(d) The State Board of Education, pursuant to NRS 386.525;~~

→} *to form a charter school* must be submitted *to the proposed sponsor* on forms prescribed pursuant to subsection 1. ~~{and must}~~ *Applications may only* be submitted ~~{to the Department not later than 5 p.m. on September 1}~~ *on the last 3 business days* of *August of* the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation. ~~{and to the proposed sponsor not later than 5 p.m. on December 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~~ *A proposed sponsor may* not accept an application from a committee *to form a charter school* whose membership includes : ~~a:~~

(a) ~~Potential~~ *A potential* contractor of the proposed charter school;

(b) ~~Potential~~ *A potential* lessor of a facility that the proposed charter school may lease; ~~or~~

(c) ~~Representative~~ *A representative* of an educational management organization with which the proposed charter school may contract ~~;~~

~~→ The State Board of Education, a college or university within the Nevada System of Higher Education or the board of trustees of a school district shall not 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 6 of NRS 386.527.;~~

(d) A person related by blood or marriage to a person described in paragraph (a), (b) or (c); or

(e) Two or more persons who are related by blood or marriage to each other.

Sec. 25. NAC 386.135 is hereby amended to read as follows:

386.135 *1.* For the purposes of paragraph (d) of subsection ~~4~~ *5* of NRS 386.520, the proposed dates of enrollment for a charter school for its first year of operation must not be more than ~~120~~ *180* days before the date on which the charter school will open.

2. A charter school must not accept applications for enrollment before the application to form the charter school has been approved by the sponsor.

Sec. 26. 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~~ *An application* 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;~~ *facility;*
 - (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 NAC 386.215 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:

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

(b) Demonstrates that the committee *to form the charter school* has obtained the insurance required by NAC 386.215 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 NAC 386.215 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. 27. NAC 386.150 is hereby amended to read as follows:

386.150 ~~[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]~~ *An application* to form a charter school must ~~[also]~~ include ~~[certain]~~ information regarding the educational program of the proposed charter school, including, without limitation:

1. The grade level or levels proposed to be taught at the charter school and the anticipated enrollment in each such grade level for *each of* the first ~~[year]~~ *6 years* of operation.
2. A calendar delineating the school year of the charter school. The calendar must set forth:

(a) The number of days of instruction in each school year, which must be in accordance with the requirements set forth in NRS 388.090;

(b) The number of legal holidays that will be observed by the charter school and the dates on which those holidays fall;

(c) The beginning and ending date of each term; and

(d) Other important dates in the school year of the charter school, including, without limitation, school days in which less than a full day of instruction will be administered.

3. A list of any fees, charges and deposits, including, without limitation, fees, charges and deposits for course materials or equipment, that:

(a) Are typically imposed upon pupils or the parents or guardians of pupils attending public schools which are not charter schools; and

(b) Are anticipated by the committee *to form the charter school* to be imposed upon the pupils or the parents or guardians of the pupils of the charter school.

4. A description of how progress towards the mission and goals of the charter school, as described in the written description pursuant to paragraph (b) of subsection ~~4~~ 5 of NRS 386.520, will be measured.

5. A list of courses that will be offered at the charter school, including, without limitation:

(a) For each course, the name and a description of the course, including, without limitation, the grade level at which the course will be offered; and

(b) A designation of the courses that a pupil must complete for graduation and for promotion to each grade level.

6. A schedule of classes which must meet the requirements for prescribed courses and required courses of study that are set forth in chapter 389 of NRS and chapter 389 of NAC.

7. A schedule of examinations of achievement and proficiency that will be administered to pupils at the charter school. The schedule must:

(a) Be aligned with any schedules of examinations of achievement and proficiency which are published by the Department and the school district in which the charter school is located, if available; and

(b) Meet the requirements of chapter 389 of NRS and other applicable federal, state and local laws and regulations.

8. Information regarding credit for courses completed successfully, including:

(a) Copies of transcripts and diplomas that the charter school will use to indicate that a pupil has completed course work successfully; and

(b) The written policy of the charter school concerning the transfer of credit to another comparable school.

9. If the charter school will be dedicated to providing educational programs and opportunities for pupils who are at risk, a description of how the charter school will:

(a) Recruit pupils who are at risk; *and*

(b) Serve the specific needs of pupils who are at risk. ~~}; and~~

~~—(c) Measure the success of the charter school in providing an education to pupils who are at risk.}~~

10. A description of the manner in which the charter school will provide services and programs to pupils with disabilities in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and NRS 388.440 to 388.520, inclusive.

11. A description of the manner in which the charter school will provide services and programs to pupils who are limited English proficient.

Sec. 28. NAC 386.160 is hereby amended to read as follows:

386.160 ~~{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}~~ *An application* to form a charter school must ~~{also}~~ include ~~{certain}~~ information regarding the committee to form the charter school, and the governance and staffing of the proposed charter school, including, without limitation:

1. The names, addresses and qualifications of the members of the committee to form the charter school, including, without limitation:

- (a) The resume of each member.
- (b) The state of residence of each member.
- (c) If a member serves on the committee as a teacher, as that term is defined in subsection ~~{4}~~ **6** of NRS 386.520, a photocopy of his or her license to teach.

2. If a member of the committee to form the charter school has an association or affiliation, or had an association or affiliation, with any other charter school in this State or in another state:

- (a) The name of the member;
- (b) The name and location of the charter school with which the member has or had the association or affiliation, including, without limitation, the street address and mailing address of the charter school;
- (c) The dates on which the member was associated or affiliated with the charter school;
- (d) A statement indicating whether the member is presently associated or affiliated with the charter school or has ceased the association or affiliation;
- (e) If the association or affiliation has ceased, a statement indicating the reason for the cessation; and

(f) A written description of the nature of the association or affiliation.

3. ~~If applicable, the~~ *The* name, title, address and telephone number of the person selected to function as the administrative head of the charter school , *if the committee has selected an administrative head* pursuant to NAC 386.100.

4. The name, title, address, telephone number and qualifications of the person who is designated to draw all orders for the payment of money belonging to the charter school pursuant to NRS 386.573.

5. A description of the process that will be used to:

(a) Advertise for, select and employ administrators for the charter school; and

(b) Select new administrators for the charter school in the event of a vacancy in one or more of those positions.

6. A description of the process that will be used to advertise for, select and employ instructional staff and other employees.

7. If known at the time of application:

(a) The name, license number and proposed assignment of each licensed staff member; and

(b) The name, qualifications and proposed assignment of each nonlicensed staff member.

Sec. 29. NAC 386.170 is hereby amended to read as follows:

386.170 ~~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~~ *An application* to form a charter school must ~~also~~ include ~~certain~~ information regarding issues of health and safety that affect the proposed charter school, including, without limitation:

1. A description of the manner in which pupils will be transported to the proposed charter school, including, without limitation, the details of any contract that the charter school has

entered into pursuant to subsection 1 of NRS 386.560 for the transportation of pupils and the details of any plan developed in consultation with the parents and guardians of pupils for the transportation of pupils.

2. Descriptions of the manner in which the proposed charter school will:

(a) Provide health services to pupils, including, without limitation, the details of any contract that the charter school has entered into pursuant to subsection 1 of NRS 386.560 for the provision of health services to pupils; and

(b) Maintain records related to the immunization of pupils that is required pursuant to NRS 392.435 to ensure that pupils are immunized in a timely manner.

3. Unless the facility that the proposed charter school will occupy is a public school, documents which indicate to the satisfaction of the ~~Department~~ *proposed sponsor of the charter school* that the facility which the charter school will occupy has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation.

4. Evidence which demonstrates to the satisfaction of the ~~Department~~ *proposed sponsor of the charter school* that the committee *to form the charter school* has communicated with the Division of Industrial Relations of the Department of Business and Industry regarding compliance with the federal Occupational Safety and Health Act of 1970, as amended.

5. A description of the procedures that will be used to provide drills for the pupils in the charter school to instruct those pupils in the appropriate procedures to be followed in the event of a fire or other emergency.

Sec. 30. 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~~ *An application* 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~~ electronic mail address of the ~~person~~ *member of the committee to form a charter school* selected ~~to act as liaison~~ pursuant to NAC 386.110 ~~to act as liaison between the committee and the proposed sponsor of the charter school.~~

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~~ *or charter contract, as*

applicable, is not renewed ~~or~~ *or the written charter is revoked or the charter contract is terminated, as applicable.*

(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, including, without limitation, the cost of insurance required by NAC 386.215. 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 the committee to form the charter school or the proposed charter school intends to contract or is considering contracting with an educational management organization to provide service to the charter school:

(a) The name of the educational management organization;

(b) A copy of the *proposed* contract ~~that will be used for~~ *between the committee and* the educational management organization ; ~~if a particular format is anticipated at the time the application is submitted;~~

(c) The name of a contact person for the educational management organization;

(d) The telephone number and mailing address of the educational management organization;
and

(e) A description of the service to be provided by the educational management organization.

7. If the proposed charter school intends to limit the enrollment of pupils pursuant to NAC 386.353, the maximum number of pupils that the charter school will enroll.

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

SECOND
PARALLEL
SECTION

386.180 An application to form a charter school must include 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 electronic mail address of the member of the committee to form a charter school selected pursuant to NAC 386.110 to act as liaison between the committee and the proposed sponsor of the charter school.

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 or~~ charter contract ~~;~~ *as applicable;* is *terminated or* not renewed. ~~for the written charter is revoked or the charter contract is terminated, as applicable;~~

(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, including, without limitation, the cost of insurance required by NAC 386.215. 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 the committee to form the charter school or the proposed charter school intends to contract or is considering contracting with an educational management organization to provide service to the charter school:

(a) The name of the educational management organization;

(b) A copy of the proposed contract between the committee and the educational management organization;

(c) The name of a contact person for the educational management organization;

(d) The telephone number and mailing address of the educational management organization;
and

(e) A description of the service to be provided by the educational management organization.

7. If the proposed charter school intends to limit the enrollment of pupils pursuant to NAC 386.353, the maximum number of pupils that the charter school will enroll.

8. 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. 32. NAC 386.202 is hereby amended to read as follows:

386.202 ~~{H}~~ If the ~~{Subcommittee on}~~ *State Public* Charter ~~{Schools}~~ *School Authority* receives an application to form a charter school pursuant to subsection ~~{4}~~ 7 of NRS 386.525 after the application has been denied twice by the board of trustees of a school district or a college or university within the Nevada System of Higher Education ~~{~~:

~~—(a) The staff of the Department, acting on behalf of the State Board of Education, shall verify the contents of the application by:~~

~~——(1) Performing a physical inspection of the location of the proposed charter school, if applicable;~~

~~——(2) Consulting with the members of the committee to form the charter school and, when appropriate, the proposed administrators and staff members of the proposed charter school; and~~

~~——(3) Performing any other investigation necessary or useful in verifying the contents of the application.~~

~~—(b) The~~, *the* application that is submitted to the State ~~{Board of Education}~~ *Public Charter School Authority* must be the same application that was ~~{denied by the board of trustees, the college or the university, as applicable, except that it may be revised in response to concerns stated by the board of trustees, the college or the university, as applicable, in its}~~ *the subject of the* second denial ~~{of the application if such a revision does not significantly alter the application.~~

~~—2.— Within 20 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.~~

~~—3.— Within 30 days after an application is received by the Subcommittee on Charter Schools, the Department will provide to the applicant its findings pursuant to subsection 2, 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.~~

~~—4.— Within 30 days after an application is received by the Subcommittee on Charter Schools, the Department will provide to the State Board of Education:~~

~~—(a) The findings of the Department pursuant to subsection 2;~~

~~—(b) The reasons for the first and second denial of the application by the board of trustees of a school district or a college or university within the Nevada System of Higher Education;~~

~~—(c) A copy of the proposed written agreement if the State Board approves the application pursuant to subsection 5 of NRS 386.527 or a copy of the proposed written agreement if the State Board approves the application pursuant to subsection 7 of NRS 386.527; and~~

~~—(d) Any other information the Department determines is necessary for the State Board in its review of the application.~~

~~—5.— Other than material required to convert a written charter issued by the State Board of Education pursuant to subsection 7 of NRS 386.527 to a written charter issued pursuant to subsection 5 of NRS 386.527, no additional application material will be accepted from the~~

~~applicant after the submission referred to in subsection 1 unless specifically requested by the State Board, the Subcommittee on Charter Schools or the Department to assist in the review of the application.~~

~~—6.— 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 in accordance with NAC 386.204 along with any reports generated by the employees of the Department and, if the application was previously denied by:~~

~~—(1) The board of trustees of a school district, any reports generated by the employees of that school district pursuant to NAC 386.200; or~~

~~—(2) A college or university within the Nevada System of Higher Education, any reports generated by the employees of that institution; and~~

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

~~—7.— 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.~~

~~—8.— The State Board of Education shall comply with the provisions of NAC 386.204 or 386.403 to determine whether to deny an application for a written charter.~~

~~—9.— A written charter may be granted pursuant to subsection 7 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 the charter school.~~

~~—(b) Written notice provided to the Department pursuant to NRS 386.527 indicating approval of the application must include the written charter.}~~ *by the board of trustees, the college or the university, as applicable.*

Sec. 33. NAC 386.204 is hereby amended to read as follows:

386.204 1. ~~{If the State Board of Education receives an application to form a charter school for sponsorship by the State Board, the State Board}~~ *A proposed sponsor* shall not approve ~~{the}~~ *an* application ~~{}~~ *to form a charter school if:*

(a) ~~{For a written charter pursuant to subsection 5 of NRS 386.527 if the}~~ *The* application does not satisfy the requirements of ~~{paragraphs (a) and (b) of}~~ subsection ~~{}~~ *3* of NRS 386.525; ~~{or}~~

(b) ~~{If the}~~ *The* financial or administrative operation of the proposed charter school does not meet or exceed the minimum standards, procedures and requirements of the State ~~{}~~ *;* ~~{or}~~

(c) The application does not demonstrate a commitment to serving the category or categories of pupils that the proposed charter school intends to serve.

2. ~~{If the State Board of Education receives an application to form a charter school for sponsorship by the State Board, the State Board may deny the application pursuant to this section.~~

~~—3.—~~ ~~The State Board of Education~~ *A proposed sponsor* may deny an application *to form a charter school* if the ~~{State Board}~~ *proposed sponsor* determines that the ~~{curriculum or instruction}~~ *educational program* proposed for the charter school ~~{, including, without limitation, a program of distance education approved pursuant to NRS 388.820 to 388.874, inclusive,}~~ is not:

(a) Aligned with the standards of content and performance established pursuant to NRS 389.520;

(b) Aligned with the written description of the *purpose, vision, educational philosophy, mission and goals* for the proposed charter school as included in the application pursuant to NRS 386.520; ~~{or}~~

(c) *Aligned with the educational needs of the category or categories of pupils that the proposed charter school intends to serve; or*

(d) Supported by sound evidence, as provided by the applicant, which demonstrates the effectiveness of the ~~{curriculum or instruction.~~

~~—4.—~~ *educational program proposed for the charter school.*

3. The ~~{State Board of Education}~~ *proposed sponsor* may deny an application *to form a charter school* if the ~~{State Board}~~ *proposed sponsor* determines that:

(a) Expenditures or flat fees included in the budget of the proposed charter school or in the proposed operating agreement with a contractor or an educational management organization are not consistent with the cost for similar services as those services are otherwise available to a public school;

(b) The budget of the proposed charter school is not balanced or relies unduly on grants or donations;

(c) The budget of the proposed charter school is based on an unrealistic enrollment projection;

(d) The budget of the proposed charter school does not adequately anticipate the requirements for and expenses of pupils with disabilities who may enroll in a program of special education at the proposed charter school; or

(e) The budget of the proposed charter school is not aligned with the written description of the mission and goals for the proposed charter school as included in the application pursuant to NRS 386.520.

~~15.1~~ 4. The ~~{State Board of Education}~~ *proposed sponsor* may deny an application *to form a charter school* if the ~~{State Board}~~ *proposed sponsor* determines that a contractor or educational management organization with whom the committee to form the charter school or the governing body of the proposed charter school intends to contract has knowingly violated a material term or condition of a contract with a public school in the past.

~~16.1~~ 5. The ~~{State Board of Education}~~ *proposed sponsor* may deny an application *to form a charter school* if the ~~{State Board}~~ *proposed sponsor* determines that a contract or a proposed contract between the proposed charter school and a contractor or an educational management organization contains a provision which is prohibited by ~~{NAC 386.403.}~~ *NRS 386.562*.

6. The proposed sponsor may deny an application to form a charter school if:

(a) The application fails to comply with the policies and practices developed by the proposed sponsor pursuant to subsection 5 of NRS 386.515.

(b) The proposed sponsor determines that the committee to form a charter school is unlikely to:

(1) Develop and implement the educational program described in the application;

(2) Manage public funds effectively and responsibly; or

(3) Comply with the legal obligations of the charter school.

(c) The committee to form the charter school:

(1) Intends to enter into a contract with an educational management organization; and

(2) Does not demonstrate in the application that the educational management organization has successfully managed school functions and achieved academic goals for the category or categories of pupils that the proposed charter school intends to serve.

Sec. 34. NAC 386.205 is hereby amended to read as follows:

386.205 ~~{H}~~ 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 5 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.}~~ *provides instruction to pupils.*

Sec. 35. NAC 386.210 is hereby amended to read as follows:

386.210 ~~{Within}~~ *Not later than* 5 days after any change ~~{for which notice is required pursuant to this section,}~~ *to the mailing address of a charter school,* the governing body of ~~{a}~~ *the* charter school shall provide written notice to the ~~{sponsor of the charter school and the}~~

Department of ~~[any changes in the facility of the charter school, including, without limitation, any change in the location of the charter school.]~~ *the change.*

Sec. 36. 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) 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, 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 \$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) 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 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 387.725.

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. *An insurer that provides any insurance required pursuant to this section must have a rating of “A-” or better and be classified in a financial category of “VII” or better as determined by A.M. Best Company of Oldwick, New Jersey.*

5. As used in this section, “motor vehicle” has the meaning ascribed to it in NRS 485.050.

Sec. 37. NAC 386.323 is hereby amended to read as follows:

386.323 1. Except as otherwise provided in subsection 2, the governing body of a charter school may request a change in the sponsorship of the charter school pursuant to NRS 386.527.

2. A request for a change in sponsorship may not be made if:

(a) The proposed sponsor is a school district other than the school district in which the charter school is located.

(b) The proposed sponsor is the State ~~[Board]~~ *Public Charter School Authority* and the charter school will use facilities in more than one county.

3. A written request for a change in sponsorship must be submitted to the proposed sponsor and must include:

- (a) A copy of the most recently approved application to form a charter school; and
- (b) A copy of the written agreement with the current sponsor.

4. A request for a change in sponsorship must be considered by the proposed sponsor at a public meeting not later than 60 days after receipt of the request.

5. A proposed sponsor may approve a request for a change in sponsorship if:

(a) The *charter* school is in sound financial condition as determined by the most recent annual audit required by NAC 387.775;

(b) The *charter* school ~~is on the list of schools that are designated as demonstrating exemplary achievement, demonstrating high achievement or demonstrating adequate achievement, which is maintained by the Department, on the date on which the request is submitted through the period when the request is considered by the proposed sponsor at a public meeting;~~ *was rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools;*

(c) The *charter* school's most recent report of compliance required by NAC 386.410 does not indicate a noncompliant item; and

(d) The *charter* school agrees to sign a new written agreement with the new sponsor. The written agreement may differ from the written agreement which the charter school signed with the current sponsor.

6. At the time a request for a change in sponsorship is submitted to the proposed sponsor, the governing body of a charter school shall submit a copy of the request to the current sponsor of the charter school.

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Sec. 38. NAC 386.325 is hereby amended to read as follows:

386.325 *1. The governing body of a charter school shall hold a public meeting that complies with the provisions of chapter 241 of NRS before the governing body submits to the sponsor of the charter school a written request for an amendment to its written charter or charter contract, as applicable, pursuant to NRS 386.527. The governing body of a charter school may not request such an amendment unless a majority of members of the governing body vote to approve making the request.*

2. Except as otherwise provided in NAC 386.326 and 386.3265, and sections 6 to 9, inclusive, of this regulation, if the governing body of a charter school requests an amendment to its written charter or charter contract, as applicable, pursuant to NRS 386.527, the sponsor of the charter school may authorize its staff to approve the amendment ~~to the charter~~ as the sponsor deems appropriate.

Sec. 39. NAC 386.325 is hereby amended to read as follows:

SECOND
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386.325 *1. The governing body of a charter school shall hold a public meeting that complies with the provisions of chapter 241 of NRS before the governing body submits to the sponsor of the charter school a written request for an amendment to its ~~written charter or~~ charter contract ~~, as applicable,~~ pursuant to NRS 386.527. The governing body of a charter school may not request such an amendment unless a majority of members of the governing body vote to approve making the request.*

2. Except as otherwise provided in NAC 386.326 and 386.3265, and sections 6 to 9, inclusive, of this regulation, if the governing body of a charter school requests an amendment to its ~~{written charter or}~~ charter contract ~~{, as applicable,}~~ pursuant to NRS 386.527, the sponsor of the charter school may authorize its staff to approve the amendment as the sponsor deems appropriate.

Sec. 40. NAC 386.326 is hereby amended to read as follows:

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386.326 1. If the governing body of a charter school wishes to amend its written charter *or charter contract, as applicable*, pursuant to NRS 386.527 to expand the instruction and other educational services provided by the charter school to pupils who are enrolled in grade levels other than the grade levels of pupils currently approved for enrollment in the charter school, ~~{and the expansion of grade levels does not change the kind of school, as defined in NRS 388.020, for which the charter school is authorized to operate,}~~ the governing body of the charter school must submit to the sponsor of the charter school a written request for such an amendment ~~{to the written charter}~~ not later than 90 days before the date on which the governing body proposes to operate the expanded grade levels.

2. The written request must include, without limitation:

(a) Each grade level for which the charter school is requesting the amendment and the anticipated enrollment in each grade level for ~~{the}~~ :

(1) The first year during which the grade level is to be operated ~~{}~~ ; and

(2) Each additional year remaining in the term of the existing written charter or charter contract, as applicable.

(b) The proposed curriculum for each grade level for which the charter school is requesting the amendment.

(c) A list of the courses that will be offered at the charter school, including, without limitation:

(1) For each course, the name and a description of the course, including, without limitation, the grade level at which the course will be offered; and

(2) A designation of the courses that a pupil must complete for promotion to each grade level and, if applicable, graduation.

(d) A schedule of classes to be offered which must meet the requirements for prescribed courses and required courses of study as set forth in chapter 389 of NRS and chapter 389 of NAC.

(e) A schedule of examinations of achievement and proficiency that will be administered to pupils at the charter school. The schedule must:

(1) Be aligned with any schedules of examinations of achievement and proficiency which are published by the Department and the school district in which the charter school is located, if available; and

(2) Meet the requirements of chapter 389 of NRS and other applicable federal, state and local laws and regulations.

(f) The qualifications of each person who will provide instruction in each grade level.

(g) A list of textbooks that will be used for the courses described in paragraph (c).

(h) A proposed budget that sets forth the estimated revenues and expenditures of the charter school for the first year in which the charter school enrolls pupils in the expanded grade levels.

3. The sponsor of the charter school shall review the written request ~~submitted pursuant to subsection 1j~~ to determine if the written request:

(a) Complies with NRS ~~{386.500}~~ **386.490** to ~~{386.610,}~~ **386.649**, inclusive, and the regulations applicable to charter schools; and

(b) Is complete in accordance with regulations of the Department.

4. Within 30 days after receipt of the written request , ~~{submitted pursuant to subsection 1,}~~ the sponsor of the charter school shall provide written notice to the governing body of the charter school of its findings , ~~{pursuant to subsection 3,}~~ including any items that are incomplete or noncompliant. Written notice informing the governing body ~~{of a charter school}~~ that the written request is incomplete or noncompliant shall be deemed denial of the written request.

5. If the sponsor of the charter school denies a written request , ~~{submitted pursuant to subsection 1,}~~ the governing body of the charter school may correct any deficiencies and resubmit the written request within 30 days after receipt of the written notice of denial for review . ~~{pursuant to subsection 4,}~~

6. ~~{If the}~~ **The** sponsor of the charter school **may deny the written request if:**

(a) **The sponsor** finds ~~{pursuant to subsection 3}~~ that the written request is **not** compliant ~~{and}~~ **or** complete ~~{, the sponsor may approve the request.}~~ ; **or**

(b) **The charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.**

Sec. 41. NAC 386.326 is hereby amended to read as follows:

SECOND
PARALLEL
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386.326 1. If the governing body of a charter school wishes to amend its ~~{written charter or}~~ charter contract ~~{, as applicable,}~~ pursuant to NRS 386.527 to expand the instruction and other educational services provided by the charter school to pupils who are enrolled in grade levels other than the grade levels of pupils currently approved for enrollment in the charter

school, the governing body of the charter school must submit to the sponsor of the charter school a written request for such an amendment not later than 90 days before the date on which the governing body proposes to operate the expanded grade levels.

2. The written request must include, without limitation:

(a) Each grade level for which the charter school is requesting the amendment and the anticipated enrollment in each grade level for:

(1) The first year during which the grade level is to be operated; and

(2) Each additional year remaining in the term of the existing ~~{written charter or}~~ charter contract. ~~{as applicable.}~~

(b) The proposed curriculum for each grade level for which the charter school is requesting the amendment.

(c) A list of the courses that will be offered at the charter school, including, without limitation:

(1) For each course, the name and a description of the course, including, without limitation, the grade level at which the course will be offered; and

(2) A designation of the courses that a pupil must complete for promotion to each grade level and, if applicable, graduation.

(d) A schedule of classes to be offered which must meet the requirements for prescribed courses and required courses of study as set forth in chapter 389 of NRS and chapter 389 of NAC.

(e) A schedule of examinations of achievement and proficiency that will be administered to pupils at the charter school. The schedule must:

(1) Be aligned with any schedules of examinations of achievement and proficiency which are published by the Department and the school district in which the charter school is located, if available; and

(2) Meet the requirements of chapter 389 of NRS and other applicable federal, state and local laws and regulations.

(f) The qualifications of each person who will provide instruction in each grade level.

(g) A list of textbooks that will be used for the courses described in paragraph (c).

(h) A proposed budget that sets forth the estimated revenues and expenditures of the charter school for the first year in which the charter school enrolls pupils in the expanded grade levels.

3. The sponsor of the charter school shall review the written request to determine if the written request:

(a) Complies with NRS 386.490 to 386.649, inclusive, and the regulations applicable to charter schools; and

(b) Is complete in accordance with regulations of the Department.

4. Within 30 days after receipt of the written request, the sponsor of the charter school shall provide written notice to the governing body of the charter school of its findings, including any items that are incomplete or noncompliant. Written notice informing the governing body that the written request is incomplete or noncompliant shall be deemed denial of the written request.

5. If the sponsor of the charter school denies a written request, the governing body of the charter school may correct any deficiencies and resubmit the written request within 30 days after receipt of the written notice of denial for review.

6. The sponsor of the charter school may deny the written request if:

(a) The sponsor finds that the written request is not compliant and complete; or

(b) The charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.

Sec. 42. NAC 386.3265 is hereby amended to read as follows:

386.3265 1. If the governing body of a charter school wishes to amend its written charter *or charter contract, as applicable*, pursuant to NRS 386.527 to occupy a new or additional facility, *including, without limitation, a facility that will be used by a charter school that provides a program of distance education pursuant to NRS 388.820 to 388.874, inclusive*, the governing body of the charter school must submit to the sponsor of the charter school a written request for such an amendment ~~to the written charter~~ :

(a) If the facility has been constructed and needs no renovation before it may be occupied by the charter school, not later than 15 days before the date on which the charter school proposes to occupy the facility ~~to~~ ; *or*

(b) If the facility has not been constructed or needs renovation before it may be occupied by the charter school, not later than 15 days before the date on which the construction or renovation is scheduled to begin.

2. The written request must include, without limitation:

- (a) The address of the facility.
- (b) The type of facility.
- (c) A floor plan of the facility, 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.
- (e) If the facility will be leased or rented, a copy of the proposed lease or rental agreement.

(f) *If the facility has been constructed and needs no renovation before it may be occupied by the charter school:*

(1) A copy of the certificate of occupancy for the facility ~~†~~
~~—(g)† ; and~~

(2) Documents which indicate that the facility has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation.

(g) If the facility has not been constructed or needs renovation before it may be occupied by the charter school, an explanation of the plans for the construction or renovation, including, without limitation, a timeline for the completion of the construction or renovation.

(h) Evidence which demonstrates that the governing body of the charter school has communicated with the Division of Industrial Relations of the Department of Business and Industry regarding compliance with the federal Occupational Safety and Health Act of 1970, as amended.

(i) Documentation which demonstrates that the governing body of the charter school has obtained the insurance required by NAC 386.215 for the proposed facility.

3. The sponsor of the charter school shall:

(a) ~~{Perform}~~ *If the proposed facility has been constructed and needs no renovation before it may be occupied by the charter school, perform* a physical inspection of the proposed facility or assign a designee to perform the inspection.

(b) Review the written request submitted pursuant to subsection 1 to determine if the written request:

(1) Complies with NRS ~~386.500~~ **386.490** to ~~386.610,~~ **386.649**, inclusive, and the regulations applicable to charter schools; and

(2) Is complete in accordance with the regulations of the Department.

4. ~~Within~~ **Not later than** 10 **business** days after receipt of the written request submitted pursuant to subsection 1, the sponsor of the charter school shall provide written notice to the governing body of the charter school of its findings pursuant to subsection 3, including any items that are incomplete or noncompliant. Written notice informing the governing body of a charter school that the written request is incomplete or noncompliant shall be deemed denial of the written request.

5. ~~If the~~ **The** sponsor of the charter school **may deny the written request if:**

(a) **The sponsor** finds ~~pursuant to subsection 3~~ that the written request is **not** compliant ~~and~~ **or** complete ~~the sponsor may approve the request.~~ ; **or**

(b) **The charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.**

6. The governing body of a charter school shall not ~~occupy the proposed facility~~ **amend its written charter or charter contract, as applicable**, until the governing body has received written notice of approval of the written request from the sponsor of the charter school.

7. **If the facility has not been constructed or needs renovation before it may be occupied by the charter school, before the charter school may occupy the facility:**

(a) **The governing body of the charter school must submit to the sponsor of the charter school:**

(1) **A copy of the certificate of occupancy for the facility; and**

(2) Documents which indicate that the facility has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation; and

(b) The sponsor, or the sponsor's designee, must perform a physical inspection of the facility.

Sec. 43. NAC 386.3265 is hereby amended to read as follows:

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386.3265 1. If the governing body of a charter school wishes to amend its ~~written charter~~ ~~or~~ charter contract ~~as applicable,~~ pursuant to NRS 386.527 to occupy a new or additional facility, including, without limitation, a facility that will be used by a charter school that provides a program of distance education pursuant to NRS 388.820 to 388.874, inclusive, the governing body of the charter school must submit to the sponsor of the charter school a written request for such an amendment:

(a) If the facility has been constructed and needs no renovation before it may be occupied by the charter school, not later than 15 days before the date on which the charter school proposes to occupy the facility; or

(b) If the facility has not been constructed or needs renovation before it may be occupied by the charter school, not later than 15 days before the date on which the construction or renovation is scheduled to begin.

2. The written request must include, without limitation:

(a) The address of the facility.

(b) The type of facility.

(c) A floor plan of the facility, 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.

(e) If the facility will be leased or rented, a copy of the proposed lease or rental agreement.

(f) If the facility has been constructed and needs no renovation before it may be occupied by the charter school:

(1) A copy of the certificate of occupancy for the facility; and

(2) Documents which indicate that the facility has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation.

(g) If the facility has not been constructed or needs renovation before it may be occupied by the charter school, an explanation of the plans for the construction or renovation, including, without limitation, a timeline for the completion of the construction or renovation.

(h) Evidence which demonstrates that the governing body of the charter school has communicated with the Division of Industrial Relations of the Department of Business and Industry regarding compliance with the federal Occupational Safety and Health Act of 1970, as amended.

(i) Documentation which demonstrates that the governing body of the charter school has obtained the insurance required by NAC 386.215 for the proposed facility.

3. The sponsor of the charter school shall:

(a) If the proposed facility has been constructed and needs no renovation before it may be occupied by the charter school, perform a physical inspection of the proposed facility or assign a designee to perform the inspection.

(b) Review the written request submitted pursuant to subsection 1 to determine if the written request:

(1) Complies with NRS 386.490 to 386.649, inclusive, and the regulations applicable to charter schools; and

(2) Is complete in accordance with the regulations of the Department.

4. Not later than 10 business days after receipt of the written request submitted pursuant to subsection 1, the sponsor of the charter school shall provide written notice to the governing body of the charter school of its findings pursuant to subsection 3, including any items that are incomplete or noncompliant. Written notice informing the governing body of a charter school that the written request is incomplete or noncompliant shall be deemed denial of the written request.

5. The sponsor of the charter school may deny the written request if:

(a) The sponsor finds that the written request is not compliant or complete; or

(b) The charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.

6. The governing body of a charter school shall not amend its charter contract until the governing body has received written notice of approval of the written request from the sponsor of the charter school.

7. If the facility has not been constructed or needs renovation before it may be occupied by the charter school, before the charter school may occupy the facility:

(a) The governing body of the charter school must submit to the sponsor of the charter school:

(1) A copy of the certificate of occupancy for the facility; and

(2) Documents which indicate that the facility has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation; and

(b) The sponsor, or the sponsor's designee, must perform a physical inspection of the facility.

Sec. 44. NAC 386.330 is hereby amended to read as follows:

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386.330 If the sponsor of a charter school intends to revoke the written charter ~~of a charter school~~ *or terminate the charter contract, as applicable*, pursuant to NRS 386.535, the sponsor shall:

1. Notify the governing body of the charter school, pursuant to subsection 2 of NRS 386.535, by certified mail. ~~If the State Board of Education is the sponsor of the charter school, the Department will transmit written notice of the Board's intent to revoke the charter to the governing body of the charter school by certified mail. The written notice must:~~

- ~~—(a) Be signed by the Superintendent of Public Instruction or a designee thereof; and~~
- ~~—(b) Comply with subsection 3.~~

2. If the board of trustees of a school district or a college or university within the Nevada System of Higher Education, as applicable, is the sponsor, submit to the Department a copy of the notice described in subsection 1 within 5 days after providing notice to the governing body of the charter school.

3. Ensure that the notices required pursuant to subsections 1 and 2:

(a) Set forth evidence that the sponsor has made a determination pursuant to subsection 1 of NRS 386.535; and

(b) Describe the findings of the sponsor that authorize revocation of the written charter ~~of the charter school~~ *or termination of the charter contract, as applicable*, pursuant to NRS 386.535.

Sec. 45. NAC 386.330 is hereby amended to read as follows:

386.330 If the sponsor of a charter school intends to ~~revoke the written charter or~~ terminate the charter contract ~~as applicable,~~ pursuant to NRS 386.535, the sponsor shall:

1. Notify the governing body of the charter school, pursuant to subsection 2 of NRS 386.535, by certified mail.
2. If the board of trustees of a school district or a college or university within the Nevada System of Higher Education, as applicable, is the sponsor, submit to the Department a copy of the notice described in subsection 1 within 5 days after providing notice to the governing body of the charter school.
3. Ensure that the notices required pursuant to subsections 1 and 2:
 - (a) Set forth evidence that the sponsor has made a determination pursuant to subsection 1 of NRS 386.535; and
 - (b) Describe the findings of the sponsor that authorize ~~revocation of the written charter or~~ termination of the charter contract ~~as applicable,~~ pursuant to NRS 386.535.

Sec. 46. NAC 386.335 is hereby amended to read as follows:

386.335 1. If the governing body of a charter school makes a voluntary decision to close the charter school, the written charter ~~of the charter school~~ is revoked *or the charter contract is terminated, as applicable*, or *if* the operation of the charter school is otherwise terminated for any reason, the governing body shall:

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(a) Not less than 30 days before the closure of the charter school, provide written notice of the closure to the Department, the sponsor of the charter school, ~~and~~ the employees of the charter school, ~~which includes:~~ *the parent or legal guardian of each pupil enrolled in the charter school, the Director of the Department of Business and Industry, the creditors of the charter school and the board of trustees of each school district in which a pupil enrolled in the charter school resides. The written notice must include:*

- (1) The reason for the closure;
- (2) The date of the closure;
- (3) The date of the meeting of the governing body on which the determination was made to close the charter school, if applicable; ~~and~~

(4) The name of the administrator or other qualified person appointed pursuant to NRS 386.536 to act as a trustee and information on how that person may be contacted;

(5) A statement of the governing body's plan to assist pupils to identify and transfer to other schools; and

(6) The address, telephone number and hours of operation of the office that the charter school is required to maintain pursuant to paragraph (d) of subsection 1 of NRS 386.536.

~~(b) Not less than 30 days before the closure of the charter school, provide written notice of the closure by regular mail to the parent or legal guardian of each pupil enrolled in the charter school which includes information on how the pupil may transfer to another public school and the manner in which the records of the pupil will be transferred;~~

~~—(c) Not less than 30 days before the closure of the charter school, provide written notice of the closure to the board of trustees of each school district in which a pupil enrolled in the charter~~

~~school resides which includes notification of the closure of the charter school and notification that the school district may receive pupils for enrollment upon the closure;~~

~~(d)~~ Not less than 30 days before the closure of the charter school, submit to the sponsor of the charter school all records pertinent to:

- (1) The indebtedness of the charter school, if any; and
- (2) Any property of the charter school that is encumbered. ~~†~~

~~(e)~~ ~~(c)~~ Ensure that all information required by NRS 386.650 for inclusion in the automated system of accountability information for Nevada is current to the date of the closure. ~~†~~

~~(f)~~ ~~(d)~~ Return any remaining restricted assets to their source, such as grant money and money contained in restricted categorical funds. ~~†~~

~~(g)~~ ~~(e)~~ Create a current and projected payroll and payroll benefits commitment, listing each employee, each employment position and the amount of money required to satisfy existing contracts. ~~†~~

~~(h)~~ ~~(f)~~ Submit to the sponsor of the charter school a report of the income tax documentation for the employees of the charter school. ~~†~~

~~(i)~~ ~~(g)~~ Ensure that the outstanding obligations of the charter school are settled after closure of the charter school, including, without limitation, unemployment compensation, employee benefits, resolution of the lease agreement for the charter school, if applicable, and final balances for utilities and other costs. ~~† and~~

~~(j)~~ ~~(h)~~ Provide to the Department and the sponsor of the charter school:

- (1) Not later than 6 months after closure of the charter school, the results of an independent audit, including, without limitation, the net assets and net liabilities of the charter school; and

(2) The annual report of budget required by NRS 386.600.

2. Upon notification of the closure of a charter school, the Department and the sponsor of the charter school shall each notify the governing body of the charter school of any outstanding liabilities owed by the charter school to the Department or the sponsor, as applicable.

3. ~~If the governing body of a charter school makes a voluntary decision to close the charter school, the written charter of the charter school is revoked or the operation of the charter school is otherwise terminated for any reason:~~

~~—(a)~~ The sponsor of the charter school shall conduct a physical inspection of the charter school to confirm that all equipment, supplies and textbooks ~~identified in the inventory of the charter school maintained pursuant to NAC 386.342~~ are on the premises of the charter school .
~~}; and~~

~~—(b)~~ 4. The governing body of the charter school shall ensure that all money received by the charter school from this State that is unencumbered is returned to the Department and placed in an escrow account for the purpose of satisfying any outstanding obligations of the charter school. One year after the establishment of the escrow account, the Department will transfer the balance remaining in that account to the State Distributive School Account created pursuant to NRS 387.030.

~~{4.}~~ 5. If a licensed teacher who is a member of the governing body of a charter school fails to comply with subsection 1 ~~for paragraph (b) of subsection 3,~~ or 4, the sponsor of the charter school or the Superintendent of Public Instruction may consider whether such failure to comply constitutes grounds for suspension or revocation of the license of the teacher pursuant to NRS 391.330 and whether appropriate action is warranted in accordance with NRS 391.320 to 391.361, inclusive.

Sec. 47. NAC 386.335 is hereby amended to read as follows:

386.335 1. If the governing body of a charter school makes a voluntary decision to close the charter school, ~~{the written charter is revoked or}~~ the charter contract is terminated ~~{, as applicable,}~~ or if the operation of the charter school is otherwise terminated for any reason, the governing body shall:

(a) Not less than 30 days before the closure of the charter school, provide written notice of the closure to the Department, the sponsor of the charter school, the employees of the charter school, the parent or legal guardian of each pupil enrolled in the charter school, the Director of the Department of Business and Industry, the creditors of the charter school and the board of trustees of each school district in which a pupil enrolled in the charter school resides. The written notice must include:

- (1) The reason for the closure;
- (2) The date of the closure;
- (3) The date of the meeting of the governing body on which the determination was made to close the charter school, if applicable;
- (4) The name of the administrator or other qualified person appointed pursuant to NRS 386.536 to act as a trustee and information on how that person may be contacted;
- (5) A statement of the governing body's plan to assist pupils to identify and transfer to other schools; and
- (6) The address, telephone number and hours of operation of the office that the charter school is required to maintain pursuant to paragraph (d) of subsection 1 of NRS 386.536.

(b) Not less than 30 days before the closure of the charter school, submit to the sponsor of the charter school all records pertinent to:

- (1) The indebtedness of the charter school, if any; and
 - (2) Any property of the charter school that is encumbered.
- (c) Ensure that all information required by NRS 386.650 for inclusion in the automated system of accountability information for Nevada is current to the date of the closure.
- (d) Return any remaining restricted assets to their source, such as grant money and money contained in restricted categorical funds.
- (e) Create a current and projected payroll and payroll benefits commitment, listing each employee, each employment position and the amount of money required to satisfy existing contracts.
- (f) Submit to the sponsor of the charter school a report of the income tax documentation for the employees of the charter school.
- (g) Ensure that the outstanding obligations of the charter school are settled after closure of the charter school, including, without limitation, unemployment compensation, employee benefits, resolution of the lease agreement for the charter school, if applicable, and final balances for utilities and other costs.
- (h) Provide to the Department and the sponsor of the charter school:
- (1) Not later than 6 months after closure of the charter school, the results of an independent audit, including, without limitation, the net assets and net liabilities of the charter school; and
 - (2) The annual report of budget required by NRS 386.600.
2. Upon notification of the closure of a charter school, the Department and the sponsor of the charter school shall each notify the governing body of the charter school of any outstanding liabilities owed by the charter school to the Department or the sponsor, as applicable.

3. The sponsor of the charter school shall conduct a physical inspection of the charter school to confirm that all equipment, supplies and textbooks are on the premises of the charter school.

4. The governing body of the charter school shall ensure that all money received by the charter school from this State that is unencumbered is returned to the Department and placed in an escrow account for the purpose of satisfying any outstanding obligations of the charter school. One year after the establishment of the escrow account, the Department will transfer the balance remaining in that account to the State Distributive School Account created pursuant to NRS 387.030.

5. If a licensed teacher who is a member of the governing body of a charter school fails to comply with subsection 1 or 4, the sponsor of the charter school or the Superintendent of Public Instruction may consider whether such failure to comply constitutes grounds for suspension or revocation of the license of the teacher pursuant to NRS 391.330 and whether appropriate action is warranted in accordance with NRS 391.320 to 391.361, inclusive.

Sec. 48. NAC 386.340 is hereby amended to read as follows:

386.340 1. Except as otherwise provided in subsection 2, a charter school that is sponsored by the board of trustees of a school district may provide instruction only in facilities located within the county in which that school district is located.

2. A charter school that:

(a) Is sponsored by the board of trustees of a school district;

(b) Provides a program of distance education pursuant to NRS 388.820 to 388.874, inclusive;

and

(c) Uses facilities other than a pupil's home in which to provide instruction,

↪ may provide instruction only in facilities located within the county in which that school district is located.

3. Except as otherwise provided in subsection 4, a charter school that is sponsored by the State ~~{Board of Education}~~ *Public Charter School Authority* may provide instruction only in facilities located in one county.

4. A charter school that:

(a) Is sponsored by the State ~~{Board of Education;}~~ *Public Charter School Authority; and*

(b) Provides a program of distance education pursuant to NRS 388.820 to 388.874, inclusive ,

~~{; and~~

~~—(c) Uses facilities other than the pupil's home in which to provide instruction,}~~

↪ may provide instruction ~~{only}~~ in facilities located in *more than* one county.

Sec. 49. NAC 386.341 is hereby amended to read as follows:

386.341 Before the last day of the first operational school year, a charter school shall ~~{submit to the Department evidence which demonstrates to the satisfaction of the Department}~~ *ensure* that the facility *which* the charter school occupies ~~{has been}~~ *is* inspected and approved by the Division of Industrial Relations of the Department of Business and Industry for compliance with the federal Occupational Safety and Health Act of 1970, as amended.

Sec. 50. NAC 386.342 is hereby amended to read as follows:

386.342 1. If a charter school uses money received from the sponsor of the charter school, this State or the Federal Government to purchase equipment or supplies, the equipment and supplies:

(a) Must remain on the premises of the charter school, unless the charter school is directed otherwise by the sponsor of the charter school, the State or the Federal Government, as applicable; and

(b) May be removed from the premises of the charter school only by the sponsor of the charter school, the State or the Federal Government, as applicable.

2. Equipment and supplies obtained by a charter school from sources other than the sponsor of the charter school, the State or the Federal Government may be removed from the premises of the charter school, subject to any applicable conditions, terms and limitations imposed upon a grant or donation used to purchase the equipment and supplies, if applicable.

3. If a charter school uses money received from this State to purchase property or equipment and the charter school subsequently closes or its operation is otherwise terminated, the governing body of the charter school shall ensure that the property and equipment are transferred to the ~~{Department}~~ *sponsor of the charter school* for appropriate accounting and disposition.

~~{4. The governing body of a charter school shall ensure that a:~~
~~—(a) Current written inventory of the equipment, supplies and textbooks of the charter school is maintained; and~~
~~—(b) Copy of the current written inventory is provided to the sponsor of the charter school.~~
~~→ The inventory must identify the source of money used to purchase each item, the name of the entity that donated the item or the owner of the item, as applicable.}~~

Sec. 51. NAC 386.345 is hereby amended to read as follows:

386.345 1. A majority of the members of the governing body of a charter school must reside in the county in which the charter school is located.

2. The membership of the governing body of a charter school shall not include:

(a) An employee of the governing body or charter school, including, without limitation, an administrator or teacher.

(b) *Except as otherwise provided in subsection 3:*

(1) A person who is related by blood or marriage to an employee of the governing body or charter school.

(2) A person who is related by blood or marriage to another member of the governing body.

(c) Except as otherwise provided in this paragraph, any person who:

(1) Owns, operates, is employed by or receives compensation from a corporation, business, organization or other entity that enters into a contract with the governing body or charter school; or

(2) Is related by blood or marriage to a person described in subparagraph (1).

↪ Pursuant to the requirements of NRS 332.800, a person described in this paragraph may serve on the governing body if the person has entered into a contract with the governing body to provide goods or services to the charter school without profit or at no cost to the charter school. The governing body shall maintain documentation of the terms of such a contract.

3. *The governing body of a charter school may apply to the State Public Charter School Authority for approval to have one or more members of the governing body be related by blood or marriage to:*

(a) An employee of the governing body or charter school; or

(b) Another member of the governing body.

↪ The State Public Charter School Authority may grant such approval for good cause shown and may make its approval contingent upon the governing body agreeing to additional oversight or conditions.

4. If a person serves on the governing body of a charter school as a representative of a nonprofit organization or business, not more than one other member of the governing body may also serve as a representative of that organization or business or otherwise represent the interests of that organization or business. In no event may representatives of the same organization or business serving on the governing body constitute a majority of the members of the governing body.

~~4.4~~ 5. *The sponsor of a charter school shall prescribe an application for potential members of the governing body of the charter school to submit as part of the process to become a member of the governing body.*

6. Not later than 5 business days after the governing body of a charter school is selected, the governing body shall submit to the *sponsor of the charter school and the* Department:

- (a) The name and address of each member;
- (b) The resume of each member;
- (c) The state of residence of each member;
- (d) If a member serves on the governing body as a teacher, as that term is defined in subsection ~~5.1~~ 6 of NRS 386.549, a photocopy of his or her license to teach;

(e) The application of each member; and

~~4.4~~ *(f)* An affidavit of each member indicating that the member:

- (1) Has not been convicted of a felony or any offense involving moral turpitude; and

(2) Has read and understands material concerning the roles and responsibilities of members of governing bodies of charter schools and other material designed to assist the governing bodies of charter schools, if such material is provided to the member by the ~~{Department,}~~ *sponsor of the charter school,*

↪ as required pursuant to NRS 386.549.

~~{5,}~~ 7. For the purposes of chapter 281A of NRS, the members of the governing body of a charter school are public officers.

~~{6,}~~ 8. The governing body of a charter school governs the charter school, maintains overall control of the charter school and is responsible for the operation of the charter school, including, without limitation, critically evaluating the performance of a contractor for the charter school and selecting another contractor if the contractor is not performing his or her duties or services in a satisfactory manner.

~~{7,}~~ 9. Not later than 30 business days after each public meeting held by the governing body of a charter school pursuant to subsection ~~{4,}~~ 5 of NRS 386.549, the governing body shall submit to the Department and to the sponsor of the charter school a copy of the minutes of the meeting. The minutes of each public meeting must be approved at the next meeting of the governing body and revised as necessary.

~~{8,}~~ 10. If the minutes of a meeting have not been approved by the governing body *of a charter school* when it submits the minutes pursuant to subsection ~~{7,}~~ 9, the governing body shall:

(a) Submit a written statement, accompanying the minutes that are submitted pursuant to subsection ~~{7,}~~ 9, indicating that the minutes have not been approved and are subject to revision; and

(b) Submit to the Department and the sponsor of the charter school a copy of the approved minutes not later than 10 days after such approval.

~~10.~~ **11.** *The governing body of a charter school shall notify the sponsor of any change in the membership of the governing body not later than 5 business days after the change occurs.*

12. As used in this section, “public officer” has the meaning ascribed to it in NRS 281A.160.

Sec. 52. NAC 386.350 is hereby amended to read as follows:

386.350 The governing body of a charter school shall ensure that:

1. Pupils who earn academic credit at the school can readily transfer that credit to a comparable school without penalty.
2. The educational services provided by the school to pupils with a disability comply with the requirements set forth in chapters 388 and 395 of NRS and NAC 388.150 to 388.450, inclusive.
3. The Department and the sponsor of the charter school receive, within 30 days after the first day of school, a list of the names and qualifications of all persons who are or will be employed by the charter school.
4. Copies of the policies of the charter school concerning the attendance of pupils are:
 - (a) Distributed to each new pupil at the beginning of the school year and to each new pupil who enters school during the school year; and
 - (b) Available for public inspection at the school during the school’s business hours.
5. If the charter school intends to offer automobile driver education classes, the governing body procures insurance as required pursuant to subsection 4 of NRS 389.090.

6. ~~The written report required pursuant to subsection 2 of NRS 386.610 is received by the sponsor of the charter school not later than 60 days after the last day of instruction in the third year of operation of the charter school under its initial written charter.~~

~~7.~~ Pupils enrolled in the charter school receive the following minimum numbers of minutes of instruction per day, including recess but excluding lunch:

- (a) For pupils enrolled in kindergarten, 120 minutes.
- (b) For pupils enrolled in grades 1 and 2, 240 minutes.
- (c) For pupils enrolled in grades 3 to 6, inclusive, 300 minutes.
- (d) For pupils enrolled in grades 7 to 12, inclusive, 330 minutes.

~~8.~~ 7. If the governing body requests that a pupil be transferred pursuant to subsection 4 of NRS 386.580, the governing body submits the request to the school district in which the ~~charter school is located;~~ *pupil resides:*

(a) Within 10 days after the governing body determines that the charter school is unable to provide an appropriate special education program and related services for the pupil; and

(b) Accompanied by an explanation of the facts and circumstances which led the governing body to determine that the charter school is unable to provide the appropriate special education program and related services for the pupil.

~~9.~~ 8. A person employed by the governing body is designated to verify to the school district in which the charter school is located that the information submitted to the school district pursuant to NRS 386.605 has been gathered in a format required by the school district.

~~10.~~ 9. The notification required pursuant to paragraph (m) of subsection 1 of NRS 386.550 indicating whether the charter school is accredited by the ~~Commission on Schools of the~~ Northwest Accreditation Commission is provided to parents and legal guardians of pupils

enrolled in grades 9 to 12, inclusive, not later than 10 days after the first day of school of each school year.

Sec. 53. NAC 386.353 is hereby amended to read as follows:

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386.353 1. The governing body of a charter school shall not limit the enrollment of pupils in the charter school to a specified number of pupils unless:

(a) The written charter ~~{of the charter school}~~ *or charter contract, as applicable*, identifies a limit on the number of pupils the charter school will enroll or identifies a ratio of pupils to teachers for the charter school;

(b) The charter school limits the enrollment of pupils to a number that corresponds with the maximum capacity of persons allowed to occupy the facility of the charter school as determined by the building, fire or health authority which inspected the facility; or

(c) The charter school has obtained written permission from the Superintendent of Public Instruction pursuant to subsection 5 to set a limit on the enrollment of pupils.

2. If more pupils who are eligible for enrollment apply for enrollment in a charter school than the number of spaces available, the governing body of the charter school shall establish a waiting list for enrollment in the charter school and place the pupils who were not enrolled in the charter school on the waiting list. The governing body of the charter school shall make available for inspection during the business hours of the charter school a list of the names of pupils on the waiting list.

3. Except as otherwise provided in subsections 5 and 6, if a space for a new pupil becomes available for enrollment, the governing body of the charter school shall fill the available space using the lottery system described in its written charter *or charter contract, as applicable*, to determine to which pupil on the waiting list established pursuant to subsection 2 the governing

body will offer the available space for enrollment in the charter school. The governing body of the charter school shall provide notice to the pupil selected pursuant to this subsection of the availability of a space for enrollment in the charter school.

4. Except as otherwise provided in subsection 5, a charter school must enroll the pupil notified by the governing body of the charter school pursuant to subsection 3 if that pupil seeks enrollment in the charter school. If the pupil notified by the governing body of the charter school does not wish to enroll in the charter school, the governing body shall, using the lottery system to select another pupil on the waiting list, provide notice of the available space for enrollment to another pupil until the available space is filled.

5. Not later than the first day of the school year, a charter school may submit an application, on a form prescribed by the Superintendent of Public Instruction, to the Superintendent of Public Instruction for:

(a) Written permission to limit the enrollment of pupils in the charter school pursuant to subsection 1; or

(b) A waiver from the requirement to enroll a pupil from the waiting list pursuant to subsection 4.

6. The Superintendent of Public Instruction may approve an application submitted pursuant to subsection 5 if the governing body of the charter school:

(a) Has entered into an agreement with a provider of software for a program of education used in the charter school; and

(b) Submits documentation which demonstrates that the enrollment of additional pupils in the charter school will be an undue financial burden on the charter school.

7. If the Superintendent of Public Instruction denies an application submitted pursuant to subsection 5, the governing body of the charter school may appeal the decision to the State Board.

8. A charter school that limits the enrollment of pupils pursuant to:

(a) Paragraph (a) of subsection 1 must submit a request to the sponsor of the charter school to amend the written charter *or charter contract, as applicable*, before enrolling pupils in excess of the approved limit.

(b) Paragraph (b) of subsection 1 must obtain permission from the appropriate building, fire or health authority before enrolling pupils in excess of the maximum capacity allowed to occupy the facility.

Sec. 54. NAC 386.353 is hereby amended to read as follows:

386.353 1. The governing body of a charter school shall not limit the enrollment of pupils in the charter school to a specified number of pupils unless:

(a) The ~~written charter or~~ charter contract ~~is as applicable,~~ identifies a limit on the number of pupils the charter school will enroll or identifies a ratio of pupils to teachers for the charter school;

(b) The charter school limits the enrollment of pupils to a number that corresponds with the maximum capacity of persons allowed to occupy the facility of the charter school as determined by the building, fire or health authority which inspected the facility; or

(c) The charter school has obtained written permission from the Superintendent of Public Instruction pursuant to subsection 5 to set a limit on the enrollment of pupils.

2. If more pupils who are eligible for enrollment apply for enrollment in a charter school than the number of spaces available, the governing body of the charter school shall establish a

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waiting list for enrollment in the charter school and place the pupils who were not enrolled in the charter school on the waiting list. The governing body of the charter school shall make available for inspection during the business hours of the charter school a list of the names of pupils on the waiting list.

3. Except as otherwise provided in subsections 5 and 6, if a space for a new pupil becomes available for enrollment, the governing body of the charter school shall fill the available space using the lottery system described in its ~~written charter or~~ charter contract ~~[- as applicable,]~~ to determine to which pupil on the waiting list established pursuant to subsection 2 the governing body will offer the available space for enrollment in the charter school. The governing body of the charter school shall provide notice to the pupil selected pursuant to this subsection of the availability of a space for enrollment in the charter school.

4. Except as otherwise provided in subsection 5, a charter school must enroll the pupil notified by the governing body of the charter school pursuant to subsection 3 if that pupil seeks enrollment in the charter school. If the pupil notified by the governing body of the charter school does not wish to enroll in the charter school, the governing body shall, using the lottery system to select another pupil on the waiting list, provide notice of the available space for enrollment to another pupil until the available space is filled.

5. Not later than the first day of the school year, a charter school may submit an application, on a form prescribed by the Superintendent of Public Instruction, to the Superintendent of Public Instruction for:

(a) Written permission to limit the enrollment of pupils in the charter school pursuant to subsection 1; or

(b) A waiver from the requirement to enroll a pupil from the waiting list pursuant to subsection 4.

6. The Superintendent of Public Instruction may approve an application submitted pursuant to subsection 5 if the governing body of the charter school:

(a) Has entered into an agreement with a provider of software for a program of education used in the charter school; and

(b) Submits documentation which demonstrates that the enrollment of additional pupils in the charter school will be an undue financial burden on the charter school.

7. If the Superintendent of Public Instruction denies an application submitted pursuant to subsection 5, the governing body of the charter school may appeal the decision to the State Board.

8. A charter school that limits the enrollment of pupils pursuant to:

(a) Paragraph (a) of subsection 1 must submit a request to the sponsor of the charter school to amend the ~~{written charter or}~~ charter contract ~~{, as applicable,}~~ before enrolling pupils in excess of the approved limit.

(b) Paragraph (b) of subsection 1 must obtain permission from the appropriate building, fire or health authority before enrolling pupils in excess of the maximum capacity allowed to occupy the facility.

Sec. 55. NAC 386.357 is hereby amended to read as follows:

386.357 Not later than 30 days before the first apportionment is made pursuant to NRS 387.124 to a charter school in its first year of operation, the governing body of the charter school shall submit to the ~~{Department:}~~ *sponsor of the charter school:*

1. In ~~{an electronic}~~ *a* format prescribed by the ~~{Department,}~~ *sponsor*, the enrollment form for each pupil enrolled in the charter school, which must include, without limitation:

- (a) The full name of the pupil;
- (b) The address of the pupil and the county in which the pupil resides;
- (c) The telephone number of the residence of the pupil;
- (d) The date of birth of the pupil;
- (e) The unique student identification number of the pupil, if available; and
- (f) The grade level in which the pupil is enrolling; and

2. The name and signature of the parent or legal guardian of each pupil enrolled in the charter school.

Sec. 56. NAC 386.365 is hereby amended to read as follows:

386.365 A charter school shall report the data required pursuant to NRS 386.650 to:

1. The school district in which the charter school is located if the school district is the sponsor of the charter school; *or*

2. The Department of the State ~~{Board of Education}~~ *Public Charter School Authority or a college or university within the Nevada System of Higher Education* is the sponsor of the charter school, ~~;~~ *or*

~~—3.— The Department of a college or university within the Nevada System of Higher Education is the sponsor of the charter school,}~~

↪ not later than the first day of instruction of the first year of operation of the charter school.

Sec. 57. NAC 386.400 is hereby amended to read as follows:

386.400 1. A contract between the governing body of a charter school and an educational management organization, the board of trustees of a school district, the Nevada System of Higher

Education or any business, corporation, organization or other entity, whether or not conducted for profit, to provide any service to the charter school must include a provision that requires the contractor to inform each person whom the contractor employs or hires and who provides a direct service to the charter school that:

(a) The person is not employed by the governing body of the charter school; and

(b) The provisions of NRS 386.595 do not apply to an employee of the contractor or any person hired by the contractor to perform a service to the charter school, including, without limitation, the provisions governing the status of employees of a charter school and their collective bargaining rights and benefits.

2. If the governing body of a charter school enters into a contract with an educational management organization, the board of trustees of a school district, the Nevada System of Higher Education or any business, corporation, organization or other entity, whether or not conducted for profit, to provide any service to the charter school, the governing body shall, not later than 30 days after the contract is signed by both parties, submit *a copy of the signed contract* to the sponsor of the charter school . ~~and the Department:~~

~~—(a) The name of the contractor;~~

~~—(b) A copy of the contract;~~

~~—(c) The name of a contact person for the contractor;~~

~~—(d) The telephone number and mailing address of the contractor;~~

~~—(e) A description of the service to be provided by the contractor;~~

~~—(f) A description of the manner in which each person who is employed or hired by the contractor to provide a direct service to the charter school has been notified of the information required by subsection 1; and~~

~~—(g) A list of the name and qualifications of each person who is employed or hired by the contractor to provide a direct service to the charter school.~~

~~↪ If any of the information set forth in paragraphs (a) to (g), inclusive, was included with the application to form the charter school pursuant to subsection 6 of NAC 386.180, the governing body is not required to resubmit the information if it is still accurate after the contract has been entered into.]~~

Sec. 58. NAC 386.405 is hereby amended to read as follows:

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386.405 1. The governing body of a charter school shall not enter into a contract with an educational management organization for an initial term of more than 2 years. Such a contract:

(a) Must allow the governing body to terminate the contract and must not prohibit the governing body from entering into a contract with another educational management organization.

(b) Must not be contingent upon any other contract.

(c) Must not require the governing body to enter into any other contract with the educational management organization or to renew a contract with the educational management organization.

2. The provisions of subsection 1 do not preclude a charter school from renewing a contract with the educational management organization after the expiration of a contract if the educational management organization has performed in a satisfactory manner.

3. At the expiration of the initial term of the contract entered into pursuant to subsection 1, the governing body of a charter school may enter into a contract with the same educational management organization for a term not to exceed the remaining term of the written charter ~~of the charter school.]~~ *or charter contract, as applicable.*

4. The governing body of a charter school shall approve the appointment, or any change to the appointment, of all key personnel for the charter school who are directly employed and

provided by an educational management organization. Such approval must occur at a regularly scheduled public meeting of the governing body. If the administrative head of a charter school is provided by an educational management organization, information regarding that person must be provided to the Department in accordance with NAC 386.100. For purposes of this subsection, “key personnel” includes administrators who are employed pursuant to subsection 6 of NRS 386.590 and the person designated to draw all orders for the payment of money belonging to the charter school required by NRS 386.573.

5. If the governing body of a charter school enters into a contract with an educational management organization, the governing body shall, not later than 60 days after the end of the school year, review the performance of the educational management organization to determine whether the educational management organization is performing in a manner that satisfies the terms and conditions of the written charter ~~or~~ *or charter contract, as applicable*, including, without limitation, the satisfaction of the goals of the charter school. If the educational management organization is not performing in a satisfactory manner, the governing body shall require the educational management organization to prepare, in consultation with the governing body, a plan of corrective action for the educational management organization. The plan must include the steps which will be taken by the educational management organization to ensure that it performs in a manner which satisfies the terms and conditions of the written charter ~~or~~ *or charter contract, as applicable*, including, without limitation, the satisfaction of the goals of the charter school. ~~[Not later than 120 days after the end of the school year, the governing body shall submit to the sponsor of the charter school and the Department a copy of the review conducted pursuant to this subsection and the plan of corrective action for the educational management organization, if applicable.]~~

6. If the governing body of a charter school enters into a contract with an educational management organization, the governing body shall require the educational management organization to provide a written report to the sponsor *and the governing body* of the charter school ~~to the governing body of the charter school and to the Department~~ not later than 15 business days after the end of each fiscal year during which the contract was in effect. The written report must be in a format approved by the Superintendent of Public Instruction and include:

(a) The amount of money received by the educational management organization from public and private sources to carry out the terms of the contract;

(b) The expenditures of the educational management organization relating to carrying out the contract, including, without limitation, the payment of salaries, benefits and bonuses; and

(c) An identification of each contract, transaction and agreement entered into by the educational management organization related to carrying out the contract with the charter school, including, without limitation, contracts, transactions and agreements with parent organizations, subsidiaries and partnerships of the educational management organization.

7. If an educational management organization is identified in the written charter ~~of a charter school,~~ *or charter contract, as applicable*, the inclusion of a reference to that particular educational management organization in the written charter *or charter contract, as applicable*, does not preclude the governing body of the charter school from terminating or not renewing a contract entered into with that educational management organization. If the governing body terminates or does not renew such a contract, the governing body shall amend the written charter *or charter contract, as applicable*, accordingly to remove any errant references to that educational management organization.

Sec. 59. NAC 386.405 is hereby amended to read as follows:

386.405 1. The governing body of a charter school shall not enter into a contract with an educational management organization for an initial term of more than 2 years. Such a contract:

(a) Must allow the governing body to terminate the contract and must not prohibit the governing body from entering into a contract with another educational management organization.

(b) Must not be contingent upon any other contract.

(c) Must not require the governing body to enter into any other contract with the educational management organization or to renew a contract with the educational management organization.

2. The provisions of subsection 1 do not preclude a charter school from renewing a contract with the educational management organization after the expiration of a contract if the educational management organization has performed in a satisfactory manner.

3. At the expiration of the initial term of the contract entered into pursuant to subsection 1, the governing body of a charter school may enter into a contract with the same educational management organization for a term not to exceed the remaining term of the ~~written charter or~~ charter contract. ~~as applicable.~~

4. The governing body of a charter school shall approve the appointment, or any change to the appointment, of all key personnel for the charter school who are directly employed and provided by an educational management organization. Such approval must occur at a regularly scheduled public meeting of the governing body. If the administrative head of a charter school is provided by an educational management organization, information regarding that person must be provided to the Department in accordance with NAC 386.100. For purposes of this subsection, “key personnel” includes administrators who are employed pursuant to subsection 6 of NRS

386.590 and the person designated to draw all orders for the payment of money belonging to the charter school required by NRS 386.573.

5. If the governing body of a charter school enters into a contract with an educational management organization, the governing body shall, not later than 60 days after the end of the school year, review the performance of the educational management organization to determine whether the educational management organization is performing in a manner that satisfies the terms and conditions of the ~~{written charter or}~~ charter contract, ~~{as applicable,}~~ including, without limitation, the satisfaction of the goals of the charter school. If the educational management organization is not performing in a satisfactory manner, the governing body shall require the educational management organization to prepare, in consultation with the governing body, a plan of corrective action for the educational management organization. The plan must include the steps which will be taken by the educational management organization to ensure that it performs in a manner which satisfies the terms and conditions of the ~~{written charter or}~~ charter contract, ~~{as applicable,}~~ including, without limitation, the satisfaction of the goals of the charter school.

6. If the governing body of a charter school enters into a contract with an educational management organization, the governing body shall require the educational management organization to provide a written report to the sponsor and the governing body of the charter school not later than 15 business days after the end of each fiscal year during which the contract was in effect. The written report must be in a format approved by the Superintendent of Public Instruction and include:

(a) The amount of money received by the educational management organization from public and private sources to carry out the terms of the contract;

(b) The expenditures of the educational management organization relating to carrying out the contract, including, without limitation, the payment of salaries, benefits and bonuses; and

(c) An identification of each contract, transaction and agreement entered into by the educational management organization related to carrying out the contract with the charter school, including, without limitation, contracts, transactions and agreements with parent organizations, subsidiaries and partnerships of the educational management organization.

7. If an educational management organization is identified in the ~~{written charter or}~~ charter contract, ~~{as applicable,}~~ the inclusion of a reference to that particular educational management organization in the ~~{written charter or}~~ charter contract ~~{, as applicable,}~~ does not preclude the governing body of the charter school from terminating or not renewing a contract entered into with that educational management organization. If the governing body terminates or does not renew such a contract, the governing body shall amend the ~~{written charter or}~~ charter contract ~~{, as applicable,}~~ accordingly to remove any errant references to that educational management organization.

Sec. 60. NAC 386.410 is hereby amended to read as follows:

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386.410 *1.* The sponsor of a charter school shall submit to the Department a performance audit that reports the compliance of the charter school with the written charter *or charter contract, as applicable,* and with the applicable statutes and regulations. The report of compliance must be submitted annually unless the charter school ~~{is eligible for a waiver from the annual submission pursuant to}~~ *satisfies the requirements set forth in* NRS 386.5515 ~~{and NAC 386.412. If the charter school submits the documentation required for a waiver pursuant to NAC 386.412 and the sponsor determines that the charter school is eligible for the waiver, the charter school shall}~~ *to* submit to the performance audit every 3 years.

2. If the board of trustees of a school district or a college or university within the Nevada System of Higher Education is the sponsor of a charter school, the ~~report of compliance~~ *results of the performance audit* must be included in the report that is required pursuant to NRS

386.610. ~~The 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 the number of teachers required by 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 or she:~~

~~—(1) Has not been convicted of a felony or offense involving moral turpitude; and~~

~~—(2) Has read and understands material concerning the roles and responsibilities of members of governing bodies of charter schools and other material designed to assist the governing bodies of charter schools, if such material is provided to him or her by the Department,~~

~~↪ as required pursuant to NRS 386.549.~~

~~—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 educational programs and services provided to those pupils are 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 387.725.~~

~~—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 Accreditation Commission.~~

~~—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 type and amount of insurance:~~

~~—(a) Required by NAC 386.215.~~

~~—(b) In a manner that complies with paragraph (l) of subsection 1 of NRS 386.550, which may include worker's 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. 61. NAC 386.410 is hereby amended to read as follows:

386.410 1. The sponsor of a charter school shall submit to the Department a performance audit that reports the compliance of the charter school with the ~~written charter or~~ charter contract ~~as applicable~~ and with the applicable statutes and regulations. The report of compliance must be submitted annually unless the charter school satisfies the requirements set forth in NRS 386.5515 to submit to the performance audit every 3 years.

2. If the board of trustees of a school district or a college or university within the Nevada System of Higher Education is the sponsor of a charter school, the results of the performance audit must be included in the report that is required pursuant to NRS 386.610.

Sec. 62. NAC 386.435 is hereby amended to read as follows:

386.435 1. An application for a loan from the Account must be submitted by the governing body of a charter school to the Department on or before September 30 of the calendar year immediately preceding the calendar year in which the loan will be made. The Department shall not accept an application for a loan from the Account unless the Department 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 Department 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;

(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; and

(5) The plan, if any, for the use of the money obtained from the loan, including, without limitation, methods to enhance the credit of the charter school.

(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, a statement of the financial history of 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) Three credit references for the applicant.

(j) 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.

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

2. On or before July 1 of each year, the Department shall determine the balance of money in the Account. If the Department determines that the balance of money in the Account is \$5,000 or more, the Department 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 executed a charter contract, as applicable*, pursuant to NRS 386.527.

Sec. 63. NAC 386.435 is hereby amended to read as follows:

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386.435 1. An application for a loan from the Account must be submitted by the governing body of a charter school to the Department on or before September 30 of the calendar year immediately preceding the calendar year in which the loan will be made. The Department shall not accept an application for a loan from the Account unless the Department 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 Department 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;

(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;

and

(5) The plan, if any, for the use of the money obtained from the loan, including, without limitation, methods to enhance the credit of the charter school.

(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, a statement of the financial history of 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) Three credit references for the applicant.

(j) 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.

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

2. On or before July 1 of each year, the Department shall determine the balance of money in the Account. If the Department determines that the balance of money in the Account is \$5,000 or more, the Department 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~~ executed a charter contract ~~if applicable,~~ pursuant to NRS 386.527.

Sec. 64. NAC 386.445 is hereby amended to read as follows:

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386.445 1. The rate of interest for loans made from the Account 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 Account, 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 7 of NRS 386.527;~~ *is not an operational charter school*, 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 *or executed a charter contract, as applicable*, pursuant to ~~subsection 7 of~~ NRS 386.527 and the charter school fails to ~~obtain a written charter issued pursuant to subsection 5 of NRS 386.527;~~ *become an operational charter school*; 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.

Sec. 65. NAC 386.445 is hereby amended to read as follows:

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386.445 1. The rate of interest for loans made from the Account 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 Account, 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 is not an operational charter school, 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 or executed~~ *Executed* a charter contract ~~[, as applicable,]~~ pursuant to NRS 386.527 and the charter school fails to become an operational charter school; 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.

Sec. 66. NAC 387.700 is hereby amended to read as follows:

387.700 1. Each charter school and each university school for profoundly gifted pupils shall annually prepare, on a form prescribed by the Department of Taxation for use by local governments, a capital improvement plan for the fiscal year ending on June 30 of that year and the ensuing 5 fiscal years.

2. On or before February 1 of each year, each charter school and each university school for profoundly gifted pupils shall submit a copy of the capital improvement plan to:

(a) The Department;

(b) The Director of the Legislative Counsel Bureau; and

(c) ~~For~~ *If the school is* a charter school , ~~that is not sponsored by the State Board,~~ the sponsor of the charter school.

3. The total amount of the expenditures contained in the capital improvement plan of the charter school or university school for profoundly gifted pupils for the next ensuing fiscal year must equal the total amount of expenditures for capital outlay set forth in the final budget of the charter school or university school for profoundly gifted pupils for each fund listed in that budget.

4. The capital improvement plan must include the estimated or actual revenues and expenditures for each capital project and the estimated or actual date for completion of each capital project.

5. The capital improvement plan must reconcile the capital outlay in each fund in the final budget for the first year of the capital improvement plan to the final budget in the next ensuing fiscal year. The reconciliation must identify the minimum level of expenditure for items classified as capital assets in the final budget and the minimum level of expenditure for items classified as capital projects in the capital improvement plan. The reconciliation of capital outlay items in the capital improvement plan must be presented on forms created and distributed by the Department of Taxation for use by local governments.

Sec. 67. NAC 387.725 is hereby amended to read as follows:

387.725 1. Not later than June 8 of each year, the governing body of each charter school and the governing body of each university school for profoundly gifted pupils shall, at a public meeting, adopt its final budget for the ensuing fiscal year by the favorable votes of a majority of the members of the governing body.

2. The governing body shall submit copies of the final budget to:

(a) The Department;

(b) The Legislative Counsel Bureau; and

(c) ~~For~~ *If the school is* a charter school, ~~[that is not sponsored by the State Board,]~~ the sponsor of the charter school.

Sec. 68. NAC 387.740 is hereby amended to read as follows:

387.740 1. No *governing body or member of a governing body of a* charter school or university school for profoundly gifted pupils ~~[governing body or member thereof]~~ may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than medium-term obligation repayments and any other long-term contract expressly authorized by law.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically do not apply to:

(a) Contracts between a ~~[charter school or]~~ university school for profoundly gifted pupils and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of medium-term obligations or an installment-purchase agreement and that are entered into by the ~~[charter school or]~~ university school for profoundly gifted pupils after:

(1) Any approvals by any other governmental entity required to be obtained before the medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(2) The ordinance or resolution that specifies each of the terms of the medium-term obligations or installment-purchase agreement has been adopted.

(b) *Contracts between a charter school and any person for the construction or completion of capital projects, money for which has been or will be provided by the proceeds of medium-term obligations or an installment-purchase agreement and that are entered into by the charter school after:*

(1) Any approvals by any other governmental entity required to be obtained before the medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(2) The ordinance or resolution that specifies each of the terms of the medium-term obligations or installment-purchase agreement has been adopted.

(c) Contracts which are entered into by a charter school or university school for profoundly gifted pupils and delivered to any person solely for the purpose of acquiring supplies, services and equipment necessarily ordered in the current fiscal year for use in an ensuing fiscal year and which, under the method of accounting adopted by the charter school or university school for profoundly gifted pupils, will be charged against an appropriation of a subsequent fiscal year. Purchase orders evidencing such contracts are public records available for inspection by any person on demand.

~~(e)~~ (d) The receipt and proper expenditure of money received pursuant to a grant awarded by an agency of the Federal Government.

~~(d)~~ (e) The incurrence of obligations beyond the current fiscal year under a lease or contract for installment purchase which contains a provision that the obligation incurred thereby

is extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of the amounts then due.

~~(e)~~ (f) The receipt by a charter school or university school for profoundly gifted pupils of increased revenue that:

(1) Was not anticipated in the preparation of the final budget of the charter school or university school for profoundly gifted pupils; and

(2) Is required by statute to be remitted to another governmental entity.

3. The fund balance of a governmental fund may not be used unless appropriated in a manner provided by law.

Sec. 69. NAC 387.770 is hereby amended to read as follows:

387.770 **1.** The governing body of each charter school and the governing body of each university school for profoundly gifted pupils shall:

~~(1)~~ (a) Cause to be established and maintained adequate property and equipment records and, where appropriate, adequate inventory controls. Each charter school and each university school for profoundly gifted pupils shall establish such records and controls within 1 year after its creation unless the Department grants an extension of time.

~~(2)~~ (b) Require that all such property, equipment and inventory records clearly indicate specific ownership.

~~(3)~~ (c) Designate, by entry in the minutes of the governing body, the officer, employee or officers or employees responsible for the maintenance of property and equipment records and, where appropriate, inventory records, and notify the Department of such designation.

2. Records established and maintained by the governing body of a charter school pursuant to subsection 1 must identify the:

(a) Source of the money used to purchase the property, equipment or inventory; or

(b) Person who donated the property, equipment or inventory.

Sec. 70. NAC 387.775 is hereby amended to read as follows:

387.775 1. The governing body of a charter school or university school for profoundly gifted pupils shall cause the charter school or university school for profoundly gifted pupils to be audited on an annual basis.

2. All audits must be performed by:

(a) A public accountant certified or registered; or

(b) A partnership or professional corporation registered,

↪ pursuant to the provisions of chapter 628 of NRS.

3. Each annual audit must:

(a) Cover the business of the charter school or university school for profoundly gifted pupils during the full fiscal year;

(b) Be a financial audit conducted in accordance with generally accepted auditing standards in the United States; and

(c) Include:

(1) An analysis of and findings on compliance with applicable statutes and regulations;

(2) A management letter outlining any recommendations for improvement;

(3) An expression of opinion on the financial statements;

(4) If the annual audit relates to a charter school that operates pursuant to a charter contract, an analysis of and findings on compliance with the performance indicators for finances set forth in the performance framework of the charter school; and

~~(4)~~ (5) Any other comments deemed pertinent by the auditor.

↪ The form of the financial statements must be prescribed by the Department, and the chart of accounts must be, as nearly as possible, the same as that used in the preparation and publication of the annual budget.

4. The annual audit of the charter school or university school for profoundly gifted pupils must be concluded and the report submitted to the governing body not later than 4 months after the close of the fiscal year for which the audit is conducted.

5. The opinion and findings of the auditor contained in the report of the audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted to it.

6. Immediately thereafter, the entire report, together with the management letter required by generally accepted auditing standards in the United States, must be filed as a public record with:

(a) The Department;

(b) The Legislative Counsel Bureau; and

(c) ~~For~~ *If the school is* a charter school, ~~[that is not sponsored by the State Board,]~~ the sponsor of the charter school.

7. After the report of the audit is filed by the charter school or university school for profoundly gifted pupils, the report of the audit, including, without limitation, the opinion and findings of the auditor contained in the report of the audit, may be disseminated by or on behalf of the charter school or university school for profoundly gifted pupils for which the report was prepared by inclusion, without limitation, in or on:

(a) A filing made pursuant to the laws or regulations of this State;

(b) A filing made pursuant to a rule or regulation of the Securities and Exchange Commission of the United States; or

(c) A website maintained by a charter school or university school for profoundly gifted pupils on the Internet or its successor,

↳ without the consent of the auditor who prepared the report of the audit. A provision of a contract entered into between an auditor and a charter school or university school for profoundly gifted pupils that is contrary to the provisions of this subsection is against the public policy of this State and is void and unenforceable.

8. If an auditor finds evidence of fraud or dishonesty in the financial statements of a charter school or university school for profoundly gifted pupils, the auditor shall report such evidence to the appropriate level of management in the charter school or university school for profoundly gifted pupils, or to the governing body or sponsor of the charter school or university school for profoundly gifted pupils if the evidence of fraud or dishonesty involved the highest levels of management or the governing body.

9. The governing body shall act upon the recommendations of the report of the audit within 3 months after receipt of the report, unless prompter action is required concerning violations of law or regulation, by setting forth in its minutes its intention to adopt the recommendations, to adopt them with modifications or to reject them for reasons shown in the minutes.

Sec. 71. NAC 387.775 is hereby amended to read as follows:

387.775 1. The governing body of a charter school or university school for profoundly gifted pupils shall cause the charter school or university school for profoundly gifted pupils to be audited on an annual basis.

2. All audits must be performed by:

(a) A public accountant certified or registered; or

(b) A partnership or professional corporation registered,

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↳ pursuant to the provisions of chapter 628 of NRS.

3. Each annual audit must:

(a) Cover the business of the charter school or university school for profoundly gifted pupils during the full fiscal year;

(b) Be a financial audit conducted in accordance with generally accepted auditing standards in the United States; and

(c) Include:

(1) An analysis of and findings on compliance with applicable statutes and regulations;

(2) A management letter outlining any recommendations for improvement;

(3) An expression of opinion on the financial statements;

(4) If the annual audit relates to a charter school , ~~that operates pursuant to a charter contract,~~ an analysis of and findings on compliance with the performance indicators for finances set forth in the performance framework of the charter school; and

(5) Any other comments deemed pertinent by the auditor.

↳ The form of the financial statements must be prescribed by the Department, and the chart of accounts must be, as nearly as possible, the same as that used in the preparation and publication of the annual budget.

4. The annual audit of the charter school or university school for profoundly gifted pupils must be concluded and the report submitted to the governing body not later than 4 months after the close of the fiscal year for which the audit is conducted.

5. The opinion and findings of the auditor contained in the report of the audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted to it.

6. Immediately thereafter, the entire report, together with the management letter required by generally accepted auditing standards in the United States, must be filed as a public record with:

- (a) The Department;
- (b) The Legislative Counsel Bureau; and
- (c) If the school is a charter school, the sponsor of the charter school.

7. After the report of the audit is filed by the charter school or university school for profoundly gifted pupils, the report of the audit, including, without limitation, the opinion and findings of the auditor contained in the report of the audit, may be disseminated by or on behalf of the charter school or university school for profoundly gifted pupils for which the report was prepared by inclusion, without limitation, in or on:

- (a) A filing made pursuant to the laws or regulations of this State;
- (b) A filing made pursuant to a rule or regulation of the Securities and Exchange Commission of the United States; or
- (c) A website maintained by a charter school or university school for profoundly gifted pupils on the Internet or its successor,

↪ without the consent of the auditor who prepared the report of the audit. A provision of a contract entered into between an auditor and a charter school or university school for profoundly gifted pupils that is contrary to the provisions of this subsection is against the public policy of this State and is void and unenforceable.

8. If an auditor finds evidence of fraud or dishonesty in the financial statements of a charter school or university school for profoundly gifted pupils, the auditor shall report such evidence to the appropriate level of management in the charter school or university school for profoundly gifted pupils, or to the governing body or sponsor of the charter school or university school for

profoundly gifted pupils if the evidence of fraud or dishonesty involved the highest levels of management or the governing body.

9. The governing body shall act upon the recommendations of the report of the audit within 3 months after receipt of the report, unless prompter action is required concerning violations of law or regulation, by setting forth in its minutes its intention to adopt the recommendations, to adopt them with modifications or to reject them for reasons shown in the minutes.

Sec. 72. NAC 388.830 is hereby amended to read as follows:

388.830 1. The Department shall engage in the process of reviewing applications for programs of distance education not less than once per year. An application must be received by the Department from the board of trustees of a school district or a governing body of a charter school on or before January 15 for consideration of a program that will begin operation in the immediately succeeding school year. An application must be received by the Department from a committee to form a new charter school on or before September 1 for a program that will begin operation in the immediately succeeding school year.

2. The Department shall prescribe the form for the application. An application must include:

- (a) The name of the school district or charter school submitting the application;
- (b) The date on which the board of trustees of the school district, the governing body of the charter school or the committee to form a charter school, as applicable, reviewed and approved the application;

- (c) The original signature of the president of the board of trustees, or his or her designee, a member of the governing body of the charter school or a member of the committee to form a charter school, as applicable, indicating approval of the application;

(d) The name, address and telephone number of the person who will administer the program of distance education;

(e) A list designating each course of distance education that will be offered through the program;

(f) If a course of distance education that will be offered through the program is included on the list of approved distance education courses prepared by the Department, an identification of each course, including, without limitation, the title of the course and the name of the provider of the course of distance education;

(g) If a course of distance education that will be offered through the program is not included on the list of approved distance education courses prepared by the Department, the information required by subparagraphs (1) to (10), inclusive, of paragraph (e) of subsection 1 of NAC 388.825;

(h) A description of the manner by which the school district or charter school will document the attendance and participation of each pupil who is enrolled in a course offered through the program, consistent with the provisions of NAC 387.193 and 387.294;

(i) A description of the criteria that will be used to enroll pupils in the program, including, without limitation, the manner by which the eligibility of each pupil for enrollment will be determined and documented in compliance with NRS 388.850;

(j) A description of the plan for assessing the academic achievement of pupils who are enrolled in the program, which must include, without limitation, the administration of the achievement and proficiency examinations required by NRS 389.015 and 389.550;

(k) A description of the manner by which the school district or charter school will document the completion of a course by a pupil enrolled in the program and award credit to each pupil who completes a course; and

(l) A description of the manner by which the school district or charter school will monitor the progress of each pupil enrolled in the program, including, without limitation:

(1) A method for identifying pupils who are experiencing difficulty with completing assignments or who are otherwise not demonstrating satisfactory progress; and

(2) The assistance or support that will be provided to pupils identified pursuant to subparagraph (1) in addition to any assistance or support offered by the provider of the course of distance education.

3. If a school district or charter school submits an application pursuant to this section to provide a program of distance education and the application is approved, the school district or charter school is not required to submit a separate application pursuant to NRS 388.834 and NAC 388.825 for approval of a course that is included in the approved program.

4. Not more than 45 calendar days after receipt of an application pursuant to this section, the Department shall provide written notice to the applicant of its approval or denial of the program. If an application is denied, the applicant may, not later than 30 calendar days after receipt of the notice of denial, correct the deficiencies identified in the notice of denial and resubmit the application to the Department. If the application is denied by the Department, the applicant may appeal the decision of the Department to the State Board of Education. The State Board may approve or deny the application upon appeal.

5. Except as otherwise provided in this subsection and NAC 388.860, if a program of distance education is approved pursuant to this section, the approval is valid for 3 years after the date of approval.

6. The Department shall prescribe the form for the renewal of an application. To continue providing a program of distance education, the provider of the program must submit an application for renewal to the Department at least 60 days before the expiration of the approval. If the Department approves a program of distance education submitted by a committee to form a new charter school and the committee's application to form a charter school is denied by the Department, the board of trustees of a school district or the State ~~Board of Education,~~ *Public Charter School Authority*, as applicable, the approval of the program of distance education is automatically revoked and the procedure for revocation set forth in NAC 388.860 does not apply.

7. If a provider of a program of distance education intends to change or modify the program with regard to the items set forth in the application, the provider shall obtain the written approval of the Department before making such a change or modification. If the provider changes or modifies the program without the approval of the Department pursuant to this subsection, the Department may revoke its approval of the program.

8. A school district or charter school shall not enroll pupils in a program of distance education unless the Department has provided documentation indicating that the program has been approved pursuant to this section for operation in this State.

Sec. 73. Section 6 of this regulation is hereby amended to read as follows:

Sec. 6. The governing body of a charter school must obtain approval from the sponsor of the charter school for any of the following amendments to the ~~written charter~~ ~~or~~ charter contract : ~~as applicable;~~

1. Changing the name or location of the charter school.
2. Changing the mission or goals of the charter school that were described in the application to form the charter school pursuant to subsection 5 of NRS 386.520.
3. An amendment to a condition set forth in the ~~{written charter or}~~ charter contract ~~{~~ ~~as applicable,}~~ that the governing body must satisfy before the charter school provides instruction to pupils.
4. An amendment to a plan for the transportation of pupils.
5. Expanding the instruction and other educational services provided by the charter school to pupils who are enrolled in grade levels other than the grade levels of pupils currently approved for enrollment in the charter school.
6. Eliminating one or more grade levels for which the charter school provides instruction or other educational services.

Sec. 74. Section 7 of this regulation is hereby amended to read as follows:

Sec. 7. 1. If the governing body of a charter school wishes to amend its ~~{written charter or}~~ charter contract ~~{~~ ~~as applicable,}~~ pursuant to NRS 386.527 to eliminate a grade level for which the charter school provides instruction or other educational services, the governing body must submit to the sponsor of the charter school a written request for such an amendment not later than 90 days before the date on which the governing body proposes to eliminate the instruction or educational services.

2. The written request must include, without limitation, an explanation of the reasons that the charter school wishes to eliminate the instruction or educational services.

Sec. 75. Section 8 of this regulation is hereby amended to read as follows:

Sec. 8. 1. If the governing body of a charter school wishes to amend its ~~written charter or~~ charter contract ~~, as applicable,~~ pursuant to NRS 386.527 to acquire a new or additional facility, the governing body must submit to the sponsor of the charter school a written request for approval of the acquisition. The request must include any information prescribed by the sponsor and be submitted before the governing body takes any action to acquire the facility.

2. The sponsor of a charter school may deny a request received pursuant to subsection 1 if the charter school was not rated in the first, second or third highest tier during the last rating of the charter school pursuant to the statewide system of accountability for public schools.

3. Not later than 15 days after receiving a request pursuant to subsection 1, the sponsor of the charter school shall provide to the governing body of the charter school written notice of the approval or disapproval of the request.

Sec. 76. Section 9 of this regulation is hereby amended to read as follows:

Sec. 9. If the governing body of a charter school wishes to amend its ~~written charter or~~ charter contract ~~, as applicable,~~ in a way that is not described in NAC 386.326, 386.3265 or sections 6, 7 or 8 of this regulation, the governing body must submit a written request to the sponsor of the charter school for a determination of whether the proposed amendment is:

1. A material amendment to the ~~written charter or~~ charter contract ~~. as applicable.~~
If the sponsor determines that the proposed amendment is material, the governing body must obtain approval from the sponsor before the amendment becomes effective.

2. A nonmaterial amendment to the ~~{written charter or}~~ charter contract . ~~{as applicable.}~~ If the sponsor determines that the proposed amendment is not material, the governing body is not required to obtain approval from the sponsor before the amendment becomes effective.

Sec. 77. Section 12 of this regulation is hereby amended to read as follows:

Sec. 12. As used in NRS 386.535, a charter school has “persistently underperformed” if:

1. The charter school was not rated in the first, second or third highest tier during the last three ratings of the charter school pursuant to the statewide system of accountability for public schools; or

2. ~~{If the charter school is operating under a charter contract, the}~~ *The* charter school has not complied consistently with the performance indicators, measures and metrics set forth in the performance framework of the charter school, as determined by the sponsor.

Sec. 78. Section 6 of LCB File No. R061-08 is hereby amended to read as follows:

Sec. 6. 1. A charter school that is sponsored by the State Board of Education which is in operation on September 18, 2008, may continue to operate pursuant to its current written charter until the expiration of that written charter even if the charter school does not satisfy the requirements of ~~{sections}~~ *section 2* ~~{and 3}~~ of this regulation.

2. An application to form a charter school for sponsorship by the State Board of Education or to renew a written charter that is sponsored by the State Board which is submitted after September 18, 2008, must comply with the provisions of ~~{sections}~~ *section 2* ~~{and 3}~~ of this regulation.

Sec. 79. 1. NAC 386.033, 386.045, 386.190, 386.195, 386.200, 386.201, 386.203, 386.220, 386.227, 386.230, 386.240, 386.300, 386.310, 386.320, 386.327, 386.403 and 386.412 and section 7 of LCB File No. R061-08 are hereby repealed.

2. NAC 386.050 is hereby repealed.

Sec. 80. 1. This section and sections 1 to 14, inclusive, 16 to 19, inclusive, 21 to 30, inclusive, 32 to 38, inclusive, 40, 42, 44, 46, 48 to 53, inclusive, 55 to 58, inclusive, 60, 62, 64, 66 to 70, inclusive, 72 and 78 of this regulation and subsection 1 of section 79 of this regulation become effective on December 22, 2014.

2. Sections 15, 20, 31, 39, 41, 43, 45, 54, 59, 61, 63, 65, 71 and 73 to 77, inclusive, of this regulation and subsection 2 of section 79 of this regulation become effective on January 1, 2020.

3. Section 47 of this regulation becomes effective on July 1, 2020.

TEXT OF REPEALED SECTIONS

386.033 “Educational management organization” defined. (NRS 386.540)

“Educational management organization” means a corporation, business, organization or other entity, whether or not conducted for profit, with whom the governing body of a charter school contracts to assist with the operation, management or provision and implementation of educational services and programs of the charter school. The term includes a corporation, business, organization or other entity that directly employs and provides personnel to a charter school.

386.045 “Operational charter school” defined. (NRS 386.540) “Operational charter school” means a charter school in which pupils are enrolled who are receiving instruction from the charter school.

386.050 “Written charter” defined. (NRS 386.540) “Written charter” means a written charter granted by the board of trustees of a school district, a college or university within the Nevada System of Higher Education or the State Board of Education pursuant to NRS 386.527. The written charter includes both the application to form a charter school approved by the sponsor and a written agreement signed by the sponsor and the charter school.

386.190 Review by Department of application to form charter school for sponsorship by board of trustees of school district or college or university within Nevada System of Higher Education. (NRS 386.520, 386.540) If the Department reviews an application to form a charter school for sponsorship by the board of trustees of a school district or a college or university within the Nevada System of Higher Education to determine whether the application is complete pursuant to subsection 3 of NRS 386.520, the Department will provide written notice to the applicant of its determination as to whether the application is complete within 30 days after receipt of the application.

386.195 Review by Department of application to form charter school for sponsorship by State Board of Education; transmittal of application to Subcommittee on Charter Schools. (NRS 386.520, 386.540)

1. If an application to form a charter school is submitted to the Department pursuant to NRS 386.520 for sponsorship by the State Board of Education, the Department will 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.

2. Within 30 days after receipt of the application, the Department will provide written notice to the applicant of its findings pursuant to subsection 1, including any items that are incomplete or noncompliant. Written notice informing the applicant that the application is incomplete or noncompliant shall be deemed denial of the application for purposes of subsection 3 of NRS 386.520.

3. If the Department denies an application, the application may be resubmitted within 30 days after receipt of the written notice of denial for review pursuant to this section. An application may be resubmitted pursuant to this subsection not more than once in a fiscal year.

4. An application that is approved pursuant to this section by 5 p.m. on December 15 of the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation may be transmitted to the Subcommittee on Charter Schools for review pursuant to NRS 386.525 and NAC 386.203.

386.200 Review of application to form charter school by board of trustees of school district; approval of application by sponsor. (NRS 386.525, 386.540)

1. If the board of trustees of a school district reviews an application to form a charter school pursuant to subsection 1 of NRS 386.525, the president of the board of trustees shall:

(a) Within 5 days after receipt of the application, designate one or more employees of the school district to verify the contents of the application by:

(1) Performing a physical inspection of the location of the proposed charter school;

(2) Interviewing 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

(3) Performing any other investigation necessary or useful in verifying the contents of the application.

(b) At the meeting described in subsection 1 of NRS 386.525, consider the application along with any reports generated by the employees of the school district pursuant to paragraph (a) and determine whether the application complies with all applicable state and federal statutes and regulations.

(c) Within 5 working days after the meeting described in subsection 1 of NRS 386.525, provide written notice to the applicant of the determinations of the board of trustees with regard to:

(1) The completeness of the application; and

(2) The application's compliance with applicable state and federal statutes and regulations.

(d) If the board of trustees denies the application, 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.

2. If an application to form a charter school is approved by the sponsor, the:

(a) Written charter must include the application, as approved by the sponsor, and a written agreement signed by the sponsor and the charter school.

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

386.201 Review of application to form charter school by college or university within Nevada System of Higher Education; approval of application by sponsor. (NRS 386.525, 386.540)

1. If a college or university within the Nevada System of Higher Education reviews an application to form a charter school pursuant to subsection 1 of NRS 386.525, the president of the college or university shall:

(a) Within 5 days after receipt of the application, designate one or more employees of the college or university to verify the contents of the application by:

- (1) Performing a physical inspection of the location of the proposed charter school;
- (2) Interviewing the members of the committee to form the charter school and, when appropriate, the proposed administrators and staff members of the proposed charter school; and
- (3) Performing any other investigation necessary or useful in verifying the contents of the application.

(b) At the meeting described in subsection 1 of NRS 386.525, consider the application along with any reports generated by the employees of the college or university pursuant to paragraph (a) and determine whether the application complies with all applicable state and federal statutes and regulations.

(c) Within 5 working days after the meeting described in subsection 1 of NRS 386.525, provide written notice to the applicant of the determinations of the college or university with regard to:

- (1) The completeness of the application; and
- (2) The application's compliance with applicable state and federal statutes and regulations.

(d) If the college or university denies the application, 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.

2. If an application to form a charter school is approved by the sponsor, the:

(a) Written charter must include the application, as approved by the sponsor, and a written agreement signed by the college or university and the charter school.

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

386.203 Review of and restrictions on application to form charter school for sponsorship by State Board of Education originally submitted to Subcommittee on Charter Schools; approval or denial of application by State Board. (NRS 386.525, 386.527, 386.540)

1. If the Subcommittee on Charter Schools receives an application pursuant to NRS 386.525 to form a charter school for sponsorship by the State Board of Education and the application has not previously been denied by the board of trustees of a school district or a college or university within the Nevada System of Higher Education, the staff of the Department, acting on behalf of the State Board, shall 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, when 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. Other than material required to convert a written charter issued by the State Board of Education pursuant to subsection 7 of NRS 386.527 to a written charter issued pursuant to subsection 5 of NRS 386.527, no additional application material will be accepted from the applicant after the submission of the application unless specifically requested by the State Board, the Subcommittee on Charter Schools or the Department to assist in the review of the application.

3. Within 30 days after an application is received by the Subcommittee on Charter Schools, the Department will provide to the State Board of Education:

(a) A copy of the proposed written agreement if the State Board approves the application pursuant to subsection 5 of NRS 386.527 or a copy of the proposed written agreement if the State Board approves the application pursuant to subsection 7 of NRS 386.527; and

(b) Any other information the Department determines is necessary for the State Board in its review of the application.

4. 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

(b) Determine whether the application complies with NRS 386.500 to 386.610, inclusive, and the regulations applicable to charter schools.

5. 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.

6. A written charter may be granted pursuant to subsection 7 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.

7. 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.

8. 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 the charter school.

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

386.220 Written charter: Inclusion of certain agreements; term. (NRS 386.527, 386.540)

1. In addition to the information required pursuant to NRS 386.527, a written charter must include a description of any other agreements entered into between the sponsor of the charter school and the charter school. The sponsor of a charter school shall amend the written charter, if necessary, to reflect any such agreements entered into after the written charter is issued.

2. The 6-year term for which the written charter of a charter school is valid, unless the initial written charter of the charter school was renewed after 3 years of operation pursuant to subsection 2 of NRS 386.530, begins on the date on which the State Board of Education, the board of trustees or a college or university within the Nevada System of Higher Education approves the application to form the charter school pursuant to subsection 1 of NRS 386.527.

386.227 Incorporation of governing body or charter school prohibited. (NRS 386.540)

Neither the governing body of a charter school nor a charter school may be incorporated.

386.230 Failure to become operational charter school; reapplication. (NRS 386.540)

1. If a charter school fails to become an operational charter school by June 30 of the year immediately following the year in which the term of the written charter of the charter school begins, the charter school shall provide to the sponsor of the charter school:

(a) Notice of the failure to become an operational charter school; and

(b) A statement of intent that sets forth whether:

(1) The charter school will become an operational charter school and, if so, on what date;

or

(2) The charter school will not become an operational charter school.

2. If a charter school to which subsection 1 applies states that it intends to become an operational charter school on a future date, the committee to form the charter school must reapply to the Department and the sponsor in accordance with NRS 386.520 and 386.525 and NAC 386.130 to 386.180, inclusive.

386.240 Issuance of written charter to applicant not prepared to commence operation on date of issuance; expiration, renewal, and contents of charter; submission of supplemental application before expiration. (NRS 386.527, 386.540)

1. The board of trustees of a school district, a college or university within the Nevada System of Higher Education or the State Board of Education may issue a written charter pursuant to subsection 7 of NRS 386.527 if the board of trustees, the college or university or the State Board, as applicable, determines that the applicant is not prepared to commence operation on the date of issuance of the written charter. A written charter issued pursuant to subsection 7 of NRS

386.527 expires on June 30 of the second fiscal year after the date of issuance and may be renewed for not more than 1 fiscal year upon showing of good cause to the sponsor. If a written charter is issued pursuant to subsection 7 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 7 of NRS 386.527 must include:

(a) A notation indicating the date on which the charter expires and indicating that the charter may be renewed for not more than 1 fiscal year;

(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 7 of NRS 386.527 to a written charter issued pursuant to subsection 5 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 7 of NRS 386.527 to a written charter issued pursuant to subsection 5 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;

(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 5 of NRS 386.527; and

(3) The governing body must obtain the insurance required by NAC 386.215 before commencing operation as a charter school.

3. Before the expiration of a written charter issued pursuant to subsection 7 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 5 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 7 of NRS 386.527.

386.300 Application for renewal of written charter: Contents. (NRS 386.530, 386.540)

If a charter school submits an application for renewal of its written charter pursuant to subsection 1 of NRS 386.530, the application must include:

1. Any changes in any of the items listed in the initial application to form the charter school;
2. A profile of the achievement of the pupils enrolled in the charter school during the preceding 6 years, as reflected in proficiency examinations and other means of assessment and evaluation;
3. A report on the progress of the charter school toward meeting its mission, goals and objectives;
4. A report on the effectiveness of the collaboration between licensed and nonlicensed staff members in the instructional program of the charter school;

5. If applicable, a report on the number of pupils who have graduated from grade 12 at the charter school and the plans of those pupils for careers or continuing education;
6. A report on the effectiveness of the educational program of the charter school, including, without limitation, the effectiveness of any programs designed to assist pupils who meet the criteria of being “at risk” as set forth in NRS 386.500;
7. A summary that outlines the plans of the charter school for the next 3 years;
8. A report on the charter school’s standards of accounting and financial management, including, without limitation, whether those standards comply with generally accepted accounting principles; and
9. Any other information the charter school wishes to submit in support of its application for renewal.

386.310 Application for renewal of initial charter: Contents. (NRS 386.530, 386.540)

If a charter school submits an application for renewal of its written charter pursuant to subsection 2 of NRS 386.530, the application must include:

1. Any changes in any of the items listed in the initial application to form the charter school;
2. A profile of the achievement of the pupils enrolled in the charter school during the preceding 3 years, as reflected in proficiency examinations and other means of assessment and evaluation;
3. A report on the progress of the charter school toward meeting its mission, goals and objectives;
4. A report on the effectiveness of the collaboration between licensed and nonlicensed staff members in the instructional program of the charter school;

5. If applicable, a report on the number of pupils who have graduated from grade 12 at the charter school and the plans of those pupils for careers or continuing education;
6. A report on the effectiveness of the educational program of the charter school, including, without limitation, the effectiveness of any programs designed to assist pupils who meet the criteria of being “at risk” as set forth in NRS 386.500;
7. A summary that outlines the plans of the charter school for the next 3 years;
8. A report on the amount of money that the charter school has, on average, expended on each pupil during the preceding 3 years; and
9. Any other information the charter school wishes to submit in support of its application for renewal.

386.320 Application for renewal of initial charter: Verification of contents; consideration at public meeting. (NRS 386.530, 386.540) If the sponsor of a charter school receives an application pursuant to subsection 2 of NRS 386.530 for renewal of the initial written charter of the charter school, the sponsor shall:

1. Within 30 days after receipt of the application, designate one or more employees of the school district, the college or the university, as applicable, or, if the State Board of Education is the sponsor, one or more employees of the Department, to verify the contents of the application by:
 - (a) Performing a physical inspection of the location of the charter school; and
 - (b) Interviewing the members of the governing body of the charter school and, when appropriate, the administrators and staff members of the charter school.
2. Within 90 days after receipt of the application, consider the application along with any reports generated by the employees of the school district, the college or the university or the

Department, as applicable, pursuant to subsection 1 at a public meeting for which notice has been provided pursuant to chapter 241 of NRS.

386.327 Revocation of charter of charter school providing education for at-risk pupils. (NRS 386.535, 386.540) The sponsor of a charter school may, in accordance with applicable statutes and regulations, revoke the charter of a charter school that is dedicated to providing educational programs and opportunities for pupils who are at risk if the charter school fails to provide educational programs and opportunities to those pupils as required by the written charter.

386.403 Contracts with contractors or educational management organizations: Prohibited provisions. (NRS 386.540) A contract or a proposed contract between a charter school or a proposed charter school and a contractor or an educational management organization must not:

1. Give to the contractor or educational management organization direct control of educational services, financial decisions, the appointment of members of the governing body, or the hiring and dismissal of an administrator or financial officer of the charter school or proposed charter school;
2. Authorize the payment of loans, advances or other monetary charges from the contractor or educational management organization which are greater than 15 percent of the total expected funding received by the charter school or proposed charter school from the State Distributive School Account;
3. Require the charter school or proposed charter school to prepay any fees to the contractor or educational management organization;

4. Require the charter school or proposed charter school to pay the contractor or educational management organization before the payment of other obligations of the charter school or proposed charter school during a period of financial distress;

5. Allow a contractor or educational management organization to cause a delay in the repayment of a loan or other money advanced by the contractor or educational management organization to the charter school or proposed charter school, which delay would increase the cost to the charter school or proposed charter school of repaying the loan or advance;

6. Require the charter school or proposed charter school to enroll a minimum number of pupils for the continuation of the contract between the charter school or proposed charter school and the contractor or educational management organization;

7. Require the charter school or proposed charter school to request or borrow money from this State to pay the contractor or educational management organization if the contractor or educational management organization will provide financial management to the charter school;

8. Contain a provision which restricts the ability of the charter school or proposed charter school to borrow money from a person other than the contractor or educational management organization;

9. Provide for the allocation to the charter school or proposed charter school of any indirect cost incurred by the contractor or educational management organization;

10. Authorize the payment of fees to the contractor or educational management organization which are not attributable to the actual services provided by the contractor or educational management organization;

11. Allow any money received by the charter school or proposed charter school from this State or from the board of trustees of a school district to be transferred to or deposited in a bank,

credit union or other financial institution outside this State, including money controlled by the contractor or educational management organization; or

12. Except as otherwise provided in this subsection, provide incentive fees to the contractor or educational management organization. A contract or a proposed contract may provide to the contractor or educational management organization incentive fees that are based on the academic improvement of pupils enrolled in the charter school.

386.412 Eligibility for available money for facilities; waiver of annual performance audits. (NRS 385.080, 386.5515)

1. A charter school “has demonstrated improvement in the achievement of pupils enrolled in the charter school” for the purposes of paragraph (c) of subsection 1 of NRS 386.5515 if the number of pupils enrolled in the charter school who are categorized as emergent or developing pupils is reduced for the most recent testing cycle by not less than 10 percent of the number of pupils who were categorized as emergent or developing pupils in the immediately preceding school year. The reduction of the number of pupils who are categorized as emergent or developing pupils must be measured for all subject areas required to be tested pursuant to state or federal law for each group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 enrolled in the charter school, regardless of the size of the group.

2. For the purposes of paragraph (e) of subsection 1 of NRS 386.5515:

(a) A pupil has passed the high school proficiency examination if the pupil has passed each subject area of that examination.

(b) The percent of pupils enrolled in the charter school who have passed the high school proficiency examination must be determined based upon the test scores of pupils who were

enrolled in grade 12 in the immediately preceding school year and were required to take the high school proficiency examination.

3. A charter school that wishes to submit to a performance audit one time every 3 years rather than every year shall submit to the sponsor of the charter school documentation sufficient to demonstrate that the charter school satisfies the requirements of subsection 1 of NRS 386.5515 and is eligible for a waiver from the annual performance audit. The documentation must be submitted to the sponsor of the charter school not later than November 15 of the first school year in which the charter school is eligible for the waiver. The sponsor of the charter school shall determine whether the charter school satisfies the requirements of subsection 1 of NRS 386.5515 and shall provide written notice to the charter school of its determination on or before December 15 of the year in which documentation is submitted by the charter school pursuant to this subsection.

4. As used in this section, “performance audit” means the report of compliance required pursuant to NAC 386.410.

Section 7 of LCB File No. R061-08 (NRS 386.540)

1. A charter school that is sponsored by a school district or a college or university within the Nevada System of Higher Education which is in operation on September 18, 2008, may continue to operate pursuant to its current written charter until the expiration of that written charter even if the charter school does not satisfy the requirements of section 3 of this regulation.

2. An application to form a charter school for sponsorship by a school district or a college or university within the Nevada System of Higher Education or to renew a written charter that is sponsored by a school district or a college or university which is submitted after September 18, 2008, must comply with the provisions of section 3 of this regulation

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS—NRS 233B.066
Informational Statement
LCB File No. 035-14

1. A clear and concise explanation of the need for the adopted regulation. To make various changes relating to the process for applying to sponsor or form charter schools; making various changes to the requirements for operating charter schools; and making various other changes relating to charter schools.

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

The Notice of Intent to Act Upon a Regulation for public hearing and adoption of Proposed Amendments was filed at the following locations on September 30, 2014: The offices of the Nevada Department of Education in Carson City and Las Vegas, at the 17 Nevada School District Superintendent's Offices, the 17 county main public libraries, the Nevada State Library and Archives, the Department of Education website and the Legislative Council Bureau website.

A summary may be obtained by contacting Karen Johansen, Administrative Assistant, Nevada Department of Education, 775-687-9225 or by writing to the Nevada Department of Education, 700 East Fifth Street, Carson City, Nevada 89701-5096.

3. The number of persons who:

- (a) Attended each hearing: 7**
- (b) Testified at each hearing; 1**
- (c) Submitted written comments: 1**

4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the Hearing: (Please see attached)

- (a) Name: Nicole Rourke**
- (b) Telephone number; 702-799-5438**
- (c) Business Address; Clark County School District, 5100 W. Sahara Ave, LV**
- (d) Business telephone number; 702-799-5438**
- (e) Electronic mail address;nrouрке@interact.ccsd.net**
- (f) Name of entity or organization represented; Clark County School District**

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

The Notice of Intent to Act Upon a Regulation for public hearing and adoption of Proposed Amendments was filed at the following locations on September 30, 2014. The offices of the Nevada Department of Education in Carson City and Las Vegas, at the 17 Nevada School District Superintendent's Offices, the 17 county main public libraries, the Nevada State Library and Archives, the Department of Education website and the Legislative Council Bureau website.

Nicole Rourke, Executive Director, Government Affairs, Community and Government, Clark County School District, provided the following written recommended amendment regarding section 42:

5. [If the] The sponsor of the charter school may approve the written request if:

(a) The sponsor finds [pursuant to subsection 3] that the written request is compliant and complete [, the sponsor may approve the request.]; and

(b) The charter school was rated in the 25th percentile or higher during the last rating of the charter school pursuant to the statewide system of accountability for public schools, with exceptions to this subsection allowed if the sponsor determines the written request should be approved due to health, safety, academic or fiduciary concerns at the charter school.

See attached language for proposed NDE changes in the regulation.

A summary may be obtained by contacting Karen Johansen, Administrative Assistant, Nevada Department of Education, 775-687-9225 or by writing to the Nevada Department of Education, 700 East Fifth Street, Carson City, Nevada 89701-5096.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The regulation was not adopted at the hearing. Patrick Gavin, the new director at the State Public Charter School Authority (SPCSA) listed additional recommended changes throughout the language for this regulation. Superintendent of Public Instruction, Dale Erquiaga, requested Mr. Gavin provide the written comments of changes in the language for his review. Upon review of that language, all of which was discussed in the hearing, with authority as the Superintendent of Public Instruction, declared the regulation adopted.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public:

(a) Estimated economic effect on the businesses which they are to regulate

None.

(b) Estimated economic effect on the public which they are to regulate

None

8. The estimated cost to the agency for enforcement of the proposed regulation: None

9. A description of any regulations of other State of governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency. None.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions. None.

11. Of the regulation provides a new fee or increases an existing fee, the total annual amount of the agency expects to collect and the manner in which the money will be used. None.