

**LCB File No. R193-01**

**PROPOSED REGULATION OF THE  
STATE BOARD OF EDUCATION  
STATE BOARD FOR OCCUPATIONAL EDUCATION**

**(Replaces the previous Initial Draft posted on 12/18/01;  
part of that draft is now located in R206-01)**

Explanation: Matter in italics is new; matter in brackets [ ] is material to be omitted.

Authority: NRS 385.080 and NRS 386.540, and Senate Bill 399, passed by the 2001 Nevada State Legislature

**CHAPTER 386 - CHARTER SCHOOLS**

**Section 1.** Chapter 386 of NAC is hereby amended as follows:

**Section 2. NAC 386.040 "Governing body" defined.** "Governing body" means a committee to form a charter school, after an application to form a charter school that is submitted by the committee is approved by the board of trustees of the school district in which the charter school will be located *or by the state board of education.*

**Section 3. NAC 386.050 "Written charter" defined.** "Written charter" means a written charter granted by the board of trustees of a school district *or by the state board of education* pursuant to NRS 386.527. *It consists of the charter application as approved by the sponsor, and a charter school agreement signed by both the sponsor and the charter school.*

**Section 4. "Section 16 charter" defined.** *"Section 16 charter" means a written charter granted pursuant to Section 16 of Senate Bill 399 to a charter school applicant who is not prepared to commence operation on the date of issuance of the written charter.*

**Section 5. NAC 386.125 Letter of intent to form charter school.** A committee to form a charter school must submit to the department a letter of intent to form a charter school by 5 p.m. on August 15 of the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation.

*1. A letter of intent must precede the submission of the application by no fewer than 30 days and must be submitted no earlier than July 1 of the fiscal year in which the application is submitted. The letter of intent must state:*

- (a) The name of the school district in which the proposed school would be located;*
- (b) Whether or not the proposed school is intended to serve primarily at-risk pupils;*
- (c) Whether or not the proposed school is exclusively for the enrollment of pupils who will receive special education, and if so, if the application, after being approved for completeness by the department, will be submitted to the school district board of trustees of the county in which the proposed school would be located or if the application will be submitted directly to the state board; and,*
- (d) The proposed starting date for the school.*

*2. If an applicant submits a letter of intent for a non-at-risk charter school and fails to submit an application or submits an application and the school fails to become operational, the applicant is not eligible to submit another letter of intent and application for a non-at-risk charter school in the same district until the second fiscal year following the fiscal year in which the originally proposed school would have become operational.*

**Section 6. NAC 386.130 Application to form charter school: Required forms; dates for submission.**

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

- (a) The department, pursuant to subsection 2 of NRS 386.520 ~~and~~
  - (b) The board of trustees of the school district in which the proposed charter school will be located, pursuant to NRS 386.525, *and,*
  - (c) The state board of education, pursuant to NRS 386.525,*
- to form a charter school.

2. An application to form a charter school that is submitted to:

- (a) The department, pursuant to subsection 2 of NRS 386.520; ~~and~~
- (b) The board of trustees of the school district in which the proposed charter school will be located, pursuant to NRS 386.525, *and,*
- (c) The state board of education, pursuant to NRS 386.525,*

must be submitted on forms prescribed pursuant to subsection 1 and must be submitted to the department by 5 p.m. on September 1 of the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation and to the board of trustees *or the state board of education* by 5 p.m. on January 15 of the fiscal year immediately preceding the fiscal year in which the proposed charter school will begin operation. *An application may be submitted no earlier than during the second fiscal year preceding the fiscal year in which the charter school will begin operation.*

*3. An application may be submitted by either a future employee of the school or a future contractor with the school only if that person abstains from becoming a member of the school's governing body upon the approval by the sponsor of the school's application. If an application is submitted by such a person, the application must include a written statement signed by all members of the committee to form the school. The written statement must indicate that the committee members understand that,*

- (a) The committee becomes the governing body upon approval of the application by the sponsor, and,*

*(b) The governing body, not the person submitting the application, will govern the school, and must maintain overall control and assume ultimate responsibility for the operation of the school, including critically evaluating the performance of the contractor or the person submitting the application and choosing another contractor if performance evaluations warrant it.*

*4. An applicant may submit an application only for the kind of school, as defined in NRS 388.020, that will be operated in the first year of operation. If the applicant's plan is to add grade levels that change the kind of school in subsequent years, the applicant will need to amend the charter with the sponsor in accordance with NRS 386.527(3).*

*5. The two years of experience as an employed teacher required by NRS 386.520(1) and (4), and NRS 386.549(1) and (4), means two years of experience in a position requiring Nevada teacher licensure.*

**Section 7. NAC 386.140 Application to form charter school: Inclusion of information regarding facilities and equipment.**

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

1. The name of the proposed charter school.
2. If the facility that the charter school will occupy exists at the time of application and is suitable for use by the charter school, but is not owned by the school district in which the charter school will be located:
  - (a) The address of the charter school;
  - (b) The type of facility that the charter school will occupy;
  - (c) A floor plan of the facility that the charter school will occupy, including a notation of the size of the facility which is set forth in square feet;
  - (d) The name and address of the owner of the facility that the charter school will occupy;
  - (e) If the facility that the charter school will occupy will be leased or rented, a copy of the proposed lease or rental agreement; and
  - (f) Documentation which demonstrates that the *proposed sponsor of [school-district in which]* the charter school is located is satisfied with the type and amount of insurance or other means that will be used to indemnify the *sponsor [school-district]* against financial loss pursuant to subsection 11 of NRS 386.550.
3. If the facility that the charter school will occupy is, at the time of application, being used as a public school, the name and location of that school and documentation which sets forth the specific days and times during which the charter school is authorized to use the facility.
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) If applicable, evidence in writing that the acceptance of the application by the *proposed sponsor* ~~[board of trustees]~~ is necessary to obtain a facility, equipment or personnel.

**Section 8. NAC 386.150 Application to form charter school: Inclusion of information regarding educational program.** In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to the department pursuant to that subsection by a committee to form a charter school must also include certain information regarding the 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 the first year 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 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 2 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* ~~[that is the sponsor of]~~ the charter school *is located*; 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. A description of the manner in which services and programs will be provided to pupils with disabilities in accordance with Individuals with Disabilities Education Act, and NRS 388.440 to 388.520, inclusive.***

**Section 9. NAC 386.160 Application to form charter school: Inclusion of information regarding governance and staffing.** In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to the department pursuant to that subsection by a committee to form a charter school must also include certain information regarding the 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 résumé of each member;*

*(b) a photocopy of the teaching license of each of the three teacher members;*

*(c) the legal state of residence of each member; and,*

*(d) a sworn affidavit for each member indicating that the person has not been convicted of a felony or any offense involving moral turpitude.*

2. If applicable, the name, title, address and telephone number of the person selected to function as the administrative head of the charter school pursuant to NAC 386.100. ***If an administrator has not been identified at the time of application, an administrator must be identified no fewer than 60 days prior to the planned opening of the charter school. The administrator's name must be provided to the sponsor and the department. No felon may become a charter school administrator.***

3. 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.

4. 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.

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

6. 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.

7. 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.

**Section 10. NAC 386.180 Application to form charter school: Inclusion of certain miscellaneous information.** In addition to the items required pursuant to subsection 2 of NRS 386.520 an application submitted to the department pursuant to that subsection by a committee to form a charter school must also include certain miscellaneous information concerning the proposed charter school, including, without limitation:

1. A description of the lottery system that the proposed charter school will use pursuant to NRS 386.580 if more eligible pupils apply for enrollment in the charter school than the number of spaces for pupils which are available.

2. The name, address, *e-mail address* and telephone number of the person selected to act as liaison pursuant to NAC 386.110.

3. Information concerning records of pupils that will be maintained by the proposed charter school in accordance with NAC 386.360, including, without limitation:

(a) The name and title of the person who will be responsible for:

(1) Maintaining records of pupils; and

(2) Providing records of pupils to the school district in which the charter school is located for inclusion in the statewide automated system of information concerning pupils that is established and maintained by the department pursuant to NRS 386.650.

(b) An example of the manner in which the cumulative record of a pupil is proposed to be stored.

(c) The proposed location within the charter school in which records of pupils will be stored.

(d) The name of the person who will be responsible for the records of pupils if the charter school is dissolved or the written charter of the charter school is not renewed.

(e) The policy of the charter school regarding the retention of the records of pupils.

4. A proposed budget that sets forth the estimated revenues and expenditures of the charter school for the first 2 years of operation.

*5. If the proposed school intends to primarily serve at-risk pupils, a description of how the school will:*

*(a) Recruit at-risk pupils;*

*(b) Serve the specific needs of at-risk pupils; and,*

*(c) Measure the school's success in educating at-risk pupils.*

*6. If the proposed school's governing body intends to contract with an educational management organization, a Nevada school district, the University and Community College System of Nevada, or any other for-profit or not-for-profit organization to provide services of any kind,*

*(a) The name of the organization;*

*(b) The name of a contact person at the organization;*

*(c) The telephone number and mailing address of the organization;*

*(d) A description of the services to be provided by the organization;*

*(e) If a contract has been signed, a photocopy of the contract;*

*(f) The anticipated or actual cost for the services provided; and,*

*(g) A signed statement from all employees of the contractor who will be providing direct service to the school indicating that the employees understand that they are employed by the contractor, not the charter school governing body, and that, unless they are on leave of absence from a Nevada school district, they are not covered by the collective bargaining agreement that may be otherwise in effect for employees of the charter school.*

7. *If any member of the committee to form the charter school has been associated or involved with any other charter school in this state or another state,*
- (a) *The name(s) of such members;*
  - (b) *The name and location, including street and mailing address, of the charter school with which the member has been associated or involved;*
  - (c) *The inclusive dates of the occurrence of the association or involvement;*
  - (d) *Whether the association or involvement has ceased, or is ongoing, and if it has ceased, for what reason; and,*
  - (e) *A description of the nature of that association or involvement.*

**Section 11. NAC 386.200** If the board of trustees of a school district *or the state board of education* reviews an application to form a charter school pursuant to subsection 1 of NRS 386.525, *the president of the board of trustees or president of the state board of education* shall:

1. Within 5 days after receipt of the application, designate one or more employees of the school district *or, if the state board of education reviews an application, employees of the department* to verify the contents of the application by:

- (a) Performing a physical inspection of the location of the proposed charter school; ~~and~~
- (b) 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,*

(c) *Performing any other investigation useful in verifying the contents of the application.*

2. *Regardless of whether the employees of the school district that is the proposed sponsor of the school or the employees of the department, find the building that the charter school proposes to use acceptable, the charter school will still need to obtain a certificate of occupancy from the appropriate city or county authorities before the building may be used as a public school.*

~~2.~~ 3. 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 *or employees of the department* pursuant to subsection 1 and determine whether the application complies with all applicable state and federal statutes and regulations.

~~3.~~ 4. *If an application is reviewed by the board of trustees of a school district, ~~W~~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:*

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

~~4.~~ 5. If the board of trustees denies the application, forward a copy of the written notice of the denial to the department within 5 days after the decision to deny the application is made. *The written notice must include reasons for the denial of the application.*

6. *If, pursuant to NRS 386.527(1), the state board or the board of trustees of a school district provides written notice to the department of the approval of a charter school application,*

- (a) *The written charter consisting of the charter school agreement, and*
- (b) *The application as approved by the sponsor,*  
*shall accompany the written notice.*

*7. If a potential sponsor is considering an application to form a charter school and determines that the applicant is not prepared to commence operation on the date of issuance of the written charter, the potential sponsor may grant a Section 16 charter. Such a charter:*

*(a) Expires one year after its issuance and is non-renewable, and is so stated on the face of the document; and*

*(b) Must include:*

*(1) The reason the charter school is not prepared to commence operation on the date of issuance of the written charter;*

*(2) The conditions the governing body of the charter school must meet in order to convert the Section 16 Charter to a charter;*

*(3) The tasks to be accomplished by the governing body prior to submitting a supplemental application to convert the Section 16 Charter to a charter;*

*(4) The timeline by which those tasks will be accomplished; and,*

*(5) A statement of the governing body's understanding that in order to receive distributive school account apportionment funding for a school year, the charter school must have students enrolled and attending school at least one day before the count day for the school year in the district in which the charter school is located, and that until the Section 16 Charter is converted to a charter, the charter school may not have students attending school.*

*8. Before the expiration of a Section 16 Charter, the holder of such a charter may submit a supplemental application and request the sponsor that granted the Section 16 Charter to determine whether the holder is eligible for the issuance of a charter.*

**Section 12. NAC 386.210 Duty of governing body to provide written notice of certain changes.** Within 5 days after any change for which notice is required pursuant to this section, the governing body of a charter school shall provide written notice to the ~~[board of trustees]~~ sponsor and the department of any changes in the facility or form of governance of the charter school, including, without limitation, any change in ~~;~~

~~—1. T] the location of the charter school; and~~

~~—2. The membership of the governing body of the charter school].~~

### **Section 13. NAC 386.220**

*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 July 1 of the fiscal year immediately following the fiscal year in which the committee to form the charter school applied to the department and the board of trustees *or the state board of education* to form the charter school.*

### **Section 14. NAC 386.230 Failure of charter school to become operational; reapplication.**

1. If a charter school fails to become operational by ~~[July 1]~~ *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 ~~[school district that is the]~~ sponsor of the charter school:



- (a) Notice of the failure to become operational; and
- (b) A statement of intent that sets forth whether:
  - (1) The charter school will become operational and, if so, on what date; or
  - (2) The charter school will not become operational.

2. If a charter school to which subsection 1 applies states that it intends to become operational on a future date, the committee to form the charter school must reapply to the department and the ~~board of trustees of the school district in which the charter school will be located~~ *sponsor* in accordance with NRS 386.520 and 386.525 and NAC 386.130 to 386.180, inclusive.

**Section 15. NAC 386.320 Application for renewal of initial charter: Verification of contents by ~~board of trustees~~ *sponsor*; consideration at public meeting.** If ~~the board of trustees of a school district that is~~ 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 ~~board of trustees~~ *sponsor* shall:

1. Within 30 days after receipt of the application, designate one or more employees of the school district, *or if the sponsor is the state board of education, 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, where appropriate, the administrators and staff members of the charter school. *Regardless of whether the employees of the school district that is the sponsor of the charter school or the employees of the department find the building that the charter school proposes to use acceptable, the charter school will still need to obtain a certificate of occupancy from the appropriate city or county authorities before the building may be used as a public school.*

2. Within 60 days after receipt of the application, consider the application along with any reports generated by the employees of the school district *or the employees of the department* pursuant to subsection 1 at a public meeting for which notice has been provided pursuant to Chapter 241 of NRS

**Section 16. NAC 386.330 Procedure for revocation of written charter by ~~board of trustees~~ *sponsor*.** If ~~the board of trustees of a school district that is~~ the sponsor of a charter school intends to revoke the written charter of a charter school pursuant to NRS 386.535 the ~~board of trustees~~ *sponsor* shall:

- 1. Notify the governing body of the charter school, pursuant to subsection 2 of NRS 386.535, by certified mail.
- 2. 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 ~~board of trustees~~ *sponsor* has made a determination pursuant to subsection 1 of NRS 386.535; and
  - (b) Describe the findings of the ~~board of trustees~~ *sponsor* that authorize revocation of the written charter of the charter school pursuant to NRS 386.535.

**Section 17. NAC 386.350 Responsibilities of governing body.** 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 who are disabled comply with the requirements set forth in NAC 388.150 to 388.450, inclusive, and chapters 388 and 395 of NRS.
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 board of trustees of the school district that is~~ 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. If the governing body requests that a pupil be transferred pursuant to subsection 3 of NRS 386.580, the governing body submits the request to the school district in which the charter school is located:
  - (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;
  - (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; and,
9. 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.

**Section 18. NAC 386.360 Maintenance of records.**

1. A charter school shall maintain a permanent record for each pupil in a separate file. The permanent record must contain:
  - (a) The record of attendance of the pupil;
  - (b) The grades received by the pupil;
  - (c) The certificate of immunization of the pupil; and
  - (d) Any other records related directly to the academic progress of the pupil.

2. Records maintained pursuant to subsection 1 must be kept in a location that is safe, secure and affords reasonable protection from:

- (a) Fire;
- (b) Misuse; and
- (c) Access by unauthorized persons.

3. If the governing body of a charter school plans to close the school or otherwise terminate the operation of the school, the governing body shall, not less than 30 days before the date of closure or termination:

(a) Notify the department and ~~the board of trustees of the school district that is~~ the sponsor of the charter school of that fact; and

(b) Submit to the board of trustees of the school district *of residence for each pupil* ~~that is the sponsor of the charter school~~:

~~—(1) The permanent record of each pupil; and  
(2)~~

(c) *Submit to the sponsor* ~~[A]~~ all records pertinent to:

~~[(1)]~~ (1) The indebtedness of the charter school, if any; and

~~[(2)]~~ (2) Any property of the charter school that is encumbered.

*4. A charter school shall forward all permanent student records to the office of student records of the school district of residence of each charter school pupil. Records shall be forwarded*

*(a) Upon closure of the charter school;*

*(b) Upon a student's graduation or withdrawal from the charter school.*

#### **Section 19. NAC 386.370 Final budget.**

1. Not later than May 1 of each year, the governing body of a charter school shall, at a public meeting, adopt its final budget for the charter school for the ensuing fiscal year.

2. The final budget must be prepared on forms prescribed by the department.

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

(a) The department;

(b) ~~The department of taxation;~~

~~[(e)]~~ The legislative counsel bureau; and

~~[(d)]~~ (c) The ~~school district that is the~~ sponsor of the charter school.

#### **Section 20. NAC 386.380 Annual audit.**

1. The governing body of a charter school shall cause the charter school to be audited on an annual basis. The annual audit of the charter school must be completed and submitted to the governing body for review at a public meeting not later than 120 days after the close of the fiscal year for which the audit is conducted.

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 during the full fiscal year;

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

(c) Include:

- (1) An analysis of the charter school's compliance with applicable laws and regulations;
- (2) Any recommendations for improvement by the charter school; and
- (3) Any other comments deemed pertinent by the auditor, including the auditor's opinion regarding the financial statements.

The form of the financial statements must be prescribed by the department of ~~taxation~~ **education** and the chart of accounts must be, insofar as practicable, the same as that used in the preparation and publication of the annual budget.

4. The governing body shall submit copies of the annual audit to:
  - (a) The department;
  - (b) ~~The department of taxation;~~
  - ~~(c)~~ The legislative counsel bureau; and
  - ~~(d)~~ (c) The ~~school district that is the~~ sponsor of the charter school.

**Section 21. 1.** *A contract between a charter school governing body and an educational management organization may not be for more than two years at a time, and must not exclude consideration by the governing body of other educational management organizations. Such a contract must be reviewed on an annual basis, and if the terms and conditions of the written charter, including the goals of the charter school as stated in the charter, are not being met the governing body shall require a plan of corrective action from the educational management organization. The plan shall describe steps that will be taken to meet the terms and conditions of the charter and achieve the goals as stated in the charter.*

*2. By the end of the third consecutive year as a school designated as in need of improvement, pursuant to NRS 385.368-.386, the governing body shall comply with the recommendations of the panel appointed to supervise the academic probation of the school. The recommendations may include termination of any and all contractual agreements entered into by the governing body.*

*3. If an educational management organization is contracted with to operate the school or employ staff for the operation of the school, including but not limited to, providing instruction at the charter school, a reporting of the funds received by the contractor, whether public money or private donation or grants, shall be made and reported to the sponsor. The reporting shall consist of all documented contractor's expenditures including, but not limited to salaries, benefits and bonuses. The reporting shall be done within 15 working days of the end of the fiscal year.*

*4. Naming an educational management organization in the charter application or charter agreement does not preclude a governing body's ability to, through an amendment to the charter, terminate the relationship with the named educational management organization and designate another.*

**Section 22.** *"Operational" defined. A charter school is "operational" if it has pupils enrolled and receiving instruction in the school's facility.*

**Section 23.** *"Fiscal Year" defined. The "fiscal year" is from July 1 through June 30.*

**Section 24.** *Money deposited in a financial institution in this state pursuant to NRS 386.570(2) must be maintained in a fiscal institution in this state.*

**Section 25. Charter school sponsor duties: areas to be monitored for compliance. The sponsor of a charter school shall include a compliance report addressing the following areas in its evaluation of the charter school's progress per NRS 386.610:**

**1. Compliance with the terms and conditions of the written charter, including compliance with the charter school agreement and charter school application as approved by the sponsor;**

**2. Governance:**

**(a) Compliance with NRS 244, the Nevada Open Meeting Law, as required by NRS 386.550(1)(e);**

**(b) Compliance with NRS 386.549:**

**(1) Governing body consists of at least three teachers, each of whom holds a current Nevada teaching license; has at least two years experience as an employed teacher; and, is not employed as a substitute teacher;**

**(2) A majority of the governing body members reside in Nevada;**

**(3) Each member of the governing body has submitted an affidavit to the department of education indicating that the person has not been convicted of a felony or any offense involving moral turpitude; and,**

**(4) The governing body holds at least one regularly scheduled public meeting per calendar quarter.**

**(c) Examination of the agenda, meeting minutes, and reports presented at governing body meetings to determine if the governing body is fulfilling its responsibility to critically evaluate the performance of any entity with which the governing body contracts to provide services of any kind, including the performance of any educational management organization with which the governing body contracts to operate the school.**

**3. At Risk Status.**

**(a) If the charter school is an at risk one, monitor for percentage of at risk pupils, per NRS 386.500, and implementation and appropriateness of the education program for at risk pupils;**

**(b) In order for a charter school that formed as an at risk school to continue to operate, at least fifty-one percent (51%) of pupils enrolled in the school must meet the requirements of NRS 386.500, at risk definition, and be documented as such; and,**

**(c) If any year's annual compliance report shows an at risk school enrolls fewer than 51% at risk pupils, the following year's report must show an increased percentage of at risk pupils, and the report two years later must show the 51% enrollment goal has been reached.**

**4. Compliance with generally accepted standard of accounting and fiscal management, as required by NAC 386.390, including:**

**(a) Depositing and maintaining all money received by the charter school or Section 16 Charter school from the state or from the school district in a financial institution in Nevada, per NRS 386.570(2);**

**(b) Adopting a final budget in accordance with NAC 386.370; and,**

**(c) Compliance with NRS 386.573, Orders for payment of money; limitation.**

**5. Administration of achievement and proficiency examinations. Compliance with NRS and NAC chapters 389.**

**6. Student health and safety, including child abuse reporting, compliance with Section 502 of the Rehabilitation Act of 1973, provision of health services, immunization record keeping; emergency operational procedures and safety drills; staff trained in crisis management.**

**7. Facilities, including compliance with building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation.**

**8. Student discipline, student due process.**

**(a) A copy of the rules of behavior, prescribed punishments, and procedures to be followed in imposing punishments must be distributed to each pupil at the beginning of the school year and to each new pupil who enters school during the year. It must be available to public instruction at the school. (NRS 386.585);**

**(b) Appropriate suspension and/or discipline documentation; and,**

**(c) Copies of the school's policies concerning the attendance of pupils are distributed to each pupil at the beginning of the school year and to each new pupil who enters school during the school year. The policies are available for public inspection at the school.**

**9. Provision of educational services to pupils who are disabled comply with NAC 388.150 to 388.450, and NRS Chapters 388 and 395.**

**10. Curriculum and instruction. Provide instruction in the core academic subjects (mathematics, science, English and social studies) as applicable for the grade levels of pupils who are enrolled in the charter school or Section 16 charter school, and provide at least the courses of study that are required by statute or regulation for promotion to the next grade or graduation from a public high school and require the pupils who are enrolled in the school to take those courses of study (NRS 386.550(a)(i)).**

**11. Teacher licensure/credential and administrator credential. Compliance with NRS 386.590 (1)-(5).**

**12. Application of collective bargaining agreement.**

**(a) Compliance with NRS 386.595;**

**(b) Record keeping related human resource matters; and,**

**(c) Public Employees Retirement System.**

**13. Enrollment procedures.**

**(a) Use of a lottery;**

**(b) Compliance with NRS 392.040 regarding the ages of enrollment in grade kindergarten through twelve.**

**14. Refrain from charging tuition or fees.**

**15. Provide written notice to the parents of pupils enrolled in grades nine through twelve of whether the school is accredited by the Commission on Schools of the Northwest Association of Schools and Colleges (NRS 386.550 (1) (m)).**

**16. Compliance with NRS 386.583, adoption of rules for academic retention.**