

LCB File No. T039-07

ADOPTED TEMPORARY REGULATION OF  
THE STATE BOARD OF EDUCATION

Filed with the Secretary of State on December 11, 2006

**Explanation:** Matter in italics is new; matter in brackets ~~{}~~  to be omitted.  
**Statutory Authority:** NRS 386.540

**NAC 386.215 Provision and maintenance of insurance coverage (NRS 386.540)**

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

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

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

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

directors.

(c) Umbrella liability insurance with a minimum coverage of ~~[\$10,000,000]~~  
**\$3,000,000.**

(d) Educators' legal liability insurance with a minimum coverage of \$1,000,000.

(e) Employment practices liability insurance with a minimum coverage of \$1,000,000.

(f) Employment benefits liability insurance with a minimum coverage of \$1,000,000.

(g) Insurance covering errors and omissions of the sponsor and governing body of the charter school with a minimum coverage of \$1,000,000.

(h) *If applicable, ~~Automobile~~ automobile, van and bus* liability insurance with a minimum coverage of \$1,000,000.

(i) *If applicable, sports and athletic participation liability insurance with a minimum coverage of \$1,000,000.*

(j) *Based upon a charter school's risk profile and market conditions, the sponsor of a charter school has the discretion to waive or reduce the sexual abuse and molestation coverage minimum for the charter school if it is reasonable to do so, but the sponsor is not required to do so.*

The cost of insurance required by this section must be provided to the proposed sponsor by the authorized insurer and included in each budget submitted pursuant to subsection 4 of NAC 386.180 and NAC 386.370.

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

**NOTICE OF ADOPTION OF TEMPORARY REGULATION**  
**LCB File No. T039-07**

The State Board of Education adopted temporary regulations assigned LCB File No. T039-07 which pertain to chapter 396 of the Nevada Administrative Code.

**INFORMATIONAL STATEMENT**

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

Notice of Workshop to Solicit Comments on Proposed Regulations was sent to approximately 200 individuals and educational organizations. A workshop was held on October 7, 2006. There was public comment.

The Notice of Intent to Act Upon a Regulation for public hearing and adoption of the amendments to NAC 386.215 – Provision and Maintenance of Insurance Coverage was sent to approximately 200 individuals and educational organizations. The public hearing was conducted on October 7, 2006 to provide the opportunity for comments by affected parties and the public. There was public comment. The Nevada State Board of Education/Nevada State Board for Career and Technical Education adopted the proposed amendments to the regulation with additional amendments.

2. The Number of Persons Who:

- a) Attended Each Hearing: First Workshop: 13; First Hearing: 13; Second Hearing: N/A
- b) Testified at Each Hearing: First Workshop: 3; First Hearing: 1; Second Hearing: N/A
- c) Submitted Written Statements: First Workshop: 3; First Hearing: 0; Second Hearing: 0

A copy of any written comments may be obtained by calling Doris Arnold, Executive Assistant to the Nevada State Board of Education/Nevada State Board for Career and Technical Education, Nevada Department of Education, 775-687-9217, or by writing to the Nevada Department of Education, 700 East Fifth Street, Carson City, Nevada 89701-5096.

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

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

Summary of Comments:  
Workshop/Public Hearing Comments:

Workshop comments:

- (a) Written comment from Rainshadow Community Charter High School, High Desert Montessori School, and Odyssey Charter School were submitted in support of recommended reduction of \$10,000,000 to \$3,000,000 umbrella liability coverage.
- (b) Alan Staggs, Vice Principal of Silver State High School Charter School testified in support of the umbrella reduction.
- (c) Silvia Marin, Principal, Academy for Career Education was in favor of the reduction of liability insurance.
- (d) Ricci Rodriguez-Elkins, E-TECH, testified in support of umbrella liability reduction from \$10,000,000 to the proposed \$3,000,000.

Public Hearing comments:

- (a) Lee Huddy, Insurance Agent, testified on behalf of charter schools that it is difficult to obtain a \$10,000,000 policy and stated that the \$3,000,000 is more reasonable.

A copy of the summary and/or minutes of the public hearing may be obtained by calling Doris Arnold, Executive Assistant to the Nevada State Board of Education/Nevada State Board for Career and Technical Education, Nevada Department of Education, 775-687-9217, or by writing to the Nevada Department of Education, 700 East Fifth Street, Carson City, Nevada 89701-5096.

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

The Nevada State Board of Education adopted the proposed amendments to the regulation language at the public hearing held October 7, 2006. The reason for adopting the regulation Provision and Maintenance of Insurance coverage in NAC 386.215 is the proposed changes will reduce umbrella liability insurance from \$10,000,000 to \$3,000,000 and require vehicle liability insurance and sports liability insurance only if they are applicable.

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

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

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

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

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

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

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

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

There are none.

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

This regulation does not provide for a new fee or increase an existing fee.