

Call to order; Roll Call; Pledge of Allegiance (Kathleen Conaboy, SPCSA Chair)

1. Public Comment. (Public comment pursuant to this item should be limited to items listed on the agenda.)
2. Approval of June 21, 2013 Meeting Minutes (Kathleen Conaboy, Chair) (**Page 1**)
3. Report on the letters of intent received by the Authority as of August 23, 2013 and discussion related to the application review process and timeline. (Steve Canavero, SPCSA) (**Page 16**)
4. Plan and timeline to transition existing Subsection 7 charter schools to a charter contract. (Steve Canavero, SPCSA) (**Page 22**)
5. Consideration of the recommendation to approve the charter contract between the State Public Charter School Authority and Doral Academy of Nevada. (Steve Canavero, SPCSA) (**Page 24**)
6. Consideration of the recommendation to approve the charter contract between the State Public Charter School Authority and Learning Bridge Charter School. (Steve Canavero, SPCSA) (**Page 58**)
7. Approval of Leadership Academy of Nevada's request to delay commencement of operation for 1 school year (SY2013 – 2014) in order to become operational in SY 2014-2015. (Steve Canavero, SPCSA) (**Page 92**)
8. Approval of Nevada Performance Academy's request to delay commencement of operation for 1 school year (SY2013 – 2014) in order to become operational in SY 2014-2015. (Steve Canavero, SPCSA) (**Page 93**)
9. Discussion and possible action on NAC revisions proposed by the Authority for consideration by the State Board of Education for adoption. (Steve Canavero, SPCSA) (**Page 94**)
10. Discussion and possible action on the adoption of the 2013-2014 Special Education Memorandum of Understanding proposed by the Authority. (Angela Blair, SPCSA) (**Page 155**)

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Approval of June 21, 2013

Meeting Minutes

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x/ </u>	Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 2

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Kathleen Conaboy, Chair, SPCSA

RECOMMENDATION: Approve June 21, 2013 Minutes

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 5 mins

BACKGROUND:

SUBMITTED BY: _____

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

June 21, 2013

Department of Education
700 East Fifth Street
Board Conference Room
Carson City, Nevada

And

Department of Education
9890 South Maryland Pkwy
Second Floor Conference Room
Las Vegas, Nevada

MINUTES OF THE REGULAR MEETING
(Video Conferenced)

AUTHORITY MEMBERS PRESENT:

In Las Vegas:

Robert McCord
Marc Abelman
Elissa Wahl
Kathleen Conaboy
Melissa Mackedon
Michael Van
Nora Luna

In Carson City:

None

AUTHORITY MEMBERS ABSENT:

None

AUTHORITY STAFF PRESENT:

In Las Vegas:

Traci House, Business Process Analyst II, State Public Charter School Authority
Steve Canavero, Director, State Public Charter School Authority
Katherine Rohrer, Education Program Professional, State Public Charter School Authority

In Carson City:

Tom McCormack, Education Program Professional, State Public Charter School Authority
Angela Blair, Education Program Professional, State Public Charter School Authority
Brian Flanner, Administrative Services Officer, State Public Charter School Authority
Allyson Kellogg, Management Analyst, State Public Charter School Authority
Katie Higday, Management Analyst, State Public Charter School Authority
Danny Peltier, Administrative Assistant, State Public Charter School Authority

LEGAL STAFF PRESENT:

In Las Vegas:

Shane Chesney, Senior Deputy Attorney General

In Carson City:

None

AUDIENCE IN ATTENDANCE:

In Las Vegas:

Donna Fiery
Caroline McIntosh
Don Curry
Rick Gordon
William Buchovi
Steven Walters
Bill Thornton
Dr. Gus Hill
Ercan Aydogdu
Ryan Reeves
Richard Moreno
Ruth Parker
Heidi Arbuckle
Katie Pellegrino
Elizabeth Dixon
Susan Waters
April Taggart
Orlando Dos Santos
Danny Diamond
Kirby Okuda

In Carson City:

John Hawk
Jennifer Dukek
Rorie Fitzpatrick
Marcia Clevan

CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE; APPROVAL OF AGENDA

Chair Conaboy called the meeting to order at 2:00p.m. with attendance as reflected above.

Agenda Item 1 - Public Comment

None

Chair Conaboy called for a motion for a flexible agenda.

Member Mackedon moved for the approval a flexible agenda. Member Abelman seconded. The vote was unanimous.

Agenda Item 2 – Approval of April 16, 2013 SPCSA Board meeting minutes

Chair Conaboy said there were some grammatical edits and would submit those to Director Canavero.

Member Mackedon moved for the approval of the April 16, 2013 SPCSA meeting minutes. Member Abelman seconded. The vote was unanimous.

Agenda Item 5 – Director’s Report

Director Canavero began by discussing the Subsection 7 schools that are currently in the process of fulfilling their pre-opening requirements. Staff has been working with the Subsection 7 charter holders and a few schools already determined they would not be opening for the 2013-2014 school year. The schools that were not planning on opening were American Preparatory Academy and New America Charter School. The rest of the Subsection 7 charter holders were still planning to open in time for the 2013-2014 school years.

Director Canavero described a new staff position at the Authority for an Education Program Professional; this person will handle the Federal programs for the SPCSA. Currently Angela Blair was doing both Special Education and Federal Programs and the workload was too large for one person to handle.

Director Canavero noted that, overall, the first year of the schools using Title I funds worked well. He also said that next year the Title I program would change because some of the schools would be moving away from Targeted Assistance, which is more difficult to work with, to School-Wide dispersal. Member McCord asked if there was any information about the effects of the Sequester, and Brian Flanner explained the Nevada Department of Education was still working to fully assess possible impacts.

Director Canavero described the emergency contract used to hire a lawyer to assist in the development of the Memorandum of Understanding addressing Special Education now that the SPCSA is the Local Education Agency (LEA).

Agenda Item 6 – SPCSA FY14 Budget

Brian Flanner and Katie Higday spoke about the growth of the SPCSA as an agency. Mr. Flanner explained that on July 1, 2013 the SPCSA would completely split from the Nevada Department of Education and become its own stand-alone agency. He said there were challenges in the development and implementation of some new policies that underpin a stand-alone agency, but overall the process had been very smooth. Mr. Flanner commended Ms. Higday’s organizational skills and creative approach to problem-solving. Ms. Higday explained many of the details of the processes that had been implemented to meet the needs of the SPCSA as an agency.

Mr. Flanner explained that the SPCSA’s budget will continue to be unpredictable, because there is no previous fiscal year budget to use as a foundation. He anticipates that there will be numerous presentations to the Interim Finance Committee as the budget is adjusted. He said that the LEA status will precipitate changes in the budget, including the hiring of new staff and training for all staff on new policies and procedures.

Agenda Item 7 – Legislative Update

Chair Conaboy provided a review of important legislation passed during the 2013 session:

AB 205—This bill requires a performance framework for a charter school be incorporated into the charter contract; provides oversight and review of charter school sponsors by the Department of Education; sets forth the grounds for termination of a charter contract, based on rankings earned under the state’s performance framework; and extends enrollment lottery exceptions to all charter schools, not just at-risk schools. The bill contains a trigger for automatic closure of a charter school; the law now requires that if a charter school has a one-star rating in the Nevada School Performance Framework for three consecutive years, the school will be

closed. Director Canavero clarified that the Department of Education is developing a performance framework for alternative schools, which may otherwise receive low ratings in the current star system.

SB 384 – This bill authorizes the Director of the Department of Business and Industry to issue bonds and other obligations to finance the acquisition, construction, improvement, restoration or rehabilitation of property, buildings and facilities for charter schools.

SB 443—This bill requires the Department of Education to adopt regulations prescribing: (1) the process and timeline for review of an application for authorization to sponsor charter schools; (2) the process for the Department to conduct a comprehensive review of sponsors of charter schools approved by the Department at least once every 3 years; and (3) the process for the Department to revoke the authorization of a board of trustees or a college or university to sponsor charter schools.

SB 500 – This bill creates the Task Force on K-12 Public Education Funding to recommend a plan for implementing a funding formula that takes into account the needs of, and the costs to educate, pupils based upon the individual educational needs and demographic characteristics of pupils, including, without limitation, pupils from low-income families, pupils with disabilities and pupils who have limited proficiency in the English language. The director of the Charter School Authority is a member of the task force.

SB 471—This bill became SB 3 in the 2013 special session; it transfers the responsibility to administer the Account for Charter Schools from the Department to the State Public Charter School Authority and revises the maximum total amount of a loan that may be made to a charter school.

Chair Conaboy also added that a number of new committees were formed during the legislative session and she would like to have some charter school individuals represented on those committees. She spoke with the director of the Charter School Association of Nevada to recommend that CSAN nominate individuals so the charter school voice could be heard on these committees during the interim.

Chair Conaboy thanked the board's legislative liaisons, Bob McCord and Nora Luna, for their help during the session and said that she believes that during the session, they had been able to successfully position the SPCSA as the go-to entity regarding charter school policy.

Agenda Item 13 – Discussion and development of policy related to the Director of the State Public Charter School Authority pursuit of other business as described in NRS 386.5115

Chair Conaboy asked that this item be placed on the agenda as a follow-up to the April 16, 2013 SPCSA Board meeting. Director Canavero wanted to ensure that he was consistent with NRS when participating on boards, commissions, or other entities regarding charter schools. If the board or commission was not aligned with the SPCSA then he would take furlough or leave while participating in the outside activities.

Chair Conaboy referenced the "other duties" in NRS and said that taking part in other duties was a part of the director of the SPCSA's job. She said she felt that Director Canavero did not need to take leave or furlough while participating in the outside activities. Member McCord recommend that Director Canavero follow-up with Caren Jenkins at the Nevada Ethics Commission in order to make sure that all applicable statutes were being followed.

Agenda Item 10 – Discussion of the SPCSA designation as the Local Education Agency (LEA) for purposes of Special Education

Interim Superintendent Fitzpatrick and Marva Clevan, state Special Education director, spoke to the board about the Local Education Agency status the SPCSA received based on federal recommendations to DOE. Ms. Clevan said that major reason for the change was the bifurcated funding model used by the DOE. Federal suitors indicated that the state could have just one process or formula for awarding special education funds.

By designating the SPCSA as an LEA, Authority schools will be treated the same as the other school districts in the state. Superintendent Fitzpatrick also added that the SPCSA-sponsored charter schools now have access to Title I funding and with that the SPCSA had to be named as the LEA for the purpose of fund distribution.

Chair Conaboy asked how the administration of the Title I funding would function. Ms. Clevan said it would be very similar to how school districts operate, however the allocation can be different because each charter school is its own unique school which differentiates the SPCSA district from a regular school district. Superintendent Fitzpatrick added that it will be the responsibility of the SPCSA to determine the allocations for the Title I funding distribution based upon the needs of each of the charter schools eligible for the funding.

Member Wahl asked if any of the SPCSA-sponsored charter schools are operating early childhood education. Ms. Blair, SPCSA Education Program Professional, said there are some schools that have the early childhood education; however it is mostly special education students who are not yet six years old that are enrolled in kindergarten at the charter school. Ms. Clevan said that the special education funding passing through the SPCSA will create better accountability for special education expenses in the charter schools.

Chair Conaboy asked that Superintendent Fitzpatrick and Ms. Clevan walk the Authority through the changes that would be implemented now that the SPCSA would be the LEA, specifically what responsibilities would be shifted from the Nevada Department of Education to the SPCSA. The answer is that the SPCSA is now responsible to monitor the special education expenses and adherence to other special education requirements at the charter schools. In the past, the NDE would monitor the charter schools yearly. Ms. Fitzpatrick indicated that the Authority needs to determine the distribution formula for allocating Title I funds to each of the charter schools. Ms. Blair said she had already been in contact with the charter schools to begin dialogue on the special education needs of each of the charter schools, which would help in determining what the funding formula would look like.

Chair Conaboy asked Interim Superintendent Fitzpatrick what the liability of the Authority will be now that it has been designated an LEA. Superintendent Fitzpatrick suggested that the Authority develop a Memorandum of Understanding in order to properly clarify the responsibilities of both the SPCSA and the charter schools it sponsors. She said the Authority would have to determine what its liability will be as opposed to the burden that each charter school would carry in the case of a due process filing. Director Canavero indicated that the Authority executed a contract with Paul O'Neill to help with the development of such an MOU.

Member Wahl asked how the funds would be distributed; Director Canavero said that the pot of money the State draws from is fixed and the formula is uniform for all of the school districts across the state. Chair Conaboy asked about the new DSA funding formula that was discussed during the 2013 Legislative session and how it would affect the SPCSA-sponsored schools. Superintendent Fitzpatrick said that she couldn't give exact details because she said she hopes a new funding formula for the state will be developed during the interim. The SPCSA director will sit on the interim Task Force to develop the new formula that will be proposed in 2015. Chair Conaboy closed the discussion by thanking Superintendent Fitzpatrick and her staff at the Nevada Department of Education for working closely with the SPCSA during the 2013 Legislative session.

Agenda Item 8 – Review of Academic Indicators and feedback from school administrator and governing board meetings

Director Canavero began by recalling for the board the approvals of both the Organizational and Financial Performance Frameworks to be included in charter contracts. Dr. Katherine Rohrer, Education Program Professional, then explained the process undertaken in the development of the Academic Performance Framework.

She said over the course of March through May she visited and met with both the administrators and governing boards of all 16 charter schools sponsored by the Authority. Dr. Rohrer said one of the main concerns at each

of the meetings was the performance standards, how they would be determined and how they would be used to measure the school. She stressed at the meetings that the Academic Framework will attempt to capture the uniqueness of each school and take that into account when the ratings were determined. Ms. Rohrer said that the Nevada Department of Education is developing performance measures for alternative schools; the schools she met with still had reservations about whether those new measures would accurately represent their schools. The schools did not want to be standardized into one category as they felt that would take away from their unique missions.

Dr. Rohrer said there was a lot of conversation regarding the comparison measure. She said that Churchill County was unique because it is a non-zoned school district so it was difficult to compare the charter school to the pupils zoned school because anyone can choose any school in the district.

Dr. Rohrer discussed the college and career readiness standards that especially affected the high schools. She said that the issue is what tools are available to the SPCSA to track students after they have graduated college. She said while the SPCSA has access to National Clearinghouse, overall it is limited in its ability to follow students who choose not to attend college, which is a population that is targeted by some of the SPCSA-sponsored schools. She said that since the SPCSA lacks some of these tracking tools, the SPCSA decided in the Academic Framework to measure content skill readiness while at the charter school to help determine the college and career readiness of the student populations.

Approval of the State Public Charter School Authority Performance Framework for implementation in the FY14/SY2013-2014

Director Canavero said that, prior to development of the new performance frameworks; the relationship between the sponsor and the charter schools was very compliance-based. We are now emphasizing academics and operational outcomes. He said the framework is meant to be a performance-based measure for all the charter schools, while maximizing each school's autonomy.

Director Canavero said in addition to establishing performance criteria for charter schools; the Charter School Performance Framework also ensures that the Authority is accountable to charter schools.

The Authority is accountable for implementing a rigorous and fair oversight process that respects the autonomy that is vital to charter school success. This mutual obligation drives the Charter School Performance Framework, which is a collaborative effort with the common mission of improving and influencing public education in Nevada by sponsoring public charter schools that prepare all students for college and career success and by modeling best practices in charter school sponsorship.

. The Authority acknowledges that charter schools need autonomy in order to develop and apply the policies and educational strategies that maximize their effectiveness. The Charter School Performance Framework balances these two considerations. The objective of the Charter School Performance Framework is to provide charter school boards and leaders with clear expectations, fact-based oversight, and timely feedback while ensuring charter school autonomy. The Performance Framework describes methods that seek the optimal balance between oversight and autonomy; the Framework is a dynamic document subject to continuous review and improvement.

Finally, Director Canavero explained the process that would be used. He said the Authority had studied best practices to develop the Performance Framework process. Throughout the school year, every charter school will submit scheduled documents and data that enable the Authority to assess their compliance with laws and regulations, and their progress in achieving important school milestones. The routine year round submissions are indicated in the Reporting Requirements Manual.

The Authority believes in conducting its oversight in a manner that is respectful of school autonomy and differentiated based upon charter school performance and maturity. Charter schools with a track record of compliance and performance do not need the same level of oversight as charter schools without such a track

record. The Authority's oversight plan includes the opportunity for schools during their first three years of operation, based on compliance and performance, to transition from demonstrated compliance to assumed compliance.

Every charter school will receive an Annual Review and a three year mid-term review. The reviews analyze a school's academic, financial, organizational, and mission specific performance along with information collected from the ongoing oversight processes. The mission specific indicators will be finalized at the beginning of the second school year using the first school year as the baseline. Site visits afford the SPCSA with an opportunity to appreciate a qualitative aspect of the school not directly measured in ways other than observation or personal interaction. The Authority has two types of official site visits: Mid-Term Review and Targeted. The Mid-Term Review site visit is guided by a clear purpose and rubric that complements the quantitative findings. A targeted site visit is driven by specific circumstances where the frequency and intensity of the visit will depend upon a particular circumstance.

Director Canavero discussed how the Authority Board relates to the performance frameworks that have been developed. He explained that contract renewal is a high stakes decision that the Authority has to make. Director Canavero said there are a number of indicators that need to be considered when making that decision, but up until now those indicators had not been well-defined. With the Performance Framework those indicators have been better defined and should aid the Authority when making these high-stakes decisions. He explained the performance expectations that the Authority would need to consider as the renewal decisions were presented. He said the school must be financially sustainable, organizationally sound, and meet performance requirements for academics. Director Canavero said that if the Authority approves these frameworks then the board is approving the standards to which non-renewal and revocation decisions would also be made. .

Member McCord asked what would happen if a school that was designated for multiple grade levels were to succeed in some of the grade levels, but fail in some of the other grade levels. Director Canavero said that this is an issue that is still be grappled with because the issue was not considered in the statutes. Director Canavero said more discussion will need to be held with various stakeholders to further clarify this issue when it arises.

Chair Conaboy asked for clarification as to why the organizational framework was less robust than the other two frameworks because the organizational framework measured the charter school's board success. Director Canavero said it was a choice made by staff to have the compliance portion of the framework be a checklist that is more of an ongoing compliance model as opposed to the financial and academic which is an annual compliance check. Director Canavero added that staff had hired an outside consultant to help with governance of the schools and his recommendations were going to be implemented in the frameworks to try to ensure the charter schools boards are active and engaged with the day-to-day education of the school. Member Van asked about the transition forward into the full framework model and how it would affect the charter schools. Director Canavero said that has been a concern that has been kept in mind during the development of the frameworks and the issue had been addressed with the schools.

Member McCord moved for the approval of State Public Charter School Authority Performance Framework for implementation in the FY14/SY2013-2014. Member Abelman seconded. The vote was unanimous.

Agenda Item 14 – Acknowledgement of Service

Director Canavero said three of the members of the Authority were appointed to a one-year term. At the time of the meeting, both Nora Luna and Elissa Wahl had been reappointed to the Authority. Staff was still waiting for more information on Marc Abelman's re-appointment.

Agenda Item 11 – Presentation of the charter contract consistent with statute revised by Assembly Bill 205

Director Canavero explained that with the passage of AB 205, staff worked with various parties, including the charter schools, to develop a charter contract. One of the main goals of the contract was to establish a clear relationship between the sponsor and the charter school and to define the responsibilities both parties have to one another, the state, and the students. Director Canavero said different state's models were used in the development along with input from the National Association of Charter School Authorizers. Director Canavero clarified the contract that was being shown to the Authority would be for schools that were up for renewal and there would be some minor differences between that contract and the contract for new schools that had not opened yet. Discussion focused on various aspects of the contract including: facilities, contract terms and definitions, academic agreements, school growth and enrollment caps, change of EMO, educational strategies, and material and non-material amendments. Chair Conaboy asked if the type of amendment a school requested would determine whether it would need to be heard by the Authority or just approved by SPCSA staff. Director Canavero will research this answer.

Chair Conaboy asked Director Canavero to clarify the dispute resolution language included in the charter contract. Tom McCormack, Education Programs Professional, said the language was not from statute and was language recommended by staff. Chair Conaboy asked if the dispute resolution would be used in cases of a charter denial, revocation, or non-renewal. Deputy Attorney General Shane Chesney said this would not be used in that case, but he did see the point the chair was making. Deputy Attorney General Chesney said the dispute resolution language was a carry-over from the previous charter application and there was some room for clarification moving forward.

Member McCord commented that the contract was stringent. Deputy Attorney General said that the contract tried to incorporate a broad framework and flexibility while not leaving the Authority open to litigation. Member Luna asked if there was an amendment clause that could cover any unique situations that may arise. Director Canavero confirmed the clause and stated that amendments could be proposed by both the sponsor and the charter school.

Agenda Item 12 – Consideration of the application for renewal submitted by Nevada Virtual Academy and recommendation to approve the Nevada Virtual Academy charter

Before the renewal consideration began, Chair Conaboy recused herself from the agenda item due to her work for K12 Inc. Member Wahl chaired the meeting in her absence.

Director Canavero presented the data for renewal of Nevada Virtual Academy, including the following:

- 2011-2012 Nevada School Performance Framework (NSPF)
 - 2 stars for both the Elementary and Middle School—Two star schools fall between the 5th and 24th percentiles of all Nevada public schools.
- Except for their opening year, the K-8 school has not made Adequate Yearly Progress (AYP).
 - 2007-2008 Adequate
 - 2008-2009 Watch
 - 2009-2010 In Need of Improvement, Year 1
 - 2010-2011 In Need of Improvement, Year 2
 - 2011-2012 In Need of Improvement, Year 3
- 2008-2009 is the only year in English language arts (ELA) that the K-8 school met the State's Annual Measurable Objective (AMO).
- Since 2008-2009, the K-8 school has consistently failed to meet the State's AMO in ELA.
- From 2008-2012, the K-8 school has consistently failed to meet the State's AMO in Math.
- For 2011-2012, the percentage of 4th-6th grade students obtaining their Adequate Growth Percentile (AGP) was 51% in reading and 36.8% in math.
 - Using the NSPF attribute tables, this places the school between the 25th and 50th percentiles in reading and between the 5th and 25th percentiles in math.

- For 2011-2012, the percentage of 7-8th grade students obtaining their AGP was 38.6% in reading and 15.4% in math.
 - The NSPF attribute tables place the school between the 25th and 50th percentiles in reading and between the 5th and 25th percentiles in math.
- For 2011-2012, in grades 4-6, the Median Growth Percentile (MGP) for both reading and math are between the 25th and 50th percentiles.
- For 2011-2012, in grades 7-8, the MGP for reading is between the 25th and 50th percentiles and for math the MGP is below the 5th percentile.
- For 2011-2012, in grades 4-6, the percentage of students identified as FRL, IEP, and/or ELL obtaining their AGP in reading was 42.7%, slightly above the 25th percentile. In math, the percentage was 25.7%, below the 5th percentile.
- For 2011-2012, in grades 7-8, the percentage of students identified as FRL, IEP, and/or ELL obtaining their AGP in reading was 32.4%, slightly below the 75th percentile. In math, the percentage was 11.6%, slightly above the 5th percentile.
- Continuous enrollment is below the state's average continuous enrollment. FY 12 percentage of students continuously enrolled was 57.70% compared to 94.5% at the state level. Nevada Virtual's continuous enrollment is also below a virtual school compilation of continuous enrollment percentage of 78.61% for FY 12.
 - Continuous enrollment for years 2008-2012 averaged 59.07%. This means that only a little over half of the student population enrolled on count day was still enrolled when testing begins in March of each school year.
- 2011-2012 Nevada School Performance Framework
 - 1 star—Schools among the lowest 5% of schools within the NSPF form the basis for a one-star rating.
- Adequate Yearly Progress
 - 2009-2010 Watch
 - 2010-2011 High Achieving-Growth
 - 2011-2012 Watch
- Growth increases from FY10 to FY11 earned the high school an AYP designation of High Achieving Growth. However, drops in proficiency rates in FY12, moved the high school back to an AYP Watch designation.
- Overall performance at the high school level is between the 25th and 50th percentile in both reading and math.
- The exception is the MGP in reading which is below the 5th percentile.
- Graduation rates for 2011 and 2012 are between the 25th and 50th percentile.
- Transfer numbers reported by the state indicate 69% of the original 2011 cohort left before graduation and 72% of the original 2012 cohort left before graduation.
- From 2009-2012, proficiency rates in both reading and math are below the State's AMO.
- The percentage of students above the State's AMO is consistently negative in both reading and math.
- Continuous enrollment is below the state's average continuous enrollment. FY12 percentage of students continuously enrolled was 48.90% compared to 94.5% at the state level. NV Virtual's continuous enrollment is also below a virtual school compilation of continuous enrollment percentage of 86.00% for FY 12.
 - Continuous enrollment for years 2009-2012 averaged 54.43%. This means that only a little over half of the student population enrolled on count day was still enrolled when testing begins in March of each school year.

Additional observations:

- With the exception of FY2011, the percentage of core classes without highly qualified teachers from 2007-2012 is higher than the percentage at the state.

- FY 2008, 66.70% versus 15.60%
- FY 2009, 26.30% versus 12.20%
- FY 2010, 12% versus 7.90%
- FY 2012, 13.6% versus 4.30%
- However from 2007-2011, the percentage of courses without highly qualified teachers has consistently dropped.
- As a Title I School, percentage of teachers not highly qualified is a concern.

Citing the persistent academic underperformance in both reading and math; low continuous enrolled percentages; and low graduation rates coupled with a high percentage of students transferring out before graduation, the Authority Staff conclude that Nevada Virtual's academic program has not been a success.

Director Canavero then moved onto the fiscal results of the report: Nevada Virtual Academy's independent audit report annually shows that their financial statements present fairly, in all material respects, the respective financial position, the aggregate remaining fund information, and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America. The auditor's consideration of internal control over financial reporting did not identify any deficiencies in internal control considered to be material weaknesses.

Near Term Viability and Fiscal Sustainability: Based on the Financial Indicators, Nevada Virtual Academy is marginally fiscally sound in the near term as indicated by their maintenance of barely sufficient liquid assets to pay liabilities that will mature in the next year and the maintenance of adequate cash to pay over one month of operating expenses. Their fiscal sustainability outlook is guardedly positive as evidenced by their annual position of debt in an amount almost exactly equal to their assets, their annual surplus margin equal to virtually zero, balanced by their positive annual cash flow.

In each of the past four fiscal years the Nevada Virtual Academy Governing Board has approved expenditures that exceeded total revenues resulting in a deficit at the conclusion of each fiscal year. The annual "accommodation credit" issued by Nevada Virtual Academy's Educational Management Organization (i.e., K12, Inc.) to erase the annual deficit is troubling. Absent that "accommodation credit," which the EMO is not required to issue, Nevada Virtual Academy would quickly become insolvent.

Accommodation credits received to date

FY08 - \$ 360,905

FY09 - \$1,219,634

FY10 - \$ 730,574

FY11 - \$2,290,042

FY12 - \$3,362,681

Total - \$7,963,836

Concern: Fiscal Accountability

The FY13 Annual Performance Audit (APA) performed by the Authority included a follow-up on the implementation of school based systems to resolve prior (APA) findings. The Authority found Nevada Virtual non-compliant on a matter the Authority deemed to be material (i.e., significant). As evidenced by deficit spending of almost \$8 million between fiscal years 2008 and 2012, the school is not financially sound. It is the Governing Board's statutory responsibility to maintain fiduciary accountability of their organization and spend within budgeted resources. Absent the in-kind contribution of almost \$8 million by the EMO with which it contracts, Nevada Virtual Academy would cease to be a going concern and would be forced to halt operations and liquidate its assets – displacing thousands of Nevada students.

Director Canavero then reported on Nevada Virtual's Organizational compliance.

Longitudinal Analysis of the Annual Performance Audit for Nevada Virtual Academy 2007-2012: Identification of Significant and/or Repeat Findings 16, 19, 2, 25, 23, 7, 10, 28, below, are subsections of NAC 386.410.

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.

During the 2008-2009 Nevada Virtual Special Education Compliance monitoring, there were findings made in technical and procedural processes. During the 2009-2010 school year, Nevada Virtual was on a Corrective Action Plan (CAP). They made all necessary corrections with their IEP's and their CAP plan was completed by the end of that school year. Nevada Virtual will have their IEP's monitored by NDE in May 2013, as part of DOE's monitoring rotation cycle for the state. Nevada Virtual has had no complaint reports filed with NDE for the years 2009 – 2013. Nevada Virtual turns in all required reports on time and they are complete and compliant. Nevada Virtual has had one due process hearing with NDE in August 2011. The school prevailed on all 7 issues brought forward by the Petitioner (parents).

19. A determination whether the charter school complies with NRS 386.590 regarding the employment of teachers and other educational personnel.

- Noncompliant for both 2007-2008 and 2009-2010.

As a Title I designated school, all teachers will have to be Highly Qualified or on a plan to meet the federal definition of Highly Qualified.

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.

- Noncompliant for 2009-2010 and 2011-2012.

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.

- Noncompliant for 2008-2009 and 2009-2010.

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.

- Noncompliant for 2010-2011 and 2011-2012.

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.

- Noncompliant for 2008-2009, 2010-2011, and 2011-2012.

Authority Staff await Nevada Virtual's response to requests for updated submissions related to compliance reporting for the Governing Body (e.g., affidavits and resumes, and corrected Board Roster) and revisions to the school's bylaws.

7. A determination whether the charter school has complied with generally accepted standards of accounting and fiscal management.

- Noncompliant for 2010-2011 and 2011-2012

10. A determination whether the charter school complies with NRS 386.573 regarding orders for payment of money.

- Noncompliant for 2011-2012.

Director Canavero then finished his report with the final recommendation:

Authority Staff believe there are two options to consider. Option 1: non-renewal of the school's written charter. Option 2: renew the written charter. Authority Staff recommend that the Authority Board consider renewal of Nevada Virtual Academy's written charter with the following provisions:

1. Make clear that this hearing serves as formal notice to Nevada Virtual Academy that the school's academic and financial performance are below the Authority's expectation;
2. The Charter Contract resulting from renewal of the charter shall include the following provisions specific to Nevada Virtual Academy;
 - a. The Governing Body must operate at all times within available revenues with no future credit accommodations from its chosen EMO; and
 - b. In consideration of the academic performance, a cap shall be placed upon Nevada Virtual's student enrollment that is equal to the lesser of the audited actuals from Count Day 2013 or the pupil count at Count Day 2014. The cap shall be a material term and condition within the Charter Contract.
3. Direct Authority Staff to conduct a high stakes review of Nevada Virtual's performance, against the Authority's expectations, and report findings and recommendations to the Authority Board that may include contract termination due to persistent underperformance or material breach of the terms and conditions of the charter contract, or a return to good standing. The review and recommendation(s) shall be presented to the Authority Board in Fall 2015, at which point Nevada Virtual must demonstrate substantial progress towards meeting the Authority's academic performance expectations.
 - a. Substantial progress will be based on the school's aggregate academic performance based on the Authority's academic indicators that will result in closing the gap between baseline (SY12/13) performance and "Adequate", as described in the performance framework within three years.

It is important to note that the presence of the high stakes review does not interfere with the Authority's ability to take action prior to Fall 2015.

Once Director Canavero was finished with the presentation the Nevada Virtual Academy's Board and Administrator were asked questions by the Authority. Don Curry, Nevada Virtual Board President, began by saying the NVVA board agrees that the results identified that had been found during the renewal process are not acceptable. He said the school had implemented some measures to remedy the poor academic results, including replacing the head of schools, better fiscal accountability, and slowing down the enrollment expansion that had been going on since the school was opened. Donna Fiery spoke about the finances of Nevada Virtual Academy, specifically the accommodation credit that was questioned by the Authority. Member McCord asked Ms. Fiery about the audit report and why it did not include the credit memo. She said this is because the liability was with K12 Inc. and not with Nevada Virtual Academy. Ms. Fiery said that K12 Inc. guarantees that the school will operate at a break-even level and that is why the credit accommodation was made. Member Wahl asked why a budget was approved that would put the school in debt each year and Ms. Fiery said the budget can change with changes in enrollment or other unexpected expenses. Member Wahl asked Mr. Flanner if other charter schools in Nevada had this type of credit accommodation and he said this situation was unique to Nevada Virtual Academy.

Representatives of Nevada Virtual Academy then presented to the Authority. Mr. Curry introduced Rick Gordon, William Buchovi, and Steven Walters as the board representatives of Nevada Virtual Academy. Mr. Curry discussed the growth that Nevada Virtual Academy had undergone over the course of its first six years in operation. He said that over the course of the six years the Nevada Virtual Academy board spent much of its time dealing with compliance issues and not enough time on academic results. Most of the time by the board was spent managing the astronomical growth of the school. He said the school also conducted an external review to give the school direction. Mr. Curry explained that the head of the school had been replaced and a new administrator, Caroline McIntosh, had been brought in to help the school turn around academically. Ms. McIntosh then spoke about the programmatic and academic improvements that the school had begun to undertake.

Ms. McIntosh said one of her main goals was to ensure all pupils enrolled in Nevada Virtual Academy would be both college and career ready. The school was also working with the Nevada System of Higher Education to develop a Memorandum of Understanding with the higher education institutes across the state. She said during the 2012-2013 school year the school was a Targeted Assistance Free and Reduced lunch school and the school has one of the highest Free and Reduced Lunch populations of any school in the state. She said the graduation rate was low at Nevada Virtual Academy because 60 percent of the 12th grade pupils who enroll at Nevada Virtual are credit deficient, which greatly affects the rate the graduation rate the school has. Ms. McIntosh said the school planned on having face-to-face meetings with families enrolling at Nevada Virtual Academy in order to fully explain the virtual environment to the student and the parents in order to determine if that model will be successful for that student. She then introduced Dr. Bill Thornton and Dr. Gus Hill who performed the external evaluation of Nevada Virtual Academy.

Dr. Hill and Dr. Thornton were hired by Nevada Virtual Academy to perform an external review of the school's curriculum and performance metrics. They started by giving an overview of the review they performed. The final report was not available but they gave highlights of the report they were going to present to Nevada Virtual Academy. They interviewed parents, teachers, students, and faculty during the course of their review. Dr. Hill said there were many positive things they found during their review including: parents' excitement for Nevada Virtual's environment, parents didn't mind that the school was designated as one star, the faculty was very engaged with the curriculum and are eager to start improving student achievement instead of growth, Nevada Virtual is moving from a school of last resort to being more selective with their enrollments, and there is movement to data-based decision making.

Dr. Thornton then explained the results of the interviews they conducted. They found that if you build the proper environment at a site then that site has the capacity to learn from its failures. He listed key observations: the new leadership at the school illustrates the desire for team learning, the organization has a vision of student achievement, professional development is now focusing on the mastering of teaching content instead of managing growth, and Nevada Virtual is moving to a systems-based teaching model that focuses on helping each student achieve. He finished by saying that if Nevada Virtual works on these observations, then the school will develop the ability to learn from their mistakes.

Member Abelman asked who funded the curriculum audit and Dr. Hill said the school had paid. Member Mackedon asked how many people were interviewed during the review and they said 12 parents, 15 faculty members and did not know exactly how many students. Member Wahl said that while no one is happy with the results of the school thus far, they were cognizant of the fact there was miscommunications during the course of the charter term. Mr. Curry agreed that the board of Nevada Virtual was not happy either with the report that had been received from the State Public Charter School Authority. He said that during the first six years the school was too focused on the growth, but that focus caused achievement to become secondary. Member Wahl and Member Van recommended that the board of Nevada Virtual Academy really follow-up on the changes they said they are making. Member Wahl said that if these changes are not made then the school would not have the chance to be renewed again in the future. Member Luna asked if there had been any changes to the composition of the board of the school. Mr. Curry said there had not been changes made to the board of Nevada Virtual Academy.

Kirby Okuda, Registrar, then explained the enrollment process for Nevada Virtual Academy at the request of Member McCord. Member Mackedon asked what happened to the old head of school. Ms. McIntosh said he had received a promotion and was now the deputy director of the western region for K12 Inc.

Ms. McIntosh gave further explanation regarding the discussion between the Authority and the Nevada Virtual Academy board. She said the curriculum audit had been recommended by SPCSA staff. She said she recognizes that the school has data problems and that would be a major concern of hers moving forward. She

said she was recommending the school hire a data analyst. Ms. McIntosh thanked the SPCSA staff for the assistance they had provided during Nevada Virtual's renewal process. Ms. McIntosh also added that she believes that it is the school's responsibility to ensure they are providing a rigorous curriculum that will challenge students and help prepare them for college or a career. She was concerned with Nevada Virtual's graduation rate recovery because of the short time period that had been allotted. She said the fiscal and organizational aspects would be much easier to fix than the academic aspects.

At the end of the discussion Member Wahl called for a motion.

Member Van moved for the approval of the application for renewal submitted by Nevada Virtual Academy with an enrollment cap of 5%. Member Abelman seconded. The vote was 4 – 2 for approval of the application for renewal, with Member Mackedon and Member McCord voting no.

Agenda Item 15 – Member Comment

None

Agenda Item 16 – Public Comment

John Hawk, Charter School Association of Nevada, spoke about the CSAN conference that had been recently held in Reno. He thanked Member Mackedon, Member Abelman, and Chair Conaboy for attending the conference. He also notified the Authority that he would be term-limited in January and would be replaced as the president of CSAN.

Member McCord moved for the adjournment. Member Van seconded. The motion carried unanimously.

The meeting adjourned at 5:22 p.m.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Report on the letters of intent received by the Authority as of August 23 and discussion related to the application review process and timeline

- / / Public Workshop
- / / Public Hearing
- / / Consent Agenda
- / / Regulation Adoption
- / / Approval
- / / Appointments
- / x/ Information
- / / Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 3

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 5 mins

BACKGROUND:

SUBMITTED BY: _____

2013 Charter Applicant List

Updated as of 8/19/2013

1. Legacy International
2. Nevada State High School II
3. Founder's Academy
4. Mater Academy of Nevada
5. Unnamed Charter School – Denise Thomas
6. The Education Academy of Nevada
7. Telesis Academy
8. Academy of Arts and Sciences
9. Keeping Youth Educated

School name	Grades	Location	At risk or non-at risk	Exclusively for Special ed	Private school conversion	Start date	Proposed sponsor	Liaison	Distance	Vocational ed
Telesis Center for Learning		Washoe	Non-at risk	No	No	8/11/14	SPCSA	Sandra Breece 928-855-8661 sbreece@telesis-academy.org		
The Education Academy of Nevada		Clark	Non-at risk	No	No	8/26/14	SPCSA	Matthew Jackson Mwj221975@yahoo.com		
(Denise Thomas)	K-8	Clark	Non-at risk	No	No	8/25/14	SPCSA	Demeasa Heard		
Mater Academy of Nevada		Clark	At risk	No	No	8/25/14	SPCSA	Sheila Moulton moultfam@gmail.com		
Founders Academy of Las Vegas	K-12	Clark	Non-at risk	No	No	8/25/14	SPCSA	Richard Moreno nrnich@icloud.com		
Legacy?		Clark	Non-at risk	No	No	8/20/14	SPCSA	David Meckley dmeckley@embarqmail.com		
Nevada State High School II		Clark	Non-at risk	No	No	8/11/14	SPCSA	John Hawk jhawk@earlycollegenv.com		
Academy of Arts and Sciences	K – 12	Unknown	Non-at risk	No	No	8/14	SPCSA	Julie Troletti Julie.troletti@aascalifornia.org	Yes	Unknown
Keeping Youth Educated	K – 2 adding up to 4 th grade	Clark	Non-at risk	No	Possibly?	8/25/14	SPCSA	Connie Harris Cheh1772@aol.com	No	Unknown

BRIAN SANDOVAL
Governor

STATE OF NEVADA

STEVE CANAVERO
Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

1749 North Stewart Street Suite 40
Carson City, Nevada 89706-2543
(775) 687 - 9174 • Fax: (775) 687 - 9113

August 19, 2013

Dear Applicant:

Thank you for your letter of intent to submit a charter school application to the State Public Charter School Authority (Authority) for sponsorship by the Authority. We look forward to receiving and reviewing your application.

A number of changes that will have an effect on the review of your application and operation of your future school were made to Nevada charter school law by the 2013 Nevada Legislature. These changes are contained in Assembly Bill 205 and Senate Bills 384, 443, and 3. All four bills may be viewed at the Nevada Legislature's website, www.leg.state.nv.us; from the homepage choose "77th (2013) Session," and then find the "enrolled" version of each bill. Statutes that are particularly relevant to this early stage of your school's development include the following, with a brief discussion of each:

- Section 7 of AB 205 (NRS 386.525) addresses application submission and review by the proposed sponsor. Pursuant to NRS 386.525(8), the Authority Board will consider your application for approval or denial at a meeting tentatively scheduled for Friday, November 1, 2013. You will be able to attend this videoconferenced public meeting in either Las Vegas or Carson City, although most Authority Board members will be attending in Las Vegas. Meeting time, location, and other details will be provided as we approach the meeting date.
- Between the time of submission of your application and the November 1, 2013, meeting referred to above, the Authority will assemble a team to review and evaluate your application, including conducting an interview of members of the Committee to Form the School (AB 205, Section 7). The Committee as a group will be interviewed by members of the review team during a mutually agreed upon time, in person, at a location within the county in which the school will operate. We will contact the Committee Liaison to schedule the interview sometime in October.

- Section 2 of AB 205 requires the execution of a “charter contract” between a charter school and its sponsor. Section 8 of AB 205 (NRS 386.527) describes the charter contract. A contract template has been developed by the Authority and will be proposed to the Committee to Form the School upon approval of your application by the Authority Board.
- Section 2.5 of AB 205 requires the incorporation of a “performance framework” into the charter contract. Section 3 of AB 205 describes the performance framework. The Authority has developed and adopted a framework pursuant to this statute (see attached); Katherine Rohrer (775-687-9105) may be contacted for questions about it.
- Section 3, paragraph 2 of AB 205 allows a charter school to request the inclusion of “additional rigorous, valid and reliable performance indicators, measures and metrics in the performance framework that are specific to the mission of the charter school...” We refer to these as a school’s “mission-specific” goals, and they would be in addition to the goals prescribed by the sponsor for the school in the performance framework. **Please discuss with your Committee to Form the School this mission-specific goal option and identify in application part A.2, School-Specific Goals and Objectives, any proposed mission-specific goals you’d like to be considered for inclusion into your performance framework.**
- Section 8 of AB 205 (paragraph 1(c)) identifies as part of the charter contract “pre-opening conditions.” It’s conceivable that your charter school application may be approved by the Authority Board, but that parts of the application may need revision post-approval. This is not unusual, and any such required revisions would be identified in the school’s Pre Opening Requirements. The Pre-Opening Requirements will also identify a number of administrative tasks that must be accomplished (for example, obtaining a school facility, insurance, and sufficient enrollment for financial viability) before the school may receive state per-pupil funding and actually commence operation.

Again, thank you for your interest in Nevada charter schools. Feel free to contact me (775-687-9160) with any questions.

Sincerely,



Steve Canavero, PhD
Director, State Public Charter School Authority

Copy: Kathleen Conaboy, SPCSA Board Chair

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Plan and timeline to transition existing Subsection 7 charter schools to a charter contract

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / / </u>	Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 4

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 10 mins

BACKGROUND:

SUBMITTED BY: _____

Charter Contract Timeline: Subsection 7 Schools

November and January (if needed) meeting.

American Preparatory Academy

Nevada Performance Academy

Leadership Academy of Nevada

New America School – Las Vegas

Sterling Charter High School

Wille H. Brooks Soar Academy

Charter Contract Timeline: Approved Applications

March and May meeting.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration of the recommendation to approve the charter contract between the State Public Charter School Authority and Doral Academy of Nevada

- / / Public Workshop
- / / Public Hearing
- / / Consent Agenda
- / / Regulation Adoption
- / / Approval
- / / Appointments
- / x/ Information
- / x/ Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 5

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION: Approve the Charter Contract for Doral Academy

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins

BACKGROUND:

On October, 18, 2012 the State Public Charter School Authority approved the Doral Academy charter school application. Shortly thereafter, a Subsection 7 Charter was issued pursuant to NRS 386.527(7) expiring June 30, 2015.

The 2013 Legislature enacted changes to charter school law that now require the proposed sponsor of a charter school that approves an application to negotiate and execute a charter contract with the school's governing body.

It is the recommendation of staff to approve the negotiated charter contract between the SPCSA and the Doral Academy governing body to be executed by the Chair of the Authority and President of the Doral Academy governing body.

The term of this contract shall be from July 1, 2013 to June 30, 2019.

SUBMITTED BY: _____

CHARTER SCHOOL CONTRACT

between

State Public Charter School Authority

and

Doral Academy of Nevada

DRAFT

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EXHIBIT #1

Charter School Performance Framework

EXHIBIT #2

Articles and Bylaws

EXHIBIT #3

Charter Application

EXHIBIT #4

Pre-Opening Requirements

DRAFT

CHARTER CONTRACT

This agreement constitutes a Charter Contract (the "Charter Contract") executed on this _____ day of _____ 2 _____ by and between the State Public Charter School Authority (the "Authority"), and Doral Academy of Nevada (the "Applicant(s)") (collectively, the "Parties") to establish and operate the Doral Academy of Nevada CHARTER SCHOOL (the "Charter School"), an independent and autonomous public school authorized to operate in the State of Nevada.

RECITALS

"WHEREAS, The primary consideration of the legislature in enacting legislation to authorize charter schools is to serve the best interests of all pupils, including pupils who may be at risk; and

WHEREAS, The intention of the legislature is to provide:

1. The board of trustees of school districts with a method to experiment with providing a variety of independent public schools to the pupils of this state;
2. A framework for such experimentation;
3. A mechanism by which the results achieved by charter schools may be measured and analyzed; and
4. A procedure by which the positive results achieved by charter schools may be replicated and the negative results may be identified and eliminated; and

WHEREAS, It is further the intention of the legislature to provide teachers and other educational personnel, parents, legal guardians and other persons who are interested in the system of public education in this state the opportunity to:

1. Improve the learning of pupils and, by extension, improve the system of public education;
2. Increase the opportunities for learning and access to quality education by pupils;
3. Encourage the use of different and innovative teaching methods;

4. Establish appropriate measures for and assessments of the learning achieved by pupils who are enrolled in charter schools;
5. Provide a more thorough and efficient system of accountability of the results achieved in public education in this state; and
6. Create new professional opportunities for teachers and other educational personnel, including, without limitation, the opportunity to increase the accessibility and responsibility of teachers and other educational personnel for the program of learning offered;"

WHEREAS, The Authority is authorized by the Legislature to sponsor charter schools pursuant to NRS 386.509; and

WHEREAS, on October 18, 2012, the State Public Charter School Authority approved the proposed charter application as set forth in Exhibit #3 (initially or as amended, the "Charter Application") and incorporated herein; and

WHEREAS, the Parties' intend that this Charter Contract serve as a performance contract that governs the operation of the Charter School;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Charter School agree as follows:

Part I: Operation of the School

1.1 Establishment

- 1.1.1 As authorized by the Nevada Revised Statute (NRS) 386.509, the Authority hereby authorizes the operation of the Charter School with the aforementioned conditions, and in accordance with the terms and conditions set forth in this Charter Contract.
- 1.1.2 This Charter Contract is entered into between the Charter School, its governing body (the "Charter Board") and the Authority.

1.2 Parties

- 1.2.1 The person authorized to sign the Charter Contract on behalf of the Charter School is the President of the Charter Board ("Charter School Representative").
- 1.2.2 The person authorized to sign on behalf of the Authority is the Chair of the Authority or, in the absence of the Chair, the Acting Chair.
- 1.2.3 The Charter School Representative affirms as a condition of this Charter Contract, that he/she is the above-described representative of the Charter School and has authority to sign this Charter Contract on behalf of the Charter School.

1.3 Term of Charter Contract

- 1.3.1 The Term of this Charter Contract shall be six (6) years.
- 1.3.2 This Charter Contract is effective upon execution, and the term of the Charter Contract begins July 1, 2013 and will terminate on June 30, 2019, unless earlier terminated as provided herein.

1.4 General

- 1.4.1 The Charter School shall not operate for profit and may be incorporated as a nonprofit corporation pursuant to the provision of chapter 82 of NRS.
- 1.4.2 The Charter School certifies that all contracts obligating the Charter School have been and will be undertaken by the Charter School in accordance with statute and regulation..
- 1.4.3 The Charter School and its Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authority policies applicable to charter schools.
- 1.4.4 The Charter School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation, specifically including but not limited to health and safety, civil rights, student assessment and assessment administration, data collection, reporting, grading, and remediation requirements, except to the extent such provisions are inapplicable to charter schools.
- 1.4.5 Pursuant to NRS 386.513, the Local Education Agency of the Charter School is the Authority.

1.5 Charter School Governing Body

- 1.5.1 The Charter School shall be governed by the Charter Board, and deemed a public

body, in a manner that is consistent with the terms of this Charter Contract so long as such provisions are in accordance with applicable state, federal, and local law and regulation. (NRS 386.549)

- 1.5.2 The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the Charter School, and the fulfillment of the Charter Contract.
- 1.5.3 The Charter Board shall be the final authority in matters affecting the Charter School, including but not limited to staffing, job titles, employee salary and benefits, financial accountability and curriculum.
- 1.5.4 The Charter Board shall act in accordance with and is subject to the Nevada Open Meeting Law, Public Records Law, and Nevada Local Government Purchasing laws (NRS 332.039-.148)
- 1.5.5 The Charter Board shall have authority for and be responsible for policy and operational decisions of the Charter School. The Charter Board shall govern the Charter School pursuant to the following terms and conditions:
 - 1.5.5.1 Articles and/or Bylaws. The articles of incorporation, if applicable, and bylaws of the Charter Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law, regulation and this Charter Contract. The articles of incorporation, if applicable, and bylaws are set forth in Exhibit #2 (initially or as amended, the “Articles and Bylaws”) and incorporated herein by reference. Any modification of the Articles and Bylaws constitutes a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
 - 1.5.5.2 Composition. The composition of the Charter Board shall at all times be determined by and consistent with the Articles and Bylaws and all applicable law and regulation. The complete roster of the Charter Board and each member’s affidavit, resume, and Request for Information shall be maintained in the Authority’s established document library (e.g., AOIS). The Charter Board shall notify the Authority of any changes to the Board Roster and submit an amended Board Roster to the documents library within ten (10) business days of their taking effect.
 - 1.5.5.3 Affiliation. Notwithstanding any provision to the contrary in the Charter Contract or the Articles and Bylaws, in no event shall the Charter Board, at any time, include more than two directors, officers, employees, agents or other affiliates of any single entity, with the exception of the Charter School itself, regardless of whether said entity is affiliated or otherwise partnered with the Charter School. (NAC 386.345(3))
 - 1.5.5.4 Conflicts of Interest. The Charter Board shall adopt a Conflicts of Interest Policy (the “Conflicts of Interest Policy”), including provisions related to

nepotism and consistent with this section and applicable law by January 1 of the Charter School's first year of operation. The Charter Board shall, at all times, comply with the provisions of the Conflicts of Interest Policy. The adopted and approved Conflicts of Interest Policy shall be maintained in the Authority's established document library. Any modification of the Conflicts of Interest Policy must be submitted to the Authority within five (5) days of approval by the Charter Board.

- 1.5.5.5 Non-Commingling. Assets, funds, liabilities and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authority.

1.6 Location

- 1.6.1 The Charter School shall provide educational or operational services, including delivery of instruction, at the location(s):

9625 W. Saddle Ave
Las Vegas, NV 89147

1.7 Facilities

- 1.7.1 The building(s) in which the Charter School is to be located shall be known as the Charter School Facilities (the "Facilities").
- 1.7.2 The Authority or its designee may, at the Authority's discretion, conduct health and safety inspections of the Facilities.
- 1.7.3 The Facilities shall meet all applicable health, safety and fire code requirements and shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public charter schools.
- 1.7.4 The Charter School's relocation to different Facilities shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.7.5 In the event that legally viable Facilities and/or necessary certificates and permits are not in place, the Charter School may not provide instruction at the Facilities or otherwise admit pupils into the Facilities. In such event, the Authority reserves the right to enforce any of the consequences for failure to act in accordance with the material terms and conditions of this Charter Contract.

1.8 Charter School Independence

- 1.8.1 Neither the Authority nor the board of trustees of the local school district in which the Charter School is located may assign any pupil who is enrolled in a

public school or any employee who is employed in a public school to the Charter School. Neither the Authority nor the local school district in which the Charter School is located may interfere with the operation and management of the Charter School except as authorized by NRS 386.490-.610, inclusive, and any other statute or regulation applicable to the Charter School or its officers or employees.

1.8.2 The Charter School will be subject to review of its operations and finances by the Authority, including related records, when the Authority, in its sole discretion, deems such review necessary.

1.9 Pre-Opening Requirements

1.9.1 The Charter School's pre-opening requirements (initially or as amended, the "Pre-Opening Requirements") shall be as presented in Exhibit #4 and incorporated by reference herein. Any change to the Pre-Opening Requirements shall be a material amendment to this Charter Contract and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

1.9.2 Failure to timely fulfill any material term of the Pre-Opening Requirements shall be considered a breach of material compliance with the Charter Contract pursuant to NRS 386.535 and shall be grounds for Authority intervention. Notwithstanding the immediately foregoing, the Authority may modify the restrictions contained therein or may grant the Charter School an additional planning year upon good cause shown.

Part 2: School Operations

2.1 Open Meetings and Public Records

2.1.1 The Charter School shall maintain and implement policies and procedures to ensure that it complies with all applicable laws and regulations relating to public meetings and records.

2.2 Mission Statement

2.2.1 The Charter School's mission statement (initially or as amended, the "Mission Statement") shall be as presented in the approved Charter Application appearing in Exhibit #3 and incorporated by reference herein. Any change to the Mission Statement shall be a material amendment to this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.3 Age; Grade Range; Number of Students

2.3.1 The Charter School shall provide instruction to pupils in such grades and numbers in each year of operation under the Charter Contract as identified in the Charter Application appearing in Exhibit #3.

2.3.2 The Charter School may make modify the number of students in any particular grade, and number of students within a class, to accommodate staffing

exigencies and attrition patterns provided such modifications are consistent with this Charter Contract.

- 2.3.3 Elimination of a grade level that the Charter School was scheduled to serve, expansion to serve grade levels not identified in 2.3.1, or an annual increase/decrease in total enrollment by more than 10% shall be a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Authorization to expand may require the Charter School to demonstrate satisfactory academic and financial performance, and organizational compliance.

2.4 **Non-discrimination**

- 2.4.1 The Charter School shall not discriminate against any student, employee or other person on the basis of race, color, creed, ethnicity, national origin, gender, marital status, religion, ancestry, disability, need for special education services, income level, athletic ability, proficiency in the English language or any other grounds that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.

2.5 **Student Recruitment, Enrollment and Attendance**

- 2.5.1 The Charter School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability or need for special education services. In no event may the Charter School limit admission based on race, ethnicity, national origin, gender, disability, income level, athletic ability, or proficiency in the English language, except as authorized by NRS 386.580(8).
- 2.5.2 The Charter School shall adopt and adhere to a Truancy and Absence Policy pursuant to NAC 386.180(5).
- 2.5.3 If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
- 2.5.4 Pursuant to NRS 386.580, Charter School may give enrollment preference based upon criteria established in law and regulation. Should state laws or regulations be amended to alter the nature or application of enrollment preferences, Charter School shall comply therewith upon the effective date of the changes. Before the Charter School enrolls pupils who are eligible for enrollment, the Charter School may enroll a child who:
- 2.5.4.1 Is a sibling of a pupil currently enrolled;
 - 2.5.4.2 Was enrolled in a tuition-free prekindergarten program at the Charter School or affiliated program with the Charter School;

- 2.5.4.3 Is a child of a person who is:
 - 2.5.4.3.1 Employed by the Charter School;
 - 2.5.4.3.2 A member of the Committee to Form the Charter School; or
 - 2.5.4.3.3 A member of the Charter Board;
- 2.5.4.4 Is in a particular category of at-risk and the child meets the eligibility requirements prescribed by the Charter School for that particular category; or
- 2.5.4.5 Resides within the school district and within two (2) miles of the Charter School if the Charter School is located in an area that the Authority determines includes a high percentage of children who are at-risk.

2.6 Tuition, Fees and Volunteer Requirements

- 2.6.1 The Charter School shall not charge tuition or fees of any kind as a condition of enrollment. The Charter School may not impose any fees that a school district would be prohibited by applicable law or regulation from imposing.
- 2.6.2 Nothing in this section shall be interpreted to prohibit the Charter School from imposing fees that a school district would be permitted to impose.
- 2.6.3 Any requirement that a parent commit a number of volunteer hours shall be prohibited unless such a requirement considers individual family circumstances and allows for a waiver of volunteer hours.

2.7 School Calendar; Hours of Operation

- 2.7.1 The Charter School shall adopt a school calendar with an instructional program to provide annually at least as many days of instruction as are required of other public schools located in the same school district as the Charter School is located, unless written approval from the Superintendent of Public Instruction provides for a waiver of this requirement. (NRS 386.550)

2.8 Student Conduct and Discipline

- 2.8.1 The Charter School shall adopt and adhere to a student discipline policy (the "Discipline Policy") pursuant to NRS 386.585 and regulation. The Charter School may not remove, withdraw, suspend or expel a pupil against a parent's wishes for reasons other than the reasons for suspension or expulsion stated in NRS 392.4655 – 392.467 or other applicable statute or regulation. Nothing in this provision precludes the Charter School from withdrawing a pupil from the Charter School consistent with applicable law and regulation.

2.9 Service Agreements, Contracts, Facility Lease or Purchase

- 2.9.1 Nothing in this Charter shall be interpreted to prevent the Charter School from entering into a contract or other agreement related to the operation of the school. The Charter School shall include in any agreement or contract entered into that the provisions of any such agreement are enforceable only to the extent they are compliant with applicable law and regulation. The Charter Board is responsible for ensuring that all contracts or other agreements are compliant with existing law and regulation.

2.9.2 The Charter School shall clearly indicate to vendors and other entities and individuals with which or with whom the Charter School enters into an agreement or contract for goods or services that the obligations of the Charter School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the State of Nevada, the Authority, or the Department of Education.

2.10 Contracts with an Educational Management Organization (EMO)

2.10.1 The provisions appearing under 2.9 apply to contracts with an EMO.

2.10.2 Should the Charter School intend to enter into an agreement with an EMO as defined by NRS 386.562, the following provisions shall apply:

2.10.2.1 The Charter School shall comply with all Authority requests for information about the EMO that are reasonably related to the Authority's duty to ensure that the Charter School is in compliance with all provisions of this Charter Contract and NRS 386.562; and NAC 386.400, 386.405, 386.407, 386.180, and 386.204 or other applicable statute and regulation.

2.10.2.2 In no event shall the Charter Board of the Charter School delegate or assign its responsibility for fulfilling the terms of this Charter Contract.

2.10.2.3 Any management contract entered into by Charter School shall include an indemnification provision for the Charter School as follows: "The management company shall indemnify, save and hold harmless against any and all claims, demands, suits, actions, proceedings, losses, costs, judgments, damages, or other forms of liability to third parties, of every kind and description, actual or claimed, including but not limited to attorneys' fees and/or litigation expenses, including but not limited to injury to property or persons (including but not limited to civil rights violations), occurring or allegedly occurring, in connection with the operation of the management company, or from conduct committed or alleged to have been committed by the management company on the premises of the Charter School, or from conduct committed by the management company's employees, officers, directors, subcontractors, or agents, during the term of this Charter Contract or any renewal thereof. Additionally, the management company shall defend the Authority in any such action or proceedings brought thereon. This provision shall survive the termination of this contract."

2.10.2.4 Should the Charter School propose to enter into a contract with an EMO, the Charter School agrees to submit all information requested by Authority regarding the management arrangement, including a copy of the proposed contract and a description of the EMO, with identification of its principals and their backgrounds. Entering into a management contract is considered a material amendment of the Charter Contract and Charter School shall not enter into such agreement without written Authority approval.

2.10.2.5 The termination or change of an EMO shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.11 Employment Matters

2.11.1 All employees of the Charter School shall be deemed public employees.

2.11.2 The Charter School agrees to comply with the provisions of NRS 386.595 regarding employment status and NRS 386.590 regarding teacher licensure.

2.11.3 Neither the Charter School, nor its employees, agents, nor contractors are employees or agents of the Authority; nor are either the Authority or its employees, agents, or contractors employees or agents of the Charter School. None of the provisions of this Charter Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Charter Contract.

2.11.4 The Charter School shall have ultimate responsibility for employment, management, dismissal and discipline of its employees, including key personnel employed by an EMO. The Charter School will establish and implement its own dispute resolution process for employment matters.

2.11.5 The Charter School may not employ instructional personnel whose certificate or license to teach has been revoked or is currently suspended by the state board of education in this state or another state. (NRS 386.590(a))

2.11.6 An employee of a charter school is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees Retirement System in a manner consistent with NRS 386.595.

2.11.7 The Charter School shall conduct criminal background checks and act in accordance with NRS 386.588.

2.11.8 The Charter School shall maintain employee files as identified in the Operations Manual, which are subject to audit by the Authority or other appropriate entity.

2.11.9 If the Charter School receives Title I funding, it must ensure that 100% of teachers in core academic subjects are Highly Qualified (as defined in the Elementary and Secondary Education Act) or are working pursuant to a plan to achieve Highly Qualified status.

2.12 Student Health, Welfare and Safety

2.12.1 The Charter School shall comply with all applicable federal and state laws and regulations concerning student health, welfare, and safety, including but not limited to state laws regarding the reporting of child abuse, accident prevention and disaster response, and any applicable state and local regulations governing the operation of school facilities.

2.13 Transportation

- 2.13.1 If applicable, the Charter School shall be responsible for providing students transportation consistent with the plan proposed in the approved Charter Application appearing in Exhibit #3 and incorporated herein.
- 2.13.2 The termination or change of transportation shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

Part 3: Educational Program

3.1 Design Elements

- 3.1.1 The Charter School shall have control over and responsibility for delivery of the educational program and for attainment of the performance standards as set forth in the charter school performance framework (the “Charter School Performance Framework”) Exhibit #1 incorporated herein. The Charter School shall have discretion to modify, amend, adapt, and otherwise change the educational program as it deems necessary to achieve the performance standards so long as such changes are consistent with the Charter Application and the Charter Contract.
- 3.1.2 In determining whether or not the Charter School complies with the essential terms of the educational program, the Authority will use the Charter Application (initial or as amended) as the basis to assess fidelity.

3.2 Curriculum

- 3.2.1 The Charter School’s educational program shall meet or exceed Nevada’s content standards.
- 3.2.2 Any modification to the curriculum, either individually or cumulatively, that are of such a nature or degree as to cause the curriculum described within the approved Charter Application to cease to be in operation will be considered a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

3.3 Student Assessment

- 3.3.1 The Charter School shall be subject to and comply with all requirements related to the state assessment and accountability system for public schools.
- 3.3.2 Nothing in this section prohibits the Charter School or the Authority from assessing student learning outside of and in addition to the state’s testing program.
- 3.3.3 Educational program matters not specifically identified in this Charter Contract shall remain within the Charter School’s authority and discretion.

3.4 Special Education

- 3.4.1 The Authority is the “local education agency” (“LEA”) for purposes of compliance with the Individuals with Disabilities Education Act (“IDEA”).
- 3.4.2 The Charter School shall provide services and accommodations to students with disabilities as set forth in the Charter Application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the “IDEA”), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the “ADA”), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (“Section 504”), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to enrolled students with disabilities in accordance with the individualized education program (“IEP”) prescribed by a student’s IEP team. The Charter School shall comply with all applicable requirements of state law and regulation concerning the provision of services to students with disabilities.
- 3.4.3 An annual Memorandum of Understanding which defines the rights and responsibilities of the Charter School acting as a school of the LEA and the Authority acting as LEA will be annually updated and disseminated by the Authority and signed by the Parties.
- 3.4.4 The Charter School shall maintain a special education reserve account as a financial reserve to ensure compliance with the indemnification and financial obligations of the Charter School. Such reserve shall not in any way limit the Charter School's obligation in the event the special education reserve account is insufficient to fully pay costs incurred in connection with any claim or claims, and the Charter School shall remain fully responsible for any and all costs incurred in connection with such claim or claims. The Charter School shall keep the special education reserve separate from and not utilize it to satisfy any other reserve requirements applicable to the Charter School. This special education reserve shall be maintained in a separate bank account and shall be equal to \$25,000 plus the interest that has been earned in this account to date. The Charter School shall fully fund the reserve account by the end of its fifth year of operation and contribute to it in a manner that can reasonably be expected to reach this goal. If money is withdrawn from the reserve account, unless otherwise agreed to in writing by the Authority, the Charter School shall be required to replace all sums withdrawn by the end of the subsequent fiscal year.
- 3.5 **English Language Learners**
 - 3.5.1 The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall adhere to policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable

laws and regulations. The Authority and the Charter School will work to assure compliance with any and all requirements of the state and federal law regarding services to English language learners.

Part 4: Charter School Finance

4.1 Financial Management

- 4.1.1 The Charter School shall control and be responsible for financial management and performance of the Charter School including budgeting and expenditures. The Charter School shall operate on a fiscal year that begins July 1 and ends June 30.
- 4.1.2 At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls, including without limitation: (1) commonly accepted accounting practices and the capacity to implement them; (2) a bank account maintained within this State; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements and purchases; and (7) maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law.
- 4.1.3 The Charter School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB #34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authority in written form in accordance with the date established by law and regulation and identified in the Reporting Requirements Manual. The Charter School shall pay for the audit.
- 4.1.4 The Charter School shall prepare quarterly financial reports for the Authority in compliance with this Charter Contract. Such reports shall be submitted to the Authority no later than fifteen (15) days following the end of each quarter, as defined in the Reporting Requirements Manual.
- 4.1.5 The Charter School agrees to maintain financial records in accordance with the governmental accounting method required by the Nevada Department of Education (the "Department") and/or Authority and to make such records available upon request.
- 4.1.6 The Charter School shall use and follow the chart of accounts and any grant codes as defined by the Department in the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances.
- 4.1.7 The Charter School shall assure that all financial records for the school are maintained, posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.

- 4.1.8 The Charter School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School's budget.
- 4.1.9 Pursuant to NAC 387.770, the Charter School shall maintain a complete and current inventory of all school property and shall perform a physical inventory annually. Any asset acquired by the Charter School is the property of the Charter School for the duration of the Charter Contract and any subsequent renewals. The Charter School shall take reasonable precautions to safeguard assets acquired with public funds. The Charter School shall manage all assets consistent with the requirements of applicable law and regulation, including without limitation NAC 387.335, 387.342 and 387.360; and NRS 386.536.
- 4.1.10 If the Charter School's records fail to establish clearly whether an asset was acquired with the use of public funds, the assets shall be deemed to be public assets.
- 4.1.11 Except as may be expressly provided in this Charter Contract, as set forth in any subsequent written agreement between the Charter School and the Authority pursuant to NRS 386.561, or as may be required by law, neither the Charter School nor the Authority shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authority and the Charter School shall be subject to all terms and conditions of this Charter Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this contract or set forth in any subsequent written agreement between the Charter School and the Authority or required by law, shall not be a condition of the approval or continuation of this contract.
- 4.1.12 The Charter School shall comply with other requirements as may be imposed through state law or regulation, from time to time, on charter school finances, budgeting, accounting, and expenditures, provided that the Authority shall provide technical assistance regarding material changes to state law and regulation, and the Parties will collaborate to assure that they each remain reasonably current on the impact of any modifications on charter schools. The Parties agree that the Charter School retains primary responsibility for compliance with state law and regulation.
- 4.1.13 The Charter School is solely responsible for all debt it incurs, and the Authority shall not be contractually bound on the Charter School's account to any third party. A statement to this effect shall be a provision of any and all contracts entered into by the Charter School.
- 4.2 **Budget**
- 4.2.1 In accordance with law and regulation and as identified in the Reporting Requirements Manual, the Charter School shall submit to the Department and the Authority the school's tentative budget for the upcoming fiscal year and the

Charter School shall submit to the Department and the Authority the school's final budget for the upcoming fiscal year. The budget shall:

- 4.2.1.1 Be presented on forms prescribed by the Nevada Department of Taxation; and
- 4.2.1.2 Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues plus beginning fund balances.

4.3 **Charter School Funding**

- 4.3.1 Charter School shall receive, directly from the Department, state and local aid in an amount equal to its weighted count of enrollment multiplied by the per pupil Distributive School Account amount for the county of residence of each student plus the per pupil Outside Revenue amount for that county. The count of pupils for calculating the basic support for distribution to a charter school is the weighted count of enrollment of pupils on the last day of the first school month of the school district in which the charter school is located for the school year ("Count Day"). The first school month is the thirty day period beginning on the first day of a school year, so long as that thirty day period includes at least twenty school days.
- 4.3.2 The Charter School shall maintain and transmit all necessary student information in the format prescribed by the Department to evidence enrollment and attendance of students for purposes of receiving state aid. The Charter School will receive state payment from the Distributive School Account directly from the Department, based on the number of pupils enrolled on Count Day.
- 4.3.3 The Charter School shall receive state aid payments quarterly unless the quarterly payments exceed \$500,000 at which time the Department will pay state aid in monthly installments directly to the Charter School.
- 4.3.4 All state aid payments to the Charter School are subject to correction pending the outcome of the Department's annual Pupil Enrollment and Attendance Audit.

4.4 **Authority Funding**

- 4.4.1 The yearly sponsorship fee to be paid by the Charter School to the Authority must be in an amount of money not to exceed two (2) percent but at least one (1) percent of the total amount of money apportioned to the Charter School during the school year pursuant to NRS 387.124. (NRS 386.570)
- 4.4.2 The Authority shall notify the Charter School in February of the fee anticipated to be charged pursuant to NRS 386.570 in the following fiscal year.

Part 5: Insurance and Legal Liabilities

5.1 **Insurance**

- 5.1.1 The Charter School shall provide and maintain, at its sole expense without reimbursement, adequate insurance, pursuant to NAC 386.215, necessary for

the operation of the school, including but not limited to, property insurance, general liability insurance, workers' compensation insurance, unemployment compensation insurance, motor vehicle insurance, and errors and omissions insurance covering the Charter School and its employees. Should the State legislature or State Board of Education change the amount and/or type of insurance coverage required, the Charter School shall take necessary steps to ensure compliance with the law or regulation within thirty (30) days of receiving notice by the Authority of such change. The Authority shall be named as additional insured under all insurance policies identified under NAC 386.215.

5.2 **Liability**

- 5.2.1 As required by NRS 386.550, the Charter School agrees that the Authority is not liable for the acts or omissions of the Charter School, its officers, agents, or employees. The Charter School agrees to defend, indemnify, and hold the Authority, its agents and employees, harmless from all liability, claims and demands on account of contract, injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with the Charter School's operations.
- 5.2.2 If the Charter School files a voluntary petition for bankruptcy or is declared bankrupt during a school year, neither the State of Nevada nor the Authority may be held liable for any claims resulting from the bankruptcy pursuant to NRS 386.575.

Part 6: Transparency and Accountability

6.1 **Charter School Reporting**

- 6.1.1 The Authority shall provide the Charter School with a Reporting Requirements Manual on or before the commencement of the contract year and updated at least annually. The Authority shall endeavor to make the Reporting Requirements Manual as complete as possible. The Charter School shall be responsible for submitting timely and complete reports in accordance with the Reporting Requirements Manual.
- 6.1.2 The Authority shall provide the Charter School with an Operations Manual on or before the commencement of the contract year and updated at least annually.

6.2 **Additional Reporting**

- 6.2.1 The Charter School shall be responsible for additional reporting as required for compliance with state law and regulation, federal requirements, and other applicable external reporting requirements.

6.3 **Authority Reporting**

- 6.3.1 The Authority shall produce and make available reports to the Charter School in a manner consistent with the Reporting Requirements Manual.

Part 7: Oversight

7.1 Authority

7.1.1 Pursuant to NRS 386.509, the Authority shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in material compliance with this Charter Contract, the Charter Application, and applicable law and regulation. The Authority's oversight of the Charter School shall include, but not be limited to, the following activities:

- 7.1.1.1 Oversight, intervention, termination, renewal, and closure processes and procedures for the Charter School;
- 7.1.1.2 Reviewing the performance and compliance of the Charter School within the terms of this Charter Contract and applicable laws, policies and regulations;
- 7.1.1.3 Ensuring the Charter School's compliance with reporting requirements;
- 7.1.1.4 Monitoring the educational, legal, fiscal, and organizational condition of the Charter School; and
- 7.1.1.5 Providing guidance to the Charter School on compliance and other operational matters.

7.2 Inspection

7.2.1 All records established and maintained in accordance with the provisions of this Charter Contract, applicable policies and/or regulations, and federal and state law shall be open to inspection by the Authority and other applicable agencies, entities, or individuals within a reasonable period of time after request is made.

7.3 Site Visits

7.3.1 The Authority shall visit the Charter School at least once as a component of the Mid-Term evaluation as defined in the Charter School Performance Framework. Authority may, at its discretion, conduct formal, targeted school visits. Such site visits may include any activities reasonably related to fulfillment of its oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the Charter School; and interviews of school and other stakeholders.

7.4 Notification

- 7.4.1 The Charter School shall notify the Authority immediately of any conditions that it knows are likely to cause it to violate the terms of this Charter Contract or the Charter Application. Such notification shall not be construed as relief from the Charter School's responsibility to correct such conditions.
- 7.4.2 The Charter School shall notify the Authority immediately of any circumstances requiring the closure of the Charter School, including but not limited to natural disaster, other extraordinary emergency, or destruction of or

damage to the school facility.

- 7.4.3 The Charter School shall immediately notify the Authority of the arrest or charge of any members of the Charter Board or any Charter School employee for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, any crime or misdemeanor constituting an act against a minor child or student, or of the investigation of a member of the Charter Board or any Charter School employee for child abuse.
- 7.4.4 The Charter School shall notify the Authority immediately of any change to its corporate legal status.
- 7.4.5 The Charter School shall notify the Authority immediately of any default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more.
- 7.4.6 The Charter School shall notify the Authority immediately if at any time the Charter School receives notice or is informed that the Charter School or the Authority are parties to a legal suit.

7.5 **Intervention**

- 7.5.1 Consistent with any oversight practices set out in the Charter School Performance Framework, the Authority shall follow a progressive system of notification and calls for corrective action on the part of the Charter School.
- 7.5.2 Any complaints or concerns received by the Authority about the Charter School or its operation including but not limited to complaints filed with the Office for Civil Rights, the Nevada Attorney General's Office, and Equal Employment Opportunity Commission, shall be forwarded promptly by the Authority to the Charter School.
- 7.5.3 The Charter School shall promptly forward to the Authority any formal complaints or concerns received by the Charter School filed with or from the Office for Civil Rights, the Nevada Attorney General's Office, Equal Employment Opportunity Commission, and/or formal grievances filed by any party with the Charter Board. Such forwarding of complaints or concerns shall not relieve Charter School of the responsibility of resolving the complaints or concerns.
- 7.5.4 The Charter School shall indemnify the Authority for any costs, attorney fees, and/or financial penalties imposed on the Authority by state and/or federal authorities due to actions or omissions of the Charter School relative to regulatory compliance.
- 7.5.5 To the extent that concerns or complaints received by the Authority about the Charter School may trigger Authority intervention, including termination or non-renewal of the Charter Contract, the Authority may monitor the Charter School's handling of such concerns or complaints. In such cases, the Authority may request and the Charter School shall provide information regarding the Charter School's actions in responding to those concerns or complaints.

Part 8: Termination and Default Termination

8.1 Termination

8.1.1 As provided by law, this Charter Contract may at any time be terminated by the Authority before its expiration upon determination and majority vote of the Authority that the Charter School, its officers or its employees:

- 8.1.1.1 Committed a material breach of the terms and conditions of the Charter Contract;
- 8.1.1.2 Failed to comply with generally accepted standards of fiscal management;
- 8.1.1.3 Failed to comply with the provisions of NRS 386.490 to 386.610, inclusive, or any other statute or regulation applicable to charter schools; or
- 8.1.1.4 Persistently underperformed, as measured by the performance indicators, measures and metrics set forth in the Charter School Performance Framework for the Charter School.

8.1.2 The Charter Contract may be terminated by the Authority if the Charter School has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Charter School cannot continue to operate.

8.1.3 The Charter Contract may be terminated by the Authority if the Authority determines that termination is necessary to protect the health and safety of the pupils who are enrolled in the Charter School or persons who are employed by the Charter School from jeopardy, or to prevent damage to or loss of property of the school district or the community in which the Charter School is located.

8.1.4 In any instance of termination, the Authority shall provide to the Charter School written notice of termination, which notice shall include its findings and reasons for such action, and adhere to the process outlined in NRS 386.535.

8.2 Default Termination

8.2.1 The Authority shall terminate the Charter Contract if the school receives three consecutive annual ratings established as the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools. The Charter School's annual rating for any school year before the 2013-2014 school year must not be included in the count of consecutive annual ratings.

8.3 Other Remedies

8.3.1 The Authority may impose other appropriate remedies for breach including, but not limited to, a required corrective action plan.

Part 9: Closure

9.1 Closure

- 9.1.1 In the event that the Charter School is required to cease operation for any reason, including but not limited to non-renewal, termination, or voluntary surrender of the Charter Contract, the Charter School shall cooperate fully with the Authority to ensure the orderly closure of the Charter School in a manner consistent with state law and regulation (NRS 386.536), including, but not limited to:
 - 9.1.1.1 Securing student records; assisting students with their enrollment in other schools; financial responsibilities and preserving financial records.

Part 10: Dispute Resolution

10.1 Dispute Resolution

- 10.1.1 Parties agree to implement the following dispute resolution plan in good faith:

For purposes of this section, a “dispute” is a disagreement over a non-material matter concerning the operation of the charter school. In the event a dispute arises between the Charter School and the Authority or its staff, the charter school shall submit, in writing, a statement outlining its complaint and proposed resolution to the Director of the Authority or his/her designee for review. The Director will respond to the complaint and proposed resolution, in writing, within thirty (30) calendar days outlining whether or not he/she agrees with the complaint and whether he/she accepts the proposed resolution or offers an alternative resolution to the complaint. If the charter school is not satisfied with the response from the Director, it may request, in writing, a review by the President of the Authority. The President of the Authority will respond, in writing, within fifteen (15) calendar days stating whether or not he/she agrees with the complaint and if so, whether he/she agrees with the proposed resolution, or proposing an alternative resolution to the charter school. In the event these representatives are unable to resolve the dispute informally, pursuant to this procedure, the complaint and proposed resolution will be submitted to the Authority at the next available meeting for its consideration. The Authority will decide whether or not it agrees with the complaint or any proposed resolution. Any decision by the Authority is final.

Part 11: School Performance Standards and Review

11.1 Performance Standards

- 11.1.1 The Charter School Performance Framework is composed of indicators, measures, metrics, targets, and ratings to measure the academic, financial, organizational and mission specific, if applicable, performance of the Charter School. Pursuant to NRS 386.527, the performance framework is incorporated into this Charter Contract as set forth in the Charter School Performance Framework in Exhibit #1.

- 11.1.1.1 The Authority may, upon request for a material amendment from the Charter Board, include additional rigorous, valid and reliable performance indicators that are specific to the Mission of the Charter School and complementary to the existing measures.
- 11.1.1.2 The Charter School Performance Framework shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the approved Charter Application and not explicitly incorporated into the Charter School Performance Framework. The specific terms, form and requirements of the Charter School Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authority and will be binding on the Charter School.
- 11.1.2 According to the Charter School Performance Framework, the Charter School shall annually:
 - 11.1.2.1 Meet or exceed standards on the academic indicators;
 - 11.1.2.2 Demonstrate financial sustainability through meeting standards on the financial indicators;
 - 11.1.2.3 Operate in compliance with the terms and conditions of this Charter Contract; and
 - 11.1.2.4 If applicable, demonstrate sound performance on mission specific indicators.
- 11.2 **Review**
 - 11.2.1 The Authority shall monitor and periodically report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the Charter School Performance Framework. Such reporting shall take place at least annually.
 - 11.2.2 The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the Charter School Performance Framework shall provide the basis upon which the Authority will decide whether to renew the Charter Contract at the end of the term.
 - 11.2.3 The Parties intend that, where this Charter Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the Charter School Performance Framework may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Authority will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Charter School Performance Framework as initially established

in the Charter Contract.

Part 12: Contract Construction

12.1 Entire Charter Contract

12.1.1 The Parties intend this Charter Contract, including all exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Charter Contract. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Charter Contract may be approved from time to time hereafter.

12.2 Authority

12.2.1 The individual officers, agents and employees of the Parties do hereby individually represent and warrant that they have full power and lawful authority to execute this Charter Contract.

12.3 Notice

12.3.1 Any notice required, or permitted, under this Charter Contract shall be in writing and shall be effective upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid to the following:

In the case of State Public Charter School Authority:

Director

1749 N. Stewart St, Suite 40

Carson City, NV 89706

In the case of Charter School:

Board President

9625 W. Saddle Ave.

Las Vegas, NV 89147

12.4 Waiver

12.4.1 The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or taken to constitute a waiver of any succeeding or other breach.

12.5 Non-Assignment

12.5.1 Neither party to this Charter Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Charter Contract unless the other party agrees in writing to any such assignment.

12.6 Applicable Law

- 12.6.1 This Charter Contract shall be governed by and construed in accordance with the laws of the State of Nevada, including all requirements imposed by regulation and Authority policy, and all applicable federal laws of the United States.
- 12.6.2 The Parties intend that, where this Charter Contract references federal or state laws, they be bound by any amendments to such laws upon the effective date of such amendments.

12.7 Material Amendments

12.7.1 Material amendments require Authority approval. Pursuant to NRS 386.527(6) any material amendment to this Charter Contract will be effective only if approved in writing by the Authority. The proposed amendment must be submitted in a manner consistent with applicable law and regulation and defined in the Operations Manual. A material amendment shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Changes in operation that are considered material and require the Charter School to obtain an amendment to this Charter Contract include, but are not limited to, the following:

- 12.7.1.1 Change in the Charter School's Pre-Opening Requirements;
- 12.7.1.2 Change in the Charter School's location (change of site and/or adding or deleting sites);
- 12.7.1.3 Changes to the Bylaws and/or Articles of Incorporation;
- 12.7.1.4 Changes to the Mission Statement;
- 12.7.1.5 Elimination of grade level/Expansion to serve grade levels/Increase or Decrease in total enrollment;
- 12.7.1.6 Changes to the name of the Charter School;
- 12.7.1.7 Proposal to enter into a contract with an Educational Management Organization or termination of a contract with and Educational Management Organization;
- 12.7.1.8 Changes to the Mission Specific indicators; and
- 12.7.1.9 Changes to the curriculum that are of such a nature to cause the curriculum within the Charter Application to cease to be in operation.

12.8 Non-Material Change - Notification Required

12.8.1 Changes to this Charter Contract listed below do not require amendment as described in NRS 386.527(6); rather, such changes shall be accomplished through written notification. Changes requiring notification include, but are not limited to:

- 12.8.1.1 Mailing address, phone and fax number of the Charter School;
- 12.8.1.2 Changes in the lead administrator of the Charter School; and
- 12.8.1.3 Changes in the composition of the Charter Board.

12.9 Other Changes – Determination as Material or Non-Material,

Requiring Notification or Not.

12.9.1 The Charter School may, from time to time, contemplate a change to the Charter School that is not identified within this Charter Contract as a Material Amendment or as a Non-Material Change that requires notification. In such an event, the Charter School is obligated to request, in writing, the determination of the Authority as to whether or not such a change requires a Material Amendment (12.7) or Notification (12.8).

12.10 Severability

12.10.1 The provisions of this Charter Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Charter Contract shall remain in effect unless otherwise terminated by one or both of the Parties.

12.11 Third Parties

12.11.1 This Charter Contract shall not create any rights in any third parties who have not entered into this Charter Contract; nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Charter Contract.

12.12 Counterparts; Signatures

12.12.1 The Charter Contract may be signed in counterparts, which shall together constitute the original Charter Contract. Signatures received by facsimile or email by either of the Parties shall have the same effect as original signatures.

12.13 Material Breach

12.13.1 A material breach is defined as a violation of this Charter Contract which is substantial and significant as determined by the Authority.

Signature Page

IN WITNESS WHEREOF, the Parties have executed this Charter Contract to be effective [DATE].

President, Charter Board

Please print your name: _____

Date: _____

Chair, State Public Charter School Authority

Please print your name: _____

Date: _____

EXHIBIT #1

Charter School Performance Framework

DRAFT

EXHIBIT #2

Articles and Bylaws

DRAFT

EXHIBIT #3

Charter Application

DRAFT

EXHIBIT #4

Pre-Opening Requirements

DRAFT

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration of the recommendation to approve the charter contract between the State Public Charter School Authority and Learning Bridge Charter School

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x / </u>	Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 6

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION: Approve the Charter Contract for The Learning Bridge

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins

BACKGROUND:

On February 10, 2012 the State Public Charter School Authority approved the Learning Bridge charter school application. Shortly thereafter, a Subsection 7 Charter was issued pursuant to NRS 386.527(7) expiring June 30, 2015.

The 2013 Legislature enacted changes to charter school law that now require the proposed sponsor of a charter school that approves an application to negotiate and execute a charter contract with the school's governing body.

It is the recommendation of staff to approve the negotiated charter contract between the SPCSA and the Learning Bridge governing body to be executed by the Chair of the Authority and President of the Doral Academy governing body.

The term of this contract shall be from July 1, 2013 to June 30, 2019.

SUBMITTED BY: _____

CHARTER SCHOOL CONTRACT

between

State Public Charter School Authority

and

Learning Bridge Charter School

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Charter Application

EXHIBIT #4

Pre-Opening Requirements

CHARTER CONTRACT

This agreement constitutes a Charter Contract (the "Charter Contract") executed on this _____ day of _____ 20____ by and between the State Public Charter School Authority (the "Authority"), and Learning Bridge (the "Applicant(s)") (collectively, the "Parties") to establish and operate the Learning Bridge CHARTER SCHOOL (the "Charter School"), an independent and autonomous public school authorized to operate in the State of Nevada.

RECITALS

"WHEREAS, The primary consideration of the legislature in enacting legislation to authorize charter schools is to serve the best interests of all pupils, including pupils who may be at risk; and

WHEREAS, The intention of the legislature is to provide:

1. The board of trustees of school districts with a method to experiment with providing a variety of independent public schools to the pupils of this state;
2. A framework for such experimentation;
3. A mechanism by which the results achieved by charter schools may be measured and analyzed; and
4. A procedure by which the positive results achieved by charter schools may be replicated and the negative results may be identified and eliminated; and

WHEREAS, It is further the intention of the legislature to provide teachers and other educational personnel, parents, legal guardians and other persons who are interested in the system of public education in this state the opportunity to:

1. Improve the learning of pupils and, by extension, improve the system of public education;
2. Increase the opportunities for learning and access to quality education by pupils;
3. Encourage the use of different and innovative teaching methods;

4. Establish appropriate measures for and assessments of the learning achieved by pupils who are enrolled in charter schools;
5. Provide a more thorough and efficient system of accountability of the results achieved in public education in this state; and
6. Create new professional opportunities for teachers and other educational personnel, including, without limitation, the opportunity to increase the accessibility and responsibility of teachers and other educational personnel for the program of learning offered;"

WHEREAS, The Authority is authorized by the Legislature to sponsor charter schools pursuant to NRS 386.509; and

WHEREAS, on February 10, 2012, the State Public Charter School Authority approved the proposed charter application as set forth in Exhibit #3 (initially or as amended, the "Charter Application") and incorporated herein; and

WHEREAS, the Parties' intend that this Charter Contract serve as a performance contract that governs the operation of the Charter School;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Charter School agree as follows:

Part I: Operation of the School

1.1 Establishment

- 1.1.1 As authorized by the Nevada Revised Statute (NRS) 386.509, the Authority hereby authorizes the operation of the Charter School with the aforementioned conditions, and in accordance with the terms and conditions set forth in this Charter Contract.
- 1.1.2 This Charter Contract is entered into between the Charter School, its governing body (the “Charter Board”) and the Authority.

1.2 Parties

- 1.2.1 The person authorized to sign the Charter Contract on behalf of the Charter School is the President of the Charter Board (“Charter School Representative”).
- 1.2.2 The person authorized to sign on behalf of the Authority is the Chair of the Authority or, in the absence of the Chair, the Acting Chair.
- 1.2.3 The Charter School Representative affirms as a condition of this Charter Contract, that he/she is the above-described representative of the Charter School and has authority to sign this Charter Contract on behalf of the Charter School.

1.3 Term of Charter Contract

- 1.3.1 The Term of this Charter Contract shall be six (6) years.
- 1.3.2 This Charter Contract is effective upon execution, and the term of the Charter Contract begins July 1, 2013 and will terminate on June 30, 2019, unless earlier terminated as provided herein.

1.4 General

- 1.4.1 The Charter School shall not operate for profit and may be incorporated as a nonprofit corporation pursuant to the provision of chapter 82 of NRS.
- 1.4.2 The Charter School certifies that all contracts obligating the Charter School have been and will be undertaken by the Charter School in accordance with statute and regulation..
- 1.4.3 The Charter School and its Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authority policies applicable to charter schools.
- 1.4.4 The Charter School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation, specifically including but not limited to health and safety, civil rights, student assessment and assessment administration, data collection, reporting, grading, and remediation requirements, except to the extent such provisions are inapplicable to charter schools.
- 1.4.5 Pursuant to NRS 386.513, the Local Education Agency of the Charter School is the Authority.

1.5 Charter School Governing Body

- 1.5.1 The Charter School shall be governed by the Charter Board, and deemed a public

body, in a manner that is consistent with the terms of this Charter Contract so long as such provisions are in accordance with applicable state, federal, and local law and regulation. (NRS 386.549)

- 1.5.2 The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the Charter School, and the fulfillment of the Charter Contract.
- 1.5.3 The Charter Board shall be the final authority in matters affecting the Charter School, including but not limited to staffing, job titles, employee salary and benefits, financial accountability and curriculum.
- 1.5.4 The Charter Board shall act in accordance with and is subject to the Nevada Open Meeting Law, Public Records Law, and Nevada Local Government Purchasing laws (NRS 332.039-.148)
- 1.5.5 The Charter Board shall have authority for and be responsible for policy and operational decisions of the Charter School. The Charter Board shall govern the Charter School pursuant to the following terms and conditions:
 - 1.5.5.1 Articles and/or Bylaws. The articles of incorporation, if applicable, and bylaws of the Charter Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law, regulation and this Charter Contract. The articles of incorporation, if applicable, and bylaws are set forth in Exhibit #2 (initially or as amended, the “Articles and Bylaws”) and incorporated herein by reference. Any modification of the Articles and Bylaws constitutes a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
 - 1.5.5.2 Composition. The composition of the Charter Board shall at all times be determined by and consistent with the Articles and Bylaws and all applicable law and regulation. The complete roster of the Charter Board and each member’s affidavit, resume, and Request for Information shall be maintained in the Authority’s established document library (e.g., AOIS). The Charter Board shall notify the Authority of any changes to the Board Roster and submit an amended Board Roster to the documents library within ten (10) business days of their taking effect.
 - 1.5.5.3 Affiliation. Notwithstanding any provision to the contrary in the Charter Contract or the Articles and Bylaws, in no event shall the Charter Board, at any time, include more than two directors, officers, employees, agents or other affiliates of any single entity, with the exception of the Charter School itself, regardless of whether said entity is affiliated or otherwise partnered with the Charter School. (NAC 386.345(3))
 - 1.5.5.4 Conflicts of Interest. The Charter Board shall adopt a Conflicts of Interest Policy (the “Conflicts of Interest Policy”), including provisions related to

nepotism and consistent with this section and applicable law by January 1 of the Charter School’s first year of operation. The Charter Board shall, at all times, comply with the provisions of the Conflicts of Interest Policy. The adopted and approved Conflicts of Interest Policy shall be maintained in the Authority’s established document library. Any modification of the Conflicts of Interest Policy must be submitted to the Authority within five (5) days of approval by the Charter Board.

- 1.5.5.5 Non-Commingling. Assets, funds, liabilities and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authority.

1.6 Location

- 1.6.1 The Charter School shall provide educational or operational services, including delivery of instruction, at the location(s):

505 Great Basin Highway
Ely, NV 89301

1.7 Facilities

- 1.7.1 The building(s) in which the Charter School is to be located shall be known as the Charter School Facilities (the “Facilities”).
- 1.7.2 The Authority or its designee may, at the Authority’s discretion, conduct health and safety inspections of the Facilities.
- 1.7.3 The Facilities shall meet all applicable health, safety and fire code requirements and shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public charter schools.
- 1.7.4 The Charter School’s relocation to different Facilities shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.7.5 In the event that legally viable Facilities and/or necessary certificates and permits are not in place, the Charter School may not provide instruction at the Facilities or otherwise admit pupils into the Facilities. In such event, the Authority reserves the right to enforce any of the consequences for failure to act in accordance with the material terms and conditions of this Charter Contract.

1.8 Charter School Independence

- 1.8.1 Neither the Authority nor the board of trustees of the local school district in which the Charter School is located may assign any pupil who is enrolled in a

public school or any employee who is employed in a public school to the Charter School. Neither the Authority nor the local school district in which the Charter School is located may interfere with the operation and management of the Charter School except as authorized by NRS 386.490-.610, inclusive, and any other statute or regulation applicable to the Charter School or its officers or employees.

- 1.8.2 The Charter School will be subject to review of its operations and finances by the Authority, including related records, when the Authority, in its sole discretion, deems such review necessary.

1.9 Pre-Opening Requirements

- 1.9.1 The Charter School's pre-opening requirements (initially or as amended, the "Pre-Opening Requirements") shall be as presented in Exhibit #4 and incorporated by reference herein. Any change to the Pre-Opening Requirements shall be a material amendment to this Charter Contract and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.9.2 Failure to timely fulfill any material term of the Pre-Opening Requirements shall be considered a breach of material compliance with the Charter Contract pursuant to NRS 386.535 and shall be grounds for Authority intervention. Notwithstanding the immediately foregoing, the Authority may modify the restrictions contained therein or may grant the Charter School an additional planning year upon good cause shown.

Part 2: School Operations

2.1 Open Meetings and Public Records

- 2.1.1 The Charter School shall maintain and implement policies and procedures to ensure that it complies with all applicable laws and regulations relating to public meetings and records.

2.2 Mission Statement

- 2.2.1 The Charter School's mission statement (initially or as amended, the "Mission Statement") shall be as presented in the approved Charter Application appearing in Exhibit #3 and incorporated by reference herein. Any change to the Mission Statement shall be a material amendment to this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.3 Age; Grade Range; Number of Students

- 2.3.1 The Charter School shall provide instruction to pupils in such grades and numbers in each year of operation under the Charter Contract as identified in the Charter Application appearing in Exhibit #3.
- 2.3.2 The Charter School may make modify the number of students in any particular grade, and number of students within a class, to accommodate staffing

exigencies and attrition patterns provided such modifications are consistent with this Charter Contract.

- 2.3.3 Elimination of a grade level that the Charter School was scheduled to serve, expansion to serve grade levels not identified in 2.3.1, or an annual increase/decrease in total enrollment by more than 10% shall be a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Authorization to expand may require the Charter School to demonstrate satisfactory academic and financial performance, and organizational compliance.

2.4 **Non-discrimination**

- 2.4.1 The Charter School shall not discriminate against any student, employee or other person on the basis of race, color, creed, ethnicity, national origin, gender, marital status, religion, ancestry, disability, need for special education services, income level, athletic ability, proficiency in the English language or any other grounds that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.

2.5 **Student Recruitment, Enrollment and Attendance**

- 2.5.1 The Charter School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability or need for special education services. In no event may the Charter School limit admission based on race, ethnicity, national origin, gender, disability, income level, athletic ability, or proficiency in the English language, except as authorized by NRS 386.580(8).
- 2.5.2 The Charter School shall adopt and adhere to a Truancy and Absence Policy pursuant to NAC 386.180(5).
- 2.5.3 If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
- 2.5.4 Pursuant to NRS 386.580, Charter School may give enrollment preference based upon criteria established in law and regulation. Should state laws or regulations be amended to alter the nature or application of enrollment preferences, Charter School shall comply therewith upon the effective date of the changes. Before the Charter School enrolls pupils who are eligible for enrollment, the Charter School may enroll a child who:
 - 2.5.4.1 Is a sibling of a pupil currently enrolled;
 - 2.5.4.2 Was enrolled in a tuition-free prekindergarten program at the Charter School or affiliated program with the Charter School;

- 2.5.4.3 Is a child of a person who is:
 - 2.5.4.3.1 Employed by the Charter School;
 - 2.5.4.3.2 A member of the Committee to Form the Charter School; or
 - 2.5.4.3.3 A member of the Charter Board;
- 2.5.4.4 Is in a particular category of at-risk and the child meets the eligibility requirements prescribed by the Charter School for that particular category; or
- 2.5.4.5 Resides within the school district and within two (2) miles of the Charter School if the Charter School is located in an area that the Authority determines includes a high percentage of children who are at-risk.

2.6 Tuition, Fees and Volunteer Requirements

- 2.6.1 The Charter School shall not charge tuition or fees of any kind as a condition of enrollment. The Charter School may not impose any fees that a school district would be prohibited by applicable law or regulation from imposing.
- 2.6.2 Nothing in this section shall be interpreted to prohibit the Charter School from imposing fees that a school district would be permitted to impose.
- 2.6.3 Any requirement that a parent commit a number of volunteer hours shall be prohibited unless such a requirement considers individual family circumstances and allows for a waiver of volunteer hours.

2.7 School Calendar; Hours of Operation

- 2.7.1 The Charter School shall adopt a school calendar with an instructional program to provide annually at least as many days of instruction as are required of other public schools located in the same school district as the Charter School is located, unless written approval from the Superintendent of Public Instruction provides for a waiver of this requirement. (NRS 386.550)

2.8 Student Conduct and Discipline

- 2.8.1 The Charter School shall adopt and adhere to a student discipline policy (the “Discipline Policy”) pursuant to NRS 386.585 and regulation. The Charter School may not remove, withdraw, suspend or expel a pupil against a parent’s wishes for reasons other than the reasons for suspension or expulsion stated in NRS 392.4655 – 392.467 or other applicable statute or regulation. Nothing in this provision precludes the Charter School from withdrawing a pupil from the Charter School consistent with applicable law and regulation.

2.9 Service Agreements, Contracts, Facility Lease or Purchase

- 2.9.1 Nothing in this Charter shall be interpreted to prevent the Charter School from entering into a contract or other agreement related to the operation of the school. The Charter School shall include in any agreement or contract entered into that the provisions of any such agreement are enforceable only to the extent they are compliant with applicable law and regulation. The Charter Board is responsible for ensuring that all contracts or other agreements are compliant with existing law and regulation.

2.9.2 The Charter School shall clearly indicate to vendors and other entities and individuals with which or with whom the Charter School enters into an agreement or contract for goods or services that the obligations of the Charter School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the State of Nevada, the Authority, or the Department of Education.

2.10 Contracts with an Educational Management Organization (EMO)

2.10.1 The provisions appearing under 2.9 apply to contracts with an EMO.

2.10.2 Should the Charter School intend to enter into an agreement with an EMO as defined by NRS 386.562, the following provisions shall apply:

2.10.2.1 The Charter School shall comply with all Authority requests for information about the EMO that are reasonably related to the Authority's duty to ensure that the Charter School is in compliance with all provisions of this Charter Contract and NRS 386.562; and NAC 386.400, 386.405, 386.407, 386.180, and 386.204 or other applicable statute and regulation.

2.10.2.2 In no event shall the Charter Board of the Charter School delegate or assign its responsibility for fulfilling the terms of this Charter Contract.

2.10.2.3 Any management contract entered into by Charter School shall include an indemnification provision for the Charter School as follows: "The management company shall indemnify, save and hold harmless against any and all claims, demands, suits, actions, proceedings, losses, costs, judgments, damages, or other forms of liability to third parties, of every kind and description, actual or claimed, including but not limited to attorneys' fees and/or litigation expenses, including but not limited to injury to property or persons (including but not limited to civil rights violations), occurring or allegedly occurring, in connection with the operation of the management company, or from conduct committed or alleged to have been committed by the management company on the premises of the Charter School, or from conduct committed by the management company's employees, officers, directors, subcontractors, or agents, during the term of this Charter Contract or any renewal thereof. Additionally, the management company shall defend the Authority in any such action or proceedings brought thereon. This provision shall survive the termination of this contract."

2.10.2.4 Should the Charter School propose to enter into a contract with an EMO, the Charter School agrees to submit all information requested by Authority regarding the management arrangement, including a copy of the proposed contract and a description of the EMO, with identification of its principals and their backgrounds. Entering into a management contract is considered a material amendment of the Charter Contract and Charter School shall not enter into such agreement without written Authority approval.

- 2.10.2.5 The termination or change of an EMO shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.11 Employment Matters

- 2.11.1 All employees of the Charter School shall be deemed public employees.
- 2.11.2 The Charter School agrees to comply with the provisions of NRS 386.595 regarding employment status and NRS 386.590 regarding teacher licensure.
- 2.11.3 Neither the Charter School, nor its employees, agents, nor contractors are employees or agents of the Authority; nor are either the Authority or its employees, agents, or contractors employees or agents of the Charter School. None of the provisions of this Charter Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Charter Contract.
- 2.11.4 The Charter School shall have ultimate responsibility for employment, management, dismissal and discipline of its employees, including key personnel employed by an EMO. The Charter School will establish and implement its own dispute resolution process for employment matters.
- 2.11.5 The Charter School may not employ instructional personnel whose certificate or license to teach has been revoked or is currently suspended by the state board of education in this state or another state. (NRS 386.590(a))
- 2.11.6 An employee of a charter school is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees Retirement System in a manner consistent with NRS 386.595.
- 2.11.7 The Charter School shall conduct criminal background checks and act in accordance with NRS 386.588.
- 2.11.8 The Charter School shall maintain employee files as identified in the Operations Manual, which are subject to audit by the Authority or other appropriate entity.
- 2.11.9 If the Charter School receives Title I funding, it must ensure that 100% of teachers in core academic subjects are Highly Qualified (as defined in the Elementary and Secondary Education Act) or are working pursuant to a plan to achieve Highly Qualified status.

2.12 Student Health, Welfare and Safety

- 2.12.1 The Charter School shall comply with all applicable federal and state laws and regulations concerning student health, welfare, and safety, including but not limited to state laws regarding the reporting of child abuse, accident prevention and disaster response, and any applicable state and local regulations governing the operation of school facilities.

2.13 Transportation

- 2.13.1 If applicable, the Charter School shall be responsible for providing students transportation consistent with the plan proposed in the approved Charter Application appearing in Exhibit #3 and incorporated herein.
- 2.13.2 The termination or change of transportation shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

Part 3: Educational Program

3.1 Design Elements

- 3.1.1 The Charter School shall have control over and responsibility for delivery of the educational program and for attainment of the performance standards as set forth in the charter school performance framework (the “Charter School Performance Framework”) Exhibit #1 incorporated herein. The Charter School shall have discretion to modify, amend, adapt, and otherwise change the educational program as it deems necessary to achieve the performance standards so long as such changes are consistent with the Charter Application and the Charter Contract.
- 3.1.2 In determining whether or not the Charter School complies with the essential terms of the educational program, the Authority will use the Charter Application (initial or as amended) as the basis to assess fidelity.

3.2 Curriculum

- 3.2.1 The Charter School’s educational program shall meet or exceed Nevada’s content standards.
- 3.2.2 Any modification to the curriculum, either individually or cumulatively, that are of such a nature or degree as to cause the curriculum described within the approved Charter Application to cease to be in operation will be considered a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

3.3 Student Assessment

- 3.3.1 The Charter School shall be subject to and comply with all requirements related to the state assessment and accountability system for public schools.
- 3.3.2 Nothing in this section prohibits the Charter School or the Authority from assessing student learning outside of and in addition to the state’s testing program.
- 3.3.3 Educational program matters not specifically identified in this Charter Contract shall remain within the Charter School’s authority and discretion.

3.4 Special Education

- 3.4.1 The Authority is the “local education agency” (“LEA”) for purposes of compliance with the Individuals with Disabilities Education Act (“IDEA”).
- 3.4.2 The Charter School shall provide services and accommodations to students with disabilities as set forth in the Charter Application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the “IDEA”), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the “ADA”), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (“Section 504”), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to enrolled students with disabilities in accordance with the individualized education program (“IEP”) prescribed by a student’s IEP team. The Charter School shall comply with all applicable requirements of state law and regulation concerning the provision of services to students with disabilities.
- 3.4.3 An annual Memorandum of Understanding which defines the rights and responsibilities of the Charter School acting as a school of the LEA and the Authority acting as LEA will be annually updated and disseminated by the Authority and signed by the Parties.
- 3.4.4 The Charter School shall maintain a special education reserve account as a financial reserve to ensure compliance with the indemnification and financial obligations of the Charter School. Such reserve shall not in any way limit the Charter School’s obligation in the event the special education reserve account is insufficient to fully pay costs incurred in connection with any claim or claims, and the Charter School shall remain fully responsible for any and all costs incurred in connection with such claim or claims. The Charter School shall keep the special education reserve separate from and not utilize it to satisfy any other reserve requirements applicable to the Charter School. This special education reserve shall be maintained in a separate bank account and shall be equal to \$25,000 plus the interest that has been earned in this account to date. The Charter School shall fully fund the reserve account by the end of its fifth year of operation and contribute to it in a manner that can reasonably be expected to reach this goal. If money is withdrawn from the reserve account, unless otherwise agreed to in writing by the Authority, the Charter School shall be required to replace all sums withdrawn by the end of the subsequent fiscal year.
- 3.5 **English Language Learners**
- 3.5.1 The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall adhere to policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable

laws and regulations. The Authority and the Charter School will work to assure compliance with any and all requirements of the state and federal law regarding services to English language learners.

Part 4: Charter School Finance

4.1 Financial Management

- 4.1.1 The Charter School shall control and be responsible for financial management and performance of the Charter School including budgeting and expenditures. The Charter School shall operate on a fiscal year that begins July 1 and ends June 30.
- 4.1.2 At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls, including without limitation: (1) commonly accepted accounting practices and the capacity to implement them; (2) a bank account maintained within this State; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements and purchases; and (7) maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law.
- 4.1.3 The Charter School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB #34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authority in written form in accordance with the date established by law and regulation and identified in the Reporting Requirements Manual. The Charter School shall pay for the audit.
- 4.1.4 The Charter School shall prepare quarterly financial reports for the Authority in compliance with this Charter Contract. Such reports shall be submitted to the Authority no later than fifteen (15) days following the end of each quarter, as defined in the Reporting Requirements Manual.
- 4.1.5 The Charter School agrees to maintain financial records in accordance with the governmental accounting method required by the Nevada Department of Education (the "Department") and/or Authority and to make such records available upon request.
- 4.1.6 The Charter School shall use and follow the chart of accounts and any grant codes as defined by the Department in the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances.
- 4.1.7 The Charter School shall assure that all financial records for the school are maintained, posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.

- 4.1.8 The Charter School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School's budget.
- 4.1.9 Pursuant to NAC 387.770, the Charter School shall maintain a complete and current inventory of all school property and shall perform a physical inventory annually. Any asset acquired by the Charter School is the property of the Charter School for the duration of the Charter Contract and any subsequent renewals. The Charter School shall take reasonable precautions to safeguard assets acquired with public funds. The Charter School shall manage all assets consistent with the requirements of applicable law and regulation, including without limitation NAC 387.335, 387.342 and 387.360; and NRS 386.536.
- 4.1.10 If the Charter School's records fail to establish clearly whether an asset was acquired with the use of public funds, the assets shall be deemed to be public assets.
- 4.1.11 Except as may be expressly provided in this Charter Contract, as set forth in any subsequent written agreement between the Charter School and the Authority pursuant to NRS 386.561, or as may be required by law, neither the Charter School nor the Authority shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authority and the Charter School shall be subject to all terms and conditions of this Charter Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this contract or set forth in any subsequent written agreement between the Charter School and the Authority or required by law, shall not be a condition of the approval or continuation of this contract.
- 4.1.12 The Charter School shall comply with other requirements as may be imposed through state law or regulation, from time to time, on charter school finances, budgeting, accounting, and expenditures, provided that the Authority shall provide technical assistance regarding material changes to state law and regulation, and the Parties will collaborate to assure that they each remain reasonably current on the impact of any modifications on charter schools. The Parties agree that the Charter School retains primary responsibility for compliance with state law and regulation.
- 4.1.13 The Charter School is solely responsible for all debt it incurs, and the Authority shall not be contractually bound on the Charter School's account to any third party. A statement to this effect shall be a provision of any and all contracts entered into by the Charter School.

4.2 **Budget**

- 4.2.1 In accordance with law and regulation and as identified in the Reporting Requirements Manual, the Charter School shall submit to the Department and the Authority the school's tentative budget for the upcoming fiscal year and the

Charter School shall submit to the Department and the Authority the school's final budget for the upcoming fiscal year. The budget shall:

- 4.2.1.1 Be presented on forms prescribed by the Nevada Department of Taxation; and
- 4.2.1.2 Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues plus beginning fund balances.

4.3 **Charter School Funding**

- 4.3.1 Charter School shall receive, directly from the Department, state and local aid in an amount equal to its weighted count of enrollment multiplied by the per pupil Distributive School Account amount for the county of residence of each student plus the per pupil Outside Revenue amount for that county. The count of pupils for calculating the basic support for distribution to a charter school is the weighted count of enrollment of pupils on the last day of the first school month of the school district in which the charter school is located for the school year ("Count Day"). The first school month is the thirty day period beginning on the first day of a school year, so long as that thirty day period includes at least twenty school days.
- 4.3.2 The Charter School shall maintain and transmit all necessary student information in the format prescribed by the Department to evidence enrollment and attendance of students for purposes of receiving state aid. The Charter School will receive state payment from the Distributive School Account directly from the Department, based on the number of pupils enrolled on Count Day.
- 4.3.3 The Charter School shall receive state aid payments quarterly unless the quarterly payments exceed \$500,000 at which time the Department will pay state aid in monthly installments directly to the Charter School.
- 4.3.4 All state aid payments to the Charter School are subject to correction pending the outcome of the Department's annual Pupil Enrollment and Attendance Audit.

4.4 **Authority Funding**

- 4.4.1 The yearly sponsorship fee to be paid by the Charter School to the Authority must be in an amount of money not to exceed two (2) percent but at least one (1) percent of the total amount of money apportioned to the Charter School during the school year pursuant to NRS 387.124. (NRS 386.570)
- 4.4.2 The Authority shall notify the Charter School in February of the fee anticipated to be charged pursuant to NRS 386.570 in the following fiscal year.

Part 5: Insurance and Legal Liabilities

5.1 **Insurance**

- 5.1.1 The Charter School shall provide and maintain, at its sole expense without reimbursement, adequate insurance, pursuant to NAC 386.215, necessary for

the operation of the school, including but not limited to, property insurance, general liability insurance, workers' compensation insurance, unemployment compensation insurance, motor vehicle insurance, and errors and omissions insurance covering the Charter School and its employees. Should the State legislature or State Board of Education change the amount and/or type of insurance coverage required, the Charter School shall take necessary steps to ensure compliance with the law or regulation within thirty (30) days of receiving notice by the Authority of such change. The Authority shall be named as additional insured under all insurance policies identified under NAC 386.215.

5.2 **Liability**

- 5.2.1 As required by NRS 386.550, the Charter School agrees that the Authority is not liable for the acts or omissions of the Charter School, its officers, agents, or employees. The Charter School agrees to defend, indemnify, and hold the Authority, its agents and employees, harmless from all liability, claims and demands on account of contract, injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with the Charter School's operations.
- 5.2.2 If the Charter School files a voluntary petition for bankruptcy or is declared bankrupt during a school year, neither the State of Nevada nor the Authority may be held liable for any claims resulting from the bankruptcy pursuant to NRS 386.575.

Part 6: Transparency and Accountability

6.1 **Charter School Reporting**

- 6.1.1 The Authority shall provide the Charter School with a Reporting Requirements Manual on or before the commencement of the contract year and updated at least annually. The Authority shall endeavor to make the Reporting Requirements Manual as complete as possible. The Charter School shall be responsible for submitting timely and complete reports in accordance with the Reporting Requirements Manual.
- 6.1.2 The Authority shall provide the Charter School with an Operations Manual on or before the commencement of the contract year and updated at least annually.

6.2 **Additional Reporting**

- 6.2.1 The Charter School shall be responsible for additional reporting as required for compliance with state law and regulation, federal requirements, and other applicable external reporting requirements.

6.3 **Authority Reporting**

- 6.3.1 The Authority shall produce and make available reports to the Charter School in a manner consistent with the Reporting Requirements Manual.

Part 7: Oversight

7.1 Authority

7.1.1 Pursuant to NRS 386.509, the Authority shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in material compliance with this Charter Contract, the Charter Application, and applicable law and regulation. The Authority's oversight of the Charter School shall include, but not be limited to, the following activities:

- 7.1.1.1 Oversight, intervention, termination, renewal, and closure processes and procedures for the Charter School;
- 7.1.1.2 Reviewing the performance and compliance of the Charter School within the terms of this Charter Contract and applicable laws, policies and regulations;
- 7.1.1.3 Ensuring the Charter School's compliance with reporting requirements;
- 7.1.1.4 Monitoring the educational, legal, fiscal, and organizational condition of the Charter School; and
- 7.1.1.5 Providing guidance to the Charter School on compliance and other operational matters.

7.2 Inspection

7.2.1 All records established and maintained in accordance with the provisions of this Charter Contract, applicable policies and/or regulations, and federal and state law shall be open to inspection by the Authority and other applicable agencies, entities, or individuals within a reasonable period of time after request is made.

7.3 Site Visits

7.3.1 The Authority shall visit the Charter School at least once as a component of the Mid-Term evaluation as defined in the Charter School Performance Framework. Authority may, at its discretion, conduct formal, targeted school visits. Such site visits may include any activities reasonably related to fulfillment of its oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the Charter School; and interviews of school and other stakeholders.

7.4 Notification

- 7.4.1 The Charter School shall notify the Authority immediately of any conditions that it knows are likely to cause it to violate the terms of this Charter Contract or the Charter Application. Such notification shall not be construed as relief from the Charter School's responsibility to correct such conditions.
- 7.4.2 The Charter School shall notify the Authority immediately of any circumstances requiring the closure of the Charter School, including but not limited to natural disaster, other extraordinary emergency, or destruction of or

damage to the school facility.

- 7.4.3 The Charter School shall immediately notify the Authority of the arrest or charge of any members of the Charter Board or any Charter School employee for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, any crime or misdemeanor constituting an act against a minor child or student, or of the investigation of a member of the Charter Board or any Charter School employee for child abuse.
- 7.4.4 The Charter School shall notify the Authority immediately of any change to its corporate legal status.
- 7.4.5 The Charter School shall notify the Authority immediately of any default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more.
- 7.4.6 The Charter School shall notify the Authority immediately if at any time the Charter School receives notice or is informed that the Charter School or the Authority are parties to a legal suit.

7.5 **Intervention**

- 7.5.1 Consistent with any oversight practices set out in the Charter School Performance Framework, the Authority shall follow a progressive system of notification and calls for corrective action on the part of the Charter School.
- 7.5.2 Any complaints or concerns received by the Authority about the Charter School or its operation including but not limited to complaints filed with the Office for Civil Rights, the Nevada Attorney General's Office, and Equal Employment Opportunity Commission, shall be forwarded promptly by the Authority to the Charter School.
- 7.5.3 The Charter School shall promptly forward to the Authority any formal complaints or concerns received by the Charter School filed with or from the Office for Civil Rights, the Nevada Attorney General's Office, Equal Employment Opportunity Commission, and/or formal grievances filed by any party with the Charter Board. Such forwarding of complaints or concerns shall not relieve Charter School of the responsibility of resolving the complaints or concerns.
- 7.5.4 The Charter School shall indemnify the Authority for any costs, attorney fees, and/or financial penalties imposed on the Authority by state and/or federal authorities due to actions or omissions of the Charter School relative to regulatory compliance.
- 7.5.5 To the extent that concerns or complaints received by the Authority about the Charter School may trigger Authority intervention, including termination or non-renewal of the Charter Contract, the Authority may monitor the Charter School's handling of such concerns or complaints. In such cases, the Authority may request and the Charter School shall provide information regarding the Charter School's actions in responding to those concerns or complaints.

Part 8: Termination and Default Termination

8.1 Termination

8.1.1 As provided by law, this Charter Contract may at any time be terminated by the Authority before its expiration upon determination and majority vote of the Authority that the Charter School, its officers or its employees:

8.1.1.1 Committed a material breach of the terms and conditions of the Charter Contract;

8.1.1.2 Failed to comply with generally accepted standards of fiscal management;

8.1.1.3 Failed to comply with the provisions of NRS 386.490 to 386.610, inclusive, or any other statute or regulation applicable to charter schools; or

8.1.1.4 Persistently underperformed, as measured by the performance indicators, measures and metrics set forth in the Charter School Performance Framework for the Charter School.

8.1.2 The Charter Contract may be terminated by the Authority if the Charter School has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Charter School cannot continue to operate.

8.1.3 The Charter Contract may be terminated by the Authority if the Authority determines that termination is necessary to protect the health and safety of the pupils who are enrolled in the Charter School or persons who are employed by the Charter School from jeopardy, or to prevent damage to or loss of property of the school district or the community in which the Charter School is located.

8.1.4 In any instance of termination, the Authority shall provide to the Charter School written notice of termination, which notice shall include its findings and reasons for such action, and adhere to the process outlined in NRS 386.535.

8.2 Default Termination

8.2.1 The Authority shall terminate the Charter Contract if the school receives three consecutive annual ratings established as the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools. The Charter School's annual rating for any school year before the 2013-2014 school year must not be included in the count of consecutive annual ratings.

8.3 Other Remedies

8.3.1 The Authority may impose other appropriate remedies for breach including, but not limited to, a required corrective action plan.

Part 9: Closure

9.1 Closure

- 9.1.1 In the event that the Charter School is required to cease operation for any reason, including but not limited to non-renewal, termination, or voluntary surrender of the Charter Contract, the Charter School shall cooperate fully with the Authority to ensure the orderly closure of the Charter School in a manner consistent with state law and regulation (NRS 386.536), including, but not limited to:
 - 9.1.1.1 Securing student records; assisting students with their enrollment in other schools; financial responsibilities and preserving financial records.

Part 10: Dispute Resolution

10.1 Dispute Resolution

- 10.1.1 Parties agree to implement the following dispute resolution plan in good faith:

For purposes of this section, a “dispute” is a disagreement over a non-material matter concerning the operation of the charter school. In the event a dispute arises between the Charter School and the Authority or its staff, the charter school shall submit, in writing, a statement outlining its complaint and proposed resolution to the Director of the Authority or his/her designee for review. The Director will respond to the complaint and proposed resolution, in writing, within thirty (30) calendar days outlining whether or not he/she agrees with the complaint and whether he/she accepts the proposed resolution or offers an alternative resolution to the complaint. If the charter school is not satisfied with the response from the Director, it may request, in writing, a review by the President of the Authority. The President of the Authority will respond, in writing, within fifteen (15) calendar days stating whether or not he/she agrees with the complaint and if so, whether he/she agrees with the proposed resolution, or proposing an alternative resolution to the charter school. In the event these representatives are unable to resolve the dispute informally, pursuant to this procedure, the complaint and proposed resolution will be submitted to the Authority at the next available meeting for its consideration. The Authority will decide whether or not it agrees with the complaint or any proposed resolution. Any decision by the Authority is final.

Part 11: School Performance Standards and Review

11.1 Performance Standards

- 11.1.1 The Charter School Performance Framework is composed of indicators, measures, metrics, targets, and ratings to measure the academic, financial, organizational and mission specific, if applicable, performance of the Charter School. Pursuant to NRS 386.527, the performance framework is incorporated into this Charter Contract as set forth in the Charter School Performance Framework in Exhibit #1.

- 11.1.1.1 The Authority may, upon request for a material amendment from the Charter Board, include additional rigorous, valid and reliable performance indicators that are specific to the Mission of the Charter School and complementary to the existing measures.
- 11.1.1.2 The Charter School Performance Framework shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the approved Charter Application and not explicitly incorporated into the Charter School Performance Framework. The specific terms, form and requirements of the Charter School Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authority and will be binding on the Charter School.
- 11.1.2 According to the Charter School Performance Framework, the Charter School shall annually:
 - 11.1.2.1 Meet or exceed standards on the academic indicators;
 - 11.1.2.2 Demonstrate financial sustainability through meeting standards on the financial indicators;
 - 11.1.2.3 Operate in compliance with the terms and conditions of this Charter Contract; and
 - 11.1.2.4 If applicable, demonstrate sound performance on mission specific indicators.
- 11.2 **Review**
 - 11.2.1 The Authority shall monitor and periodically report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the Charter School Performance Framework. Such reporting shall take place at least annually.
 - 11.2.2 The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the Charter School Performance Framework shall provide the basis upon which the Authority will decide whether to renew the Charter Contract at the end of the term.
 - 11.2.3 The Parties intend that, where this Charter Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the Charter School Performance Framework may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Authority will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Charter School Performance Framework as initially established

in the Charter Contract.

Part 12: Contract Construction

12.1 Entire Charter Contract

12.1.1 The Parties intend this Charter Contract, including all exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Charter Contract. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Charter Contract may be approved from time to time hereafter.

12.2 Authority

12.2.1 The individual officers, agents and employees of the Parties do hereby individually represent and warrant that they have full power and lawful authority to execute this Charter Contract.

12.3 Notice

12.3.1 Any notice required, or permitted, under this Charter Contract shall be in writing and shall be effective upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid to the following:

In the case of State Public Charter School Authority:
Director
1749 N. Stewart St, Suite 40
Carson City, NV 89706

In the case of Charter School:
Board President
505 Great Basin Highway
Ely, NV 89301

12.4 Waiver

12.4.1 The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or taken to constitute a waiver of any succeeding or other breach.

12.5 Non-Assignment

12.5.1 Neither party to this Charter Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Charter Contract unless the other party agrees in writing to any such assignment.

12.6 Applicable Law

12.6.1 This Charter Contract shall be governed by and construed in accordance with the laws of the State of Nevada, including all requirements imposed by regulation and Authority policy, and all applicable federal laws of the United States.

12.6.2 The Parties intend that, where this Charter Contract references federal or state laws, they be bound by any amendments to such laws upon the effective date of such amendments.

12.7 **Material Amendments**

12.7.1 Material amendments require Authority approval. Pursuant to NRS 386.527(6) any material amendment to this Charter Contract will be effective only if approved in writing by the Authority. The proposed amendment must be submitted in a manner consistent with applicable law and regulation and defined in the Operations Manual. A material amendment shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Changes in operation that are considered material and require the Charter School to obtain an amendment to this Charter Contract include, but are not limited to, the following:

- 12.7.1.1 Change in the Charter School's Pre-Opening Requirements;
- 12.7.1.2 Change in the Charter School's location (change of site and/or adding or deleting sites);
- 12.7.1.3 Changes to the Bylaws and/or Articles of Incorporation;
- 12.7.1.4 Changes to the Mission Statement;
- 12.7.1.5 Elimination of grade level/Expansion to serve grade levels/Increase or Decrease in total enrollment;
- 12.7.1.6 Changes to the name of the Charter School;
- 12.7.1.7 Proposal to enter into a contract with an Educational Management Organization or termination of a contract with an Educational Management Organization;
- 12.7.1.8 Changes to the Mission Specific indicators; and
- 12.7.1.9 Changes to the curriculum that are of such a nature to cause the curriculum within the Charter Application to cease to be in operation.

12.8 **Non-Material Change - Notification Required**

12.8.1 Changes to this Charter Contract listed below do not require amendment as described in NRS 386.527(6); rather, such changes shall be accomplished through written notification. Changes requiring notification include, but are not limited to:

- 12.8.1.1 Mailing address, phone and fax number of the Charter School;
- 12.8.1.2 Changes in the lead administrator of the Charter School; and
- 12.8.1.3 Changes in the composition of the Charter Board.

12.9 **Other Changes – Determination as Material or Non-Material,**

Requiring Notification or Not.

12.9.1 The Charter School may, from time to time, contemplate a change to the Charter School that is not identified within this Charter Contract as a Material Amendment or as a Non-Material Change that requires notification. In such an event, the Charter School is obligated to request, in writing, the determination of the Authority as to whether or not such a change requires a Material Amendment (12.7) or Notification (12.8).

12.10 Severability

12.10.1 The provisions of this Charter Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Charter Contract shall remain in effect unless otherwise terminated by one or both of the Parties.

12.11 Third Parties

12.11.1 This Charter Contract shall not create any rights in any third parties who have not entered into this Charter Contract; nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Charter Contract.

12.12 Counterparts; Signatures

12.12.1 The Charter Contract may be signed in counterparts, which shall together constitute the original Charter Contract. Signatures received by facsimile or email by either of the Parties shall have the same effect as original signatures.

12.13 Material Breach

12.13.1 A material breach is defined as a violation of this Charter Contract which is substantial and significant as determined by the Authority.

Signature Page

IN WITNESS WHEREOF, the Parties have executed this Charter Contract to be effective [DATE].

President, Charter Board

Please print your name: _____

Date: _____

Chair, State Public Charter School Authority

Please print your name: _____

Date: _____

EXHIBIT #1

Charter School Performance Framework

EXHIBIT #2

Articles and Bylaws

EXHIBIT #3

Charter Application

EXHIBIT #4

Pre-Opening Requirements

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Approval of Leadership Academy of Nevada’s request to delay commencement of operation for 1 school year (SY2013 – 2014) in order to become operational in SY 2014-2015

- / / Public Workshop
- / / Public Hearing
- / / Consent Agenda
- / / Regulation Adoption
- / / Approval
- / / Appointments
- / x/ Information
- / x/ Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 7

NUMBER OF ENCLOSURE(S): 0

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION: Approve the delay in commencement until SY 2014-2015

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 10 mins

BACKGROUND:

On January 8, 2013, the State Public Charter School Authority approved the proposed charter application for the Leadership Academy of Nevada. Shortly thereafter, a Subsection 7 Charter was issued pursuant to NRS 386.527(7) expiring June 30, 2015.

The 2013 Legislature enacted changes to charter school law to allow the Authority or the governing body of the charter school to request that the sponsor authorize the charter school to delay commencement of operation for 1 school year. On August 8, 2013 the Leadership Academy of Nevada requested that the SPCSA authorize the charter school to delay commencement from the 2013-2014 school year to the 2014-2015 school year.

It is the recommendation of staff that the State Public Charter School Authority authorize Leadership Academy of Nevada to delay commencement of operations for one (1) school year (SY2013-2014) in order to commence operation for the 2014-2015 school year.

A charter contract will subsequently be negotiated and put before the Authority for approval.

SUBMITTED BY: _____

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Approval of Nevada Performance Academy's request to delay commencement of operation for 1 school year (SY2013 – 2014) in order to become operational in SY 2014-2015

- / / Public Workshop
- / / Public Hearing
- / / Consent Agenda
- / / Regulation Adoption
- / / Approval
- / / Appointments
- / x/ Information
- / x/ Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 8

NUMBER OF ENCLOSURE(S): 0

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION: Approve the delay in commencement until SY 2014-2015

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 10 mins

BACKGROUND:

On October 19, 2012, the State Public Charter School Authority approved the proposed charter application for the Nevada Performance Academy. Shortly thereafter, a Subsection 7 Charter was issued pursuant to NRS 386.527(7) expiring June 30, 2015.

The 2013 Legislature enacted changes to charter school law to allow the Authority or the governing body of the charter school to request that the sponsor authorize the charter school to delay commencement of operation for 1 school year. On August 6, 2013 the Nevada Performance Academy requested that the SPCSA authorize the charter school to delay commencement from the 2013-2014 school year to the 2014-2015 school year.

It is the recommendation of staff that the State Public Charter School Authority authorize Nevada Performance Academy to delay commencement of operations for one (1) school year (SY2013-2014) in order to commence operation for the 2014-2015 school year.

A charter contract will subsequently be negotiated and put before the Authority for approval.

SUBMITTED BY: _____

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Discussion and possible action on NAC revisions proposed by the Authority for consideration by the State Board of Education for adoption Authority and Doral Academy of Nevada

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x / </u>	Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 9

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins

BACKGROUND:

SUBMITTED BY: _____

Comments in red

NAC 386.010 Definitions. (NRS 386.540) As used in NAC 386.010 to 386.445, inclusive, 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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R193-01, 4-1-2002; A by Bd. of Education by R206-01, 4-1-2002; A by Dep't of Education by R044-05, 10-31-2005; R171-05 & R188-05, 2-23-2006; R207-07, 6-17-2008; R169-07, 9-18-2008; R061-08, 9-18-2008)

NAC 386.015 "Authorized insurer" defined. (NRS 386.540) "Authorized insurer" has the meaning ascribed to it in NRS 679A.030.

(Added to NAC by Dep't of Education by R044-05, eff. 10-31-2005)

NAC 386.020 "Charter school" defined. (NRS 386.540) "Charter school" means a public school that is formed pursuant to NRS ~~386.500~~ 386.490 to 386.610, inclusive, and NAC 386.010 to 386.415, inclusive.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R044-05, 10-31-2005)

NAC 386.030 "Department" defined. (NRS 386.540) "Department" means the Department of Education.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98)

~~**NAC 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.~~

~~—(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R170-07, 9-18-2008)~~

NAC 386.033 is now in NRS 386.562.

NAC 386.037 "Fiscal year" defined. (NRS 386.540) "Fiscal year" means the 12-month period beginning on the first day of July and ending on the last day of June.

(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002)

NAC 386.040 "Governing body" defined. (NRS 386.540) "Governing body" means the governing body of a charter school that is established pursuant to NRS 386.549 and NAC 386.345.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R193-01, 4-1-2002)

NAC 386.045 "Operational charter school" defined. (NRS 386.540) (~~NRS 385.080, NRS 386.578~~) Two new NRS citations added so that we can eliminate NAC 386.430 which also defines operational charter school but cites these two NRS. "Operational charter school" means a charter school in which pupils are enrolled who are receiving instruction from the charter

school and includes the school's startup period between July 1 immediately preceding the school's first year of operation and the first day instruction is provided by the school.

(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002)

"First day of operation" defined. For the purposes of NRS 386.527(9) [AB 205 version], the first day of operation of a charter school shall be July 1 immediately preceding the first day of instruction provided by the school.

NAC 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, *the State Public Charter School Authority* 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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000; R193-01, 4-1-2002; R169-07, 9-18-2008)

"Charter Contract" is defined in AB 205, Sec 2. The definition of Written Charter should be maintained in NAC until January 2020.

Proposed new NAC: *The charter contract shall address, without limitation:*

- *Operation of the school;*
- *Educational Program;*
- *Charter School Finance;*
- *Insurance and legal liabilities;*
- *Transparency and accountability;*
- *Oversight;*
- *Termination and default termination;*
- *Closure;*
- *Dispute resolution;*
- *School performance standards and review; and*
- *Contract Construction.*

The charter contract shall incorporate, without limitation:

- *The charter school performance framework;*
- *Articles of incorporation, if applicable;*
- *Governing body bylaws;*
- *Charter contract renewal application, as applicable;*
- *Approved charter application; and*
- *Pre-opening requirements.*

Formation

NAC 386.090 Committee to form charter school and governing body: Interpretation of statutory qualification for membership. (NRS 386.520, 386.540, 386.549) As used in subsection 4 of NRS 386.520 and subsection 5 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.

(Added to NAC by Dep’t of Education by R193-01, eff. 4-1-2002)

NAC 386.100 Administrative head: Selection; qualifications and responsibilities; notification of selection or replacement. (NRS 386.540, 386.590)

1. A committee to form a charter school may select a person to function as the administrative head of the proposed charter school. The governing body of a charter school may select a person to function as the administrative head of a charter school.

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 *or charter contract, as applicable*, of the school; 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 charter school subsequently selects an administrative head, 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. 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.

(Added to NAC by Dep’t of Education by R196-97, eff. 3-13-98; A by R193-01, 4-1-2002)

NAC 386.110 Appointment of liaison between committee to form charter school and ~~Department~~ (proposed sponsor). (NRS 386.540) 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*.

(Added to NAC by Dep’t of Education by R196-97, eff. 3-13-98)

For 386.120, below, the AB 205 revision of NRS 386.540 has the following new requirements:
“The NDE shall adopt regulations that prescribe:

- The timeline for review by the NDE of an application for authority to sponsor charters submitted by a school district or college/university;
- The process for NDE to review the application for authority to sponsor charters;

- The process for NDE to conduct a comprehensive review of the sponsors it has approved at least once every 3 years;
- The process for NDE to determine whether to continue or revoke the authorization for a school district or college/university to sponsor schools.

The NDE has always had to prescribe the contents of the application; that's not a new requirement.

Additionally, the regs must indicate that all of the above pertains to colleges/universities as well as school districts.

NAC 386.120 Sponsorship of charter schools by board of trustees *or a college or university within the Nevada System of Higher Education: Application for authorization.* (NRS 386.515, 386.540)

1. The Department will prescribe ~~forms~~ *the contents of the application* for the use of the board of trustees of a school district *or a college or university* in applying for authorization to sponsor charter schools pursuant to NRS 386.515. The following information must be provided on the application:

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

(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*.

(c) *The school district or college or university's plan for:* The following come from NRS 386.515.

- *Evaluating, approving and declining charter school applications;*
- *Determining whether a charter school application is high quality, meets pupil's identified educational needs, and serves to promote the diversity of public educational choices;*
- *Negotiating and executing charter contracts with charter school governing bodies;*
- *Monitoring the performance and compliance of each charter school sponsored by the school district or college or university; and*
- *Determining whether the charter contract merits renewal or shall be revoked.*

(d) *The school district or college or university's chartering policies and practices including but not limited to:*

- *Organizational capacity and infrastructure;*
- *Procedure and criteria for evaluating charter school applications;*
- *Procedure and criteria for evaluating charter contract renewal applications;*
- *Maintaining oversight of the charter schools it sponsors; and*
- *Evaluating the charter schools it sponsors.*

2. Upon completion of the ~~forms~~ *application* prescribed pursuant to subsection 1, the board of trustees of a school district *or college or university* that applies for authorization to sponsor

charter schools pursuant to NRS 386.515 shall forward the application to the Department for review and approval or denial.

3. *Within 30 days of receipt of an application prescribed pursuant to subsection 1, the Department shall review the application and prepare a recommendation for approval or denial of the application by the State Board of Education at its next regularly scheduled meeting. The Department shall notify the applicant for sponsorship authority of its recommendation and the State Board's denial or approval of the application, as applicable, within 15 days following the State Board meeting.*

4. *If the application to sponsor charter schools is denied, the applicant must be informed of the reasons for denial and allowed to resubmit the application within 30 days of receipt of the written notice of denial.*

5. *The Department shall review for compliance with applicable statute and regulation and best national sponsoring practices the performance of each school district or college or university sponsor of a charter school once every three years. Such review shall consider, without limitation, the report submitted by the charter school sponsor pursuant to Section 19 of AB 205. The result of such review by the Department shall determine whether the Department continues or revokes the sponsor's authorization to sponsor charter schools.*

6. *Current sponsors of charter schools shall submit an application for reauthorization to sponsor charter schools pursuant to subsection 1 to the Department for approval or denial by the Department.*

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98)

NAC 386.125 Submission and contents of letter of intent to form charter school. (NRS 386.525, 386.540)

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* no fewer than 15 days before the application is submitted.

2. The letter of intent must include:

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

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

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

(e) 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 *Public Charter School Authority*. ~~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.~~

(Added to NAC by Dep't of Education by R163-99, eff. 2-2-2000; A by R024-01, 11-1-2001; R193-01, 4-1-2002; R171-05, 2-23-2006; R169-07, 9-18-2008)

NAC 386.130 Application to form charter school: Forms; restrictions on submission and acceptance. (NRS 386.520, 386.525, 386.540)

1. ~~The Department~~ ***State Public Charter School Authority and each sponsor approved by the Department pursuant to NRS 386.515*** 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;~~

(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~~ ***Public Charter School Authority***, pursuant to NRS 386.525,

↳ to form a charter school.

2. An application to form a charter school must not propose to form a charter school in more than one county. ~~The Department~~ ***A proposed sponsor*** will 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.~~ 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~~ ***Public Charter School Authority***, pursuant to NRS 386.525,

↳ must be submitted on forms prescribed pursuant to subsection 1 and must be submitted to the Department not later than 5 p.m. on September 1 ***proposed sponsor during the last five 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. Upon receipt of an application, including an application that has been denied by the proposed sponsor and resubmitted pursuant to NRS 386.525(6) or (9), staff for the proposed sponsor shall provide to the sponsor the application.

5. Based on review of an application by the proposed sponsor's staff, staff shall recommend to the proposed sponsor at the meeting to be held pursuant to NRS 386.525(4) or (8), as applicable, approval or denial of the application.

6. If an application that was denied by a proposed sponsor is resubmitted pursuant to NRS 386.525(6) or (9), the proposed sponsor shall consider the resubmitted application at a meeting that must be held not later than 60 days after the receipt of the application, or a later period mutually agreed upon by the committee to form the charter school and the proposed sponsor.

7. 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~~ ***A proposed sponsor will shall*** not accept an application from a committee whose membership includes a:

- (a) Potential contractor of the proposed charter school;
- (b) Potential lessor of a facility that the proposed charter school may lease; or
- (c) 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.~~

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000; R024-01, 11-1-2001; R193-01, 4-1-2002; R060-02, 12-17-2002; R011-03, 10-30-2003; R044-05, 10-31-2005; R169-07, 9-18-2008)

NAC 386.135 Application to form charter school: Proposed dates of enrollment for first year of operation. (NRS 386.520, 386.540) For the purposes of paragraph (d) of subsection 2 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 days before the date on which the charter school will open.

(Added to NAC by Dep't of Education by R071-10, eff. 10-15-2010)

NAC 386.140 Application to form charter school: Inclusion of information regarding facility, personnel and equipment. (NRS 386.520, 386.540) In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to ~~the Department~~ ***a proposed sponsor*** 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;
 - (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 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;

(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.~~

(f), above, has rarely, if ever, been used by an applicant.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R045-98, 5-29-98; R163-99, 2-2-2000; R193-01, 4-1-2002; R044-05, 10-31-2005)

NAC 386.150 Application to form charter school: Inclusion of information regarding educational program. (NRS 386.520, 386.540) In addition to the items required pursuant to

subsection 2 of NRS 386.520, an application submitted to the ~~Department~~ *a proposed sponsor* 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~~ *charter term*.
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 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;
 - (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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000; R193-01, 4-1-2002; R011-03, 10-30-2003)

NAC 386.160 Application to form charter school: Inclusion of information regarding committee to form charter school, and governance and staffing. (NRS 386.520, 386.540) In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to the Department *a proposed sponsor* pursuant to that subsection by a committee 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 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 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.

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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R045-98, 5-29-98; R163-99, 2-2-2000; R193-01, 4-1-2002)

NAC 386.170 Application to form charter school: Inclusion of information regarding issues of health and safety. (NRS 386.520, 386.540) In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to ~~the Department~~ *a proposed sponsor* pursuant to that subsection by a committee 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* 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* that the committee 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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000)

NAC 386.180 Application to form charter school: Inclusion of certain miscellaneous information. (NRS 386.520, 386.540) In addition to the items required pursuant to subsection 2 of NRS 386.520, an application submitted to ~~the Department~~ *a proposed sponsor* 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, telephone number and, if applicable, the electronic mail address 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 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 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, 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 contract that will be used for 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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R045-98, 5-29-98; R163-99, 2-2-2000; R193-01, 4-1-2002; R011-03, 10-30-2003; R078-03, 1-23-2004; R044-05, 10-31-2005; R169-07, 9-18-2008; R071-10, 10-15-2010)

~~NAC 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.~~

~~— (Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R045-98, 5-29-98; R163-99, 2-2-2000; R024-01, 11-1-2001; R169-07, 9-18-2008)~~

See AB 205, Sec 6.

~~NAC 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.~~

~~— (Added to NAC by Dep't of Education by R169-07, eff. 9-18-2008)~~

See AB 205, Sec 7.

For NAC 386.200, .201, and .203: AB 205, Section 7 seems to address everything in these regs, so I suggest deleting all three.

~~NAC 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 *or charter contract, as applicable*, 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 *or charter contract, as applicable*.~~

~~—(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R045-98, 5-29-98; R163-99, 2-2-2000; R024-01, 11-1-2001; R193-01, 4-1-2002; R078-03, 1-23-2004)~~

~~— NAC 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 *or charter contract, as applicable*, 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 *or charter contract, as applicable*.~~

~~—(Added to NAC by Dep't of Education by R207-07, eff. 6-17-2008)~~

NAC 386.202 Review of and restrictions on application to form charter school submitted to Subcommittee on Charter Schools the State Public Charter School Authority after previous denials of application; approval or denial of application by State Board of Education Public Charter School Authority. (NRS 386.525, 386.527, 386.540)

1. If the Subcommittee on Charter Schools *State Public Charter School Authority* receives an application to form a charter school pursuant to subsection 4 *1 or 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 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, *the second time*, 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 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, *State Public Charter School Authority* shall:

— (a) Consider the application in accordance with NAC 386.204 along with any reports generated by the employees of the Department *State Public Charter School Authority* 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 *Public Charter School Authority* 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 *Public Charter School Authority* 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 *Public Charter School Authority* approves an application, the:

— (a) Written charter ~~or charter contract, as applicable~~, must include the application, as approved, and a written agreement signed by the President of the State Board ~~chair of the State Public Charter School Authority~~ 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 ~~or charter contract, as applicable~~.

— (Added to NAC by Dep't of Education by R078-03, 1-23-2004; A by R044-05, 10-31-2005; R171-05, 2-23-2006; R169-07, 9-18-2008; R061-08, 9-18-2008)

~~NAC 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 ~~Public Charter School Authority~~ 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.~~

~~(Added to NAC by Dep't of Education by R169-07, eff. 9-18-2008)~~

NAC 386.204 Grounds for denial by State Board of Education *a proposed sponsor* of application to form charter school for sponsorship by State Board. (NRS 386.525, 386.527, 386.540)

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

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

~~(b) If 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) *If the application fails to demonstrate a commitment to serving all students, including students with disabilities and English language learners, to a high standard.*~~

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

~~3. The State Board of Education *A proposed sponsor* may deny an application if the State Board *proposed sponsor* determines that the curriculum or instruction *educational plan* 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) Supported by sound evidence, as provided by the applicant, which demonstrates the effectiveness of the curriculum or instruction *educational plan*; or~~

~~(d) *Aligned with the unique educational needs of the population targeted by the proposed school.*~~

~~4. The State Board of Education *A proposed sponsor* may deny an application if the State Board *the 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.

5. ~~The State Board of Education~~ *A proposed sponsor* may deny an application 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.

6. ~~The State Board of Education~~ *A proposed sponsor* may deny an application 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*.

7. *A proposed sponsor may deny an application if the proposed sponsor determines that the application fails to meet evaluation criteria established and publicized by the proposed sponsor.*

8. *A proposed sponsor may deny an application if the proposed sponsor determines, through the capacity interview process or based on the contents of the application, that the members of the committee to form the school lack the capacity to oversee:*

- *The successful development and implementation of the education program presented in the application;*
- *The effective and responsible management of public funds; or*
- *The school's compliance with its legal obligations.*

9. *A proposed sponsor may deny an application that proposes to contract with an educational management organization if the proposed sponsor determines that the application fails to provide a compelling explanation of the due diligence conducted by the committee to form the school in selecting the educational management organization. Such due diligence shall include, without limitation:*

- *Consideration of potential educational service providers other than the one chosen by the committee to form the school;*
- *A statement of the reason for the selection of the chosen educational management organization; and*
- *Evidence of the chosen educational management organization's success in:*
 - *Serving populations similar to the population that the applicant intends to serve;*
 - *Achieving academic goals; and*
 - *Managing nonacademic school functions.*

(Added to NAC by Dep't of Education by R061-08, eff. 9-18-2008)

REVISER'S NOTE.

The regulation of the Department of Education filed with the Secretary of State on September 18, 2008 (LCB File No. R061-08), the source of this section, contains the following provisions not included in NAC:

"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 2 and 3 of this regulation [NAC 386.204 and 386.403].

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 2 and 3 of this regulation [NAC 386.204 and 386.403]."

NAC 386.205 Submission of certificate of occupancy for certain facilities. (NRS 386.540)

1. 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.

(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R044-05, 10-31-2005)

NAC 386.210 Duty of governing body to provide written notice of changes in facility mailing address. (NRS 386.540) 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 ~~sponsor of the charter school and the Department~~ of any changes in the facility *mailing address* of the charter school, ~~including, without limitation, any change in the location of the charter school.~~

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000; R193-01, 4-1-2002)

NAC 386.215 Provision and maintenance of insurance coverage. (NRS 385.080, 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) 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~~ *additional* 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. As used in this section, "motor vehicle" has the meaning ascribed to it in NRS 485.050.

(Added to NAC by Dep't of Education by R044-05, eff. 10-31-2005; A by R074-07, 10-31-2007; A by Bd. of Education by R026-09, 10-27-2009)

~~— **NAC 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 ~~or charter contract, as applicable~~, if necessary, to reflect any such agreements entered into after the written charter ~~or charter contract, as applicable~~, 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.~~

See AB 205, Sec 8.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R024-01, 11-1-2001; R193-01, 4-1-2002; R171-05, 2-23-2006; R169-07, 9-18-2008)

NAC 386.223 **Advisory committee required to comply with Open Meeting Law.** (NRS 386.540) If the governing body of a charter school establishes an advisory committee, the advisory committee shall comply with the provisions of chapter 241 of NRS.

(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002)

~~NAC 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.~~

~~—(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002)~~

See SB 384, Sec 30.

~~NAC 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.~~

~~—(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R193-01, 4-1-2002)~~

See AB 205, Sec 8.

~~NAC 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.~~

~~— (Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R011-03, 10-30-2003; A by Bd. of Education by R063-03, 10-30-2003; A by Dep't of Education by R044-05, 10-31-2005; R169-07, 9-18-2008; A by Bd. of Education by R025-09, 10-27-2009)~~

See AB 205, Sec 8.

Amendment, Renewal and Revocation of Charters; Closure

~~**NAC 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.~~

~~— (Added to NAC by Dep't of Education by R196-97, eff. 3-13-98)~~

See AB 205, Sec 9.

~~— **NAC 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.~~

~~— (Added to NAC by Dep't of Education by R196-97, eff. 3-13-98)~~

See AB 205, Sec 9.

~~— **NAC 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 *Public Charter School Authority* is the sponsor, one or more employees of the Department *State Public Charter School Authority*, 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 *State Public Charter School Authority*, as applicable, pursuant to subsection 1 at a public meeting for which notice has been provided pursuant to chapter 241 of NRS.
— (Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R193-01, 4-1-2002; R169-07, 9-18-2008; R071-10, 10-15-2010)~~

NAC 386.323 Request for change in sponsorship of charter school. (NRS 385.080, 386.527)

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 *or charter contract, as applicable*, 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 school is in sound financial condition as determined by the most recent annual audit required by NAC 387.775;

(b) The 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;

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

(d) The school agrees to sign a new ~~written agreement~~ *charter contract* with the new sponsor. The ~~written agreement~~ *charter contract* may differ from the written agreement *or charter contract, as applicable*, 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.

(Added to NAC by Bd. of Education by R188-05, eff. 2-23-2006; A by R135-07, 4-17-2008; R026-09, 10-27-2009)

Highlighted text: Not sure what the new designations are

NAC 386.325 Amendment of written charter *or charter contract, as applicable*: Request; authority for approval by staff of sponsor. (NRS 386.520, 386.540) Except as otherwise provided in NAC 386.326 and 386.3265, 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.

(Added to NAC by Dep't of Education by R171-05, eff. 2-23-2006; A by R071-10, 10-15-2010)

New Regulation: *Changes to the written charter or charter contract, as applicable, including changes to charter contract exhibits, that require sponsor approval shall be deemed material amendments. All other changes to the written charter or charter contract, as applicable, require the charter school to notify the sponsor of the change. Material amendments include, without limitation:*

- *Adding or subtracting a facility regardless whether the facility would be used for instruction or not;*
- *Revising the governing body bylaws;*
- *Revising the articles of incorporation, if applicable;*
- *Adding or subtracting a grade level for which the charter school provides instruction;*
- *Increasing or decreasing total school enrollment beyond limits provided for in the charter contract;*
- *Changing the name of the charter school;*
- *Entering into or terminating a contract with an educational management organization;*
- *Changing the AB 205 Section 3, subsection 2 performance indicators that are specific to the mission of the charter school; and*
- *Changes to the curriculum that the sponsor determines cause the curriculum within the charter application to cease to be in operation.*

Changes not requiring sponsor approval but requiring the charter school to notify the sponsor include, without limitation:

- *Charter school and administrator contact information including mailing address, telephone and fax number, email and website addresses;*
- *Charter school administrator; and*
- *Governing body membership.*

Proposed changes not identified above as material amendments or changes requiring only sponsor notification shall be submitted to the sponsor for sponsor determination whether the proposed change would constitute a material amendment.

To request from a charter school's sponsor a material amendment of the written charter or charter contract, as applicable, the school's governing body shall, in a meeting that complies with the provisions of chapter 241 of NRS, take action to direct the school's administrator to request of the sponsor the material amendment.

A charter school sponsor may base denial of a material amendment on the charter school's standing in regard to the school's performance framework.

NAC 386.326 Amendment of written charter: Request to expand instruction to grade levels of pupils other than those for which charter school is currently approved. (NRS 386.527, 386.540)

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 first year during which the grade level is to be operated.

(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 1 to determine if the written request:

(a) Complies with NRS 386.500 to 386.610, 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 sponsor of the charter school finds pursuant to subsection 3 that the written request is compliant and complete, *and the school is in good standing regarding its performance framework*, the sponsor may approve the request.

(Added to NAC by Dep't of Education by R071-10, eff. 10-15-2010)

NAC 386.3265 Amendment of written charter: Request to occupy new or additional facility. (NRS 386.527, 386.540)

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, 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 *or charter contract, as applicable*, not later than 15 days before the date on which the charter school proposes to occupy the facility.

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) A copy of the certificate of occupancy for the facility.
- (g) 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.
- (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 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 to 386.610, inclusive, and the regulations applicable to charter schools; and
 - (2) Is complete in accordance with the regulations of the Department.

4. Within 10 *working* 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 finds pursuant to subsection 3 that the written request is compliant and complete, *and the school is in good standing regarding its performance framework*, the sponsor may approve the request.

6. The governing body of a charter school shall not occupy the proposed facility until the governing body has received written notice of approval of the written request from the sponsor of the charter school.

(Added to NAC by Dep't of Education by R071-10, eff. 10-15-2010)

~~NAC 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.~~

~~—(Added to NAC by Dep't of Education by R171-05, eff. 2-23-2006)~~

Proposed new regulation regarding termination for persistent academic underperformance, from our Performance Framework document:

For the purposes of NRS 386.535(1)(a)(4) (AB 205 version of revocation statute), a persistently underperforming SPCSA-sponsored charter school is one with:

- *Any combination of “unsatisfactory” or “critical” designations on the Authority’s Academic Framework; and*
- *A two star or one star ranking on the Nevada School Performance Framework maintained by the Department for three consecutive academic reporting cycles.*

NAC 386.330 Procedure for revocation of written charter. (NRS 386.535, 386.540) If the sponsor of a charter school intends to revoke the written charter *or terminate the charter contract, as applicable*, of a charter school 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 pursuant to NRS 386.535.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000; R193-01, 4-1-2002; R045-06, 8-31-2007; R169-07, 9-18-2008)

NAC 386.335 Closure: Duties of governing body, sponsor and Department; failure of compliance by licensed teacher who is member of governing body. (NRS 386.536, 386.540)

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, *the charter contract is terminated* or 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, ~~and the employees of the charter school~~, *the parent or legal guardian of each pupil enrolled in the charter school, the board of trustees of each school district in which a pupil enrolled in the charter school resides, the Director of the Department of Business and Industry and the creditors of the charter school* which includes:

(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 plan of the charter school to assist pupils to identify and transfer to another school, including notification that school districts may receive pupils for enrollment upon the closure; and

(6) The telephone number, mailing address and physical address of the charter school office required to be maintained pursuant to 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;~~

~~(db)~~ 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;

~~(ec)~~ 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;

~~(fd)~~ Return any remaining restricted assets to their source, such as grant money and money contained in restricted categorical funds;

~~(ge)~~ 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;

(hf) Submit to the sponsor of the charter school a report of the income tax documentation for the employees of the charter school;

(ig) 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

(jh) 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, *the charter contract is terminated* 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) 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. If a licensed teacher who is a member of the governing body of a charter school fails to comply with subsection 1 or paragraph (b) of subsection 3, 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.

(Added to NAC by Dep't of Education by R057-04, eff. 8-25-2004; A by R169-07, 9-18-2008)

Operation and Finances

NAC 386.340 Location of facilities. (NRS 386.540)

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**;

(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 one county.

(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002)

NAC 386.341 Compliance with Occupational Safety and Health Act. (NRS 386.540)

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 that the facility the charter school occupies~~ **ensure that its facility** has been 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.

(Added to NAC by Dep't of Education by R171-05, eff. 2-23-2006)

NAC 386.342 Equipment and supplies: Removal from premises; disposition upon closure; written inventory. (NRS 386.540)

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 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.~~

(Added to NAC by Dep't of Education by R057-04, eff. 8-25-2004)

NAC 386.343 Governing body: Interpretation of "parents" for purpose of membership. (NRS 386.540, 386.549) The Department will interpret "parents," as used in

subsection 1 of NRS 386.549, to mean parents and legal guardians of children enrolled in and attending the charter school for which the governing body is formed.

(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002)—(Substituted in revision for NAC 386.060)

NAC 386.345 Governing body: Restrictions on membership; responsibilities; submission of certain information to Department and sponsor; approval of minutes of public meetings. (NRS 386.540, 386.549)

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. *Except as otherwise provided for by NRS 281.210(2)(a)*, 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 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. 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. Not later than 5 business days after the governing body of a charter school is selected, the governing body shall submit to the Department *and the sponsor*:

(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 of NRS 386.549, a photocopy of his or her license to teach; and

(e) 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*, See SB 443, Sec 7

↪ as required pursuant to NRS 386.549.

(f) The response to the Request for Information from Prospective Charter School Board Members of each member.

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

6. 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. Not later than 30 business days after each public meeting held by the governing body of a charter school pursuant to subsection 4 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. If the minutes of a meeting have not been approved by the governing body when it submits the minutes pursuant to subsection 7, the governing body shall:

(a) Submit a written statement, accompanying the minutes that are submitted pursuant to subsection 7, 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.

9. As used in this section, "public officer" has the meaning ascribed to it in NRS 281A.160. (Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R060-02, 12-17-2002; R045-05, 10-31-2005; R171-05, 2-23-2006; R169-07, 9-18-2008; R170-07, 9-18-2008; R071-10, 10-15-2010)

NAC 386.350 Governing body: Miscellaneous duties. (NRS 386.540) 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. 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:

(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. 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. 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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R163-99, 2-2-2000; R024-01, 11-1-2001; R193-01, 4-1-2002; R011-03, 10-30-2003)

NAC 386.353 Restrictions on limitation of enrollment of pupils; establishment of waiting list and lottery system for enrollment; application to limit enrollment or for waiver to enroll from waiting list. (NRS 386.540, 386.580)

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, as applicable*, of the charter school 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 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 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.

(Added to NAC by Dep't of Education by R071-10, eff. 10-15-2010)

NAC 386.355 Apportionment from State Distributive School Account: Count day; prerequisite to receive apportionments. (NRS 386.540, 386.570)

1. The count day for a charter school is the same as the count day for the school district in which the charter school is located and is the last day of the first school month of that school district.

2. To receive apportionments from the State Distributive School Account, a charter school must have pupils enrolled and attending school and account for at least 20 school days in the first school month, which may include days on which class is not in session, including, without limitation, in-service days and conference days for teachers.

3. If an individual pupil is enrolled and attending a charter school at least 1 school day before the count day, that pupil will be counted.

(Added to NAC by Dep't of Education by R011-03, eff. 10-30-2003; A by R044-05, 10-31-2005)

NAC 386.357 Apportionment from State Distributive School Account: Submission of enrollment information before payment of first apportionment in first year of operation. (NRS 386.540, 386.570) 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~~ *school's sponsor*:

1. In an ~~electronic~~ format prescribed by the Department *school's 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.

(Added to NAC by Dep't of Education by R071-10, eff. 10-15-2010)

NAC 386.360 Maintenance and forwarding of permanent records of pupils; failure of compliance by licensed teacher who is member of governing body. (NRS 386.540)

1. The governing body of a charter school shall ensure that a permanent record for each pupil enrolled in the charter school is maintained 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. The governing body of a charter school shall ensure that records maintained pursuant to subsection 1 are kept in a location that is safe and secure and affords reasonable protection from:

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

3. If a charter school closes, the charter school shall, for each pupil enrolled in the charter school, forward the permanent record of the pupil to the office of pupil records of the school district in which the pupil resides.

4. If a pupil graduates or withdraws from a charter school, the charter school shall forward the permanent record of the pupil to the office of pupil records of the school district in which the pupil resides.

5. If a licensed teacher who is a member of the governing body of a charter school fails to comply with subsections 1 and 2, 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.

(Added to NAC by Dep't of Education by R196-97, eff. 3-13-98; A by R193-01, 4-1-2002; R057-04, 8-25-2004)

NAC 386.365 Reporting of data required for automated system of accountability information for Nevada. (NRS 386.540, 386.650) 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;

2. The Department if the State ~~Board of Education~~ *Public Charter School Authority* is the sponsor of the charter school; or

3. The Department if 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.

(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002; A by R171-05, 2-23-2006; R169-07, 9-18-2008; A by Bd. of Education by R025-09, 10-27-2009)

NAC 386.400 Contracts for services: Required provision; submission of certain information by governing body to sponsor and Department. (NRS 386.540, 386.560)

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 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.~~

(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R071-10, 10-15-2010)

~~**NAC 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.~~
- ~~— (Added to NAC by Dep't of Education by R061 08, eff. 9-18-2008)~~

REVISER'S NOTE.

~~— The regulation of the Department of Education filed with the Secretary of State on September 18, 2008 (LCB File No. R061-08), the source of this section, contains the following provisions not included in NAC:~~

~~— "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 2 and 3 of this regulation [NAC 386.204 and 386.403]."~~

~~—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 2 and 3 of this regulation [NAC 386.204 and 386.403].~~

~~—Sec. 7. 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 [NAC 386.403].~~

~~—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 [NAC 386.403].²²~~

See NRS 386.562

NAC 386.405 Contracts with educational management organizations: Initial term; renewal; prohibited provisions; approval of key personnel by governing body; annual performance review by governing body; submission of written report by educational management organization; effect of reference to a particular educational management organization in written charter. (NRS 386.540, 386.590)

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.

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, 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, 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 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, the inclusion of a reference to that particular educational management organization in the written charter 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 accordingly to remove any errant references to that educational management organization.

(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R170-07, 9-18-2008; R071-10, 10-15-2010)

NAC 386.407 Limitations on provision of teachers and other personnel by educational management organization. (NRS 386.540, 386.590)

1. Except as otherwise provided in subsection 2, the governing body of a charter school may not contract with an educational management organization for the provision of more than 30 percent of the teachers or other personnel who are required to be licensed pursuant to NRS 386.590.

2. The provisions of subsection 1 do not apply to a contract between the governing body of a charter school and an educational management organization for the provision of teachers or other personnel who:

(a) Hold an endorsement pursuant to NAC 391.223, 391.243, 391.277, 391.279, 391.315, 391.340, 391.343, 391.350 to 391.383, inclusive, 391.390 or 391.391; and

(b) Work at the charter school in the field in which they hold the endorsement.

(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002)

NAC 386.409 Calculation of ratio for employment of licensed teachers; exception for vocational charter school. (NRS 386.540, 386.590)

1. Except as otherwise provided in subsection 2, to comply with subsection 1 of NRS 386.590, the total number of licensed teachers employed by a charter school to provide instruction must be equal to or more than the product of 70 percent multiplied by the total number of persons employed full-time and part-time by the charter school to provide instruction.

2. The provisions of this section do not apply to a charter school that is a vocational school as described in NAC 386.415.

(Added to NAC by Dep't of Education by R060-02, eff. 12-17-2002; A by R202-03, 3-19-2004)

~~**NAC 386.410 Performance audits: Report of compliance.** (NRS 385.080, 386.540, 386.5515) 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 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 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 submit to the performance audit every 3 years. 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 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.~~

~~—(Added to NAC by Dep't of Education by R193-01, eff. 4-1-2002; A by R060-02, 12-17-2002; R011-03, 10-30-2003; R058-04, 8-25-2004; R044-05, 10-31-2005; R171-05, 2-23-2006; R171-05, 2-23-2006, eff. 7-1-2006; A by Bd. of Education by R135-07, 4-17-2008; A by Dep't of Education by R169-07, 9-18-2008; A by Bd. of Education by R026-09, 10-27-2009)~~

~~NAC 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 (e) 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.~~

~~—(Added to NAC by Bd. of Education by R135-07, eff. 4-17-2008)~~

NAC 386.415 Vocational school: Interpretation of term for certain purposes; requirements for career and technical education. (NRS 386.540, 386.590, 388.360)

1. For the purposes of subsection 1 of NRS 386.590, the Department *and sponsor* will consider a charter school to be a “vocational school” if the charter school provides:

(a) Instruction in at least grades 9 through 12, inclusive; and

(b) A progression of courses within one or more of the occupational areas identified in NAC 389.516 that prepares a pupil for entry level employment in an occupational area.

2. A charter school that is a vocational school shall comply with subsection 3 of NAC 389.800, and the courses in career and technical education offered by such a school must comply with subsection 1 of that section.

(Added to NAC by Dep’t of Education by R202-03, eff. 3-19-2004; A by Bd. for Career & Tech. Educ. by R172-05, 2-23-2006)

Fund for Charter Schools

NAC 386.420 Definitions. (NRS 385.080, 386.578) As used in NAC 386.420 to 386.445, inclusive, unless the context otherwise requires, the words and terms defined in NAC 386.425 and 386.430 have the meanings ascribed to them in those sections.

(Added to NAC by Bd. of Education by R206-01, eff. 4-1-2002)

NAC 386.425 “Fund” defined. (NRS 385.080, 386.578) “Fund” means the Fund for Charter Schools created pursuant to NRS 386.576.

(Added to NAC by Bd. of Education by R206-01, eff. 4-1-2002)

~~NAC 386.430 "Operational charter school" defined. (NRS 385.080, 386.578)~~
~~"Operational charter school" means a charter school in which pupils are enrolled who are receiving instruction from the charter school.~~

~~—(Added to NAC by Bd. of Education by R206-01, eff. 4-1-2002)~~

NAC 386.435 Application for loan from Fund; annual determination of balance of money in Fund. (NRS 385.080, 386.578)

1. An application for a loan from the Fund must be submitted by the governing body of a charter school to the ~~Department~~ **State Public Charter School Authority between January 1 and March 15 on or before September 30** of the calendar year immediately preceding the calendar year in which the loan will be made. The ~~Department~~ **State Public Charter School Authority** shall not accept an application for a loan from the Fund unless the ~~Department~~ **State Public Charter School Authority** has determined pursuant to subsection 2 that the balance of money in the Fund 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~~ **State Public Charter School Authority** may contact regarding the application.

(c) The proposal of the charter school to repay the loan, consistent with NAC 386.445.

(d) A description of:

(1) The financial needs of the charter school;

(2) The business plan for the charter school;

(3) The effect that receipt of the loan will have on the operation of the charter school;

(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) **For an operating charter school,** 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~~ *State Public Charter School Authority* shall determine the balance of money in the Fund. If the ~~Department~~ *State Public Charter School Authority* determines that the balance of money in the Fund is \$5,000 or more, the ~~Department~~ *State Public Charter School Authority* shall provide notice of that fact and the availability of loans from the Fund to each charter school that has been issued a written charter *or charter contract, as applicable*, pursuant to NRS 386.527.

(Added to NAC by Bd. of Education by R206-01, eff. 4-1-2002)

NAC 386.440 Priority for loans; considerations for approval of loans. (NRS 385.080, 386.578)

1. To the extent that money is available in the Fund, the ~~Department~~ *State Public Charter School Authority* shall grant priority for loans from the Fund to those charter schools with approved applications that will use the money obtained from the loan in preparing to commence the first year of operation.

2. In determining whether to approve an application, the ~~Department~~ *State Public Charter School Authority* shall consider the:

(a) Reliability of the business plan submitted with the application;

(b) Ability of the charter school to obtain financial assistance from other sources;

(c) Information submitted in the application; and

(d) Effect of approval of the application on the equitable geographic distribution throughout this State of loans from the Fund.

(Added to NAC by Bd. of Education by R206-01, eff. 4-1-2002)

NAC 386.445 Repayment of loans. (NRS 385.080, 386.540, 386.578)

1. The rate of interest for loans made from the Fund 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 Fund, 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~~ *State Public Charter School Authority*, 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 *non-operational* charter school that has a written charter *or a charter contract* issued pursuant to ~~subsection 7 of~~ NRS 386.527, 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~~ *outstanding balance* of the loan;

(b) Was issued a written charter 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;

(c) *Was issued a charter contract and the charter school fails to fulfill its pre-opening requirements for commencement of operation*

(ed) Closes or otherwise ceases operation,

↳ the charter school shall be solely liable for repayment of the full amount of the loan.

a) *Uses money received from this State to purchase any real property or other property, the governing body of the charter school shall assign a security interest in the property to the State of Nevada. If the charter school then closes or otherwise ceases operation, any real property or other property held by the charter school must be disposed of as provided in NRS 386.536.*

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.

(Added to NAC by Bd. of Education by R206-01, eff. 4-1-2002; A by Dep't of Education by R044-05, 10-31-2005)

CHARTER SCHOOL AND UNIVERSITY SCHOOL FOR PROFOUNDLY GIFTED PUPILS BUDGET AND FINANCE REGULATIONS

NAC 387.600 Short title. (NRS 386.540, 392A.060) The provisions of NAC 387.600 to 387.780, inclusive, may be cited as the Charter School and University School for Profoundly Gifted Pupils Budget and Finance Regulations.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.605 Purposes of Charter School and University School for Profoundly Gifted Pupils Budget and Finance Regulations. (NRS 386.540, 392A.060)

1. The purposes of NAC 387.600 to 387.780, inclusive, are:

(a) To establish standard methods and procedures for the preparation, presentation, adoption and administration of budgets of all charter schools and university schools for profoundly gifted pupils.

(b) To enable charter schools and university schools for profoundly gifted pupils to make financial plans for programs of both current and capital expenditures and to formulate fiscal policies to accomplish these programs.

(c) To provide for estimation and determination of revenues and expenditures.

(d) To provide for the control of revenues, expenditures and expenses in order to promote prudence and efficiency in the expenditure of public money.

(e) To provide specific methods enabling the public, taxpayers and investors to be apprised of the financial preparations, plans, policies and administration of all charter schools and university schools for profoundly gifted pupils.

2. For the accomplishment of these purposes, the provisions of NAC 387.600 to 387.780, inclusive, must be broadly and liberally construed.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.610 Definitions. (NRS 386.540, 392A.060) As used in NAC 387.600 to 387.780, inclusive, unless the context otherwise requires, the words and terms defined in NAC 387.615 to 387.685, inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.615 “Accrual basis” defined. (NRS 386.540, 392A.060) “Accrual basis” means the basis of accounting under which expenditures or expenses are recorded as soon as they result in liabilities for benefits received and revenues are recorded when earned, despite the possibility that the receipt of the revenue or the payment for the expense may take place, in whole or in part, in another accounting period.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.617 “Anticipated revenue” defined. (NRS 386.540, 392A.060) “Anticipated revenue” means the amount of revenue anticipated to be collected or accrued during a given period.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.619 “Appropriation” defined. (NRS 386.540, 392A.060) “Appropriation” means an authorization by a governing body to make expenditures and to incur obligations for specified purposes.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.622 “Assets” defined. (NRS 386.540, 392A.060) “Assets” means property which:

1. Is owned by a charter school or university school for profoundly gifted pupils; and
2. Has a monetary value.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.625 “Audit” defined. (NRS 386.540, 392A.060) “Audit” means the examination and analysis of financial statements, accounting procedures and other evidence made in conformity with generally accepted auditing standards in the United States for one or more of the following purposes:

1. Determining the propriety and mathematical accuracy of material financial transactions;
2. Ascertaining whether financial transactions have been properly recorded;
3. Ascertaining whether the financial statements prepared from the accounting records fairly present in all material respects the financial position and the results of financial operations and cash flows of the charter schools and university schools for profoundly gifted pupils in accordance with generally accepted accounting principles in the United States and on a basis which is consistent with that of the preceding year;
4. Evaluating internal accounting controls over financial reporting of the handling of the public money and public property;
5. Determining whether the fiscal controls established by law and administrative regulations are being properly applied;
6. Determining whether there is any evidence that fraud or dishonesty has occurred in the handling of funds or property;
7. Determining whether the acquisition, depreciation and disposition of property and equipment are accounted for in accordance with generally accepted accounting principles in the United States; and
8. Determining whether the removal of the uncollectible accounts receivable from the records of a charter school or university school for profoundly gifted pupils is done in accordance with the procedure established by law and administrative regulations.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.628 “Budget” defined. (NRS 386.540, 392A.060) “Budget” means a plan of financial operation embodying an estimate of proposed expenditures and expenses for a given period and the proposed means of financing them.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.630 “Budget augmentation” defined. (NRS 386.540, 392A.060) “Budget augmentation” is a procedure for increasing appropriations of a fund with the express intent of employing previously unbudgeted resources of the fund for carrying out the increased appropriations.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.633 “Budget year” defined. (NRS 386.540, 392A.060) “Budget year” means the fiscal year for which a budget is being prepared.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.637 “Capital assets” defined. (NRS 386.540, 392A.060) “Capital assets” means assets of a long-term character which are intended to continue to be held or used such as land, buildings, machinery, furniture and other equipment.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.640 “Contingency account” defined. (NRS 386.540, 392A.060) “Contingency account” means an account showing money that has been appropriated to provide for unforeseen expenditures or anticipated expenditures of an uncertain amount.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.644 “Department” defined. (NRS 386.540, 392A.060) “Department” means the Department of Education.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.647 “Encumbrances” defined. (NRS 386.540, 392A.060) “Encumbrances” means commitments related to unperformed contracts for goods or services, the accounting for which is used to ensure effective budgetary control and accountability and to promote effective cash planning and control. For reporting purposes, encumbrances outstanding at a year’s end represent the estimated amount of the expenditure ultimately to result if the unperformed contracts existing at the year’s end are performed. Encumbrances outstanding at a year’s end do not constitute expenditures or liabilities.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.650 “Expenditure” defined. (NRS 386.540, 392A.060)

1. “Expenditure” means:

(a) If the accounting records are kept on the modified accrual basis, the cost of goods delivered or services rendered, whether paid or unpaid. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities which should be recognized when due.

(b) If accounts are kept on the cash basis, only cash disbursements for the purposes listed in paragraph (a).

2. Encumbrances are not considered expenditures.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.654 “Expense” defined. (NRS 386.540, 392A.060) “Expense” means any charge incurred, under the accrual basis, whether paid or unpaid, for operation, maintenance or interest or any other charge which is presumed to provide benefit in the current fiscal period.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.657 “Final budget” defined. (NRS 386.540, 392A.060) “Final budget” means the budget which has been adopted by a charter school or university school for profoundly gifted pupils and which has been determined by the Department to be in compliance with applicable statutes and regulations.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.660 “Fiscal year” defined. (NRS 386.540, 392A.060) “Fiscal year” means the 12-month period beginning on the first day of July and ending on the last day of June.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.667 “Liabilities” defined. (NRS 386.540, 392A.060) “Liabilities” means, for the purpose of financial reporting, debts or other legal obligations arising out of transactions in the past which must be liquidated or refunded at some future date.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.670 “Modified accrual basis” defined. (NRS 386.540, 392A.060) “Modified accrual basis” means the basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when they become measurable and available to finance expenditures of the fiscal period.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.675 “Reserve” defined. (NRS 386.540, 392A.060) “Reserve” means, in accounting and reporting of government funds, a portion of the fund equity which is not appropriate for expenditures or is segregated by law or contract for a specific future use.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.677 “Revenue” defined. (NRS 386.540, 392A.060) “Revenue” means the gross receipts and receivables of a charter school or university school for profoundly gifted pupils derived from all sources.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.680 “State Board” defined. (NRS 386.540, 392A.060) “State Board” means the State Board of Education.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.685 “Tentative budget” defined. (NRS 386.540, 392A.060) “Tentative budget” means the budget that is prepared initially, published and recorded by each charter school and university school for profoundly gifted pupils for an ensuing fiscal year prior to its subsequent adoption.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.700 Preparation and submission of annual capital improvement plan; limitation on amount of expenditures; required contents; reconciliation of capital outlay. (NRS 386.540, 392A.060)

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 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.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.705 Construction of capital improvement prohibited unless funding included in approved budget. (NRS 386.540, 392A.060) A charter school or university school for profoundly gifted pupils shall not begin the construction of a capital improvement unless the funding for the operation and maintenance of the improvement during the current fiscal year, including personnel, is included in an approved budget.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.710 Annual report concerning capital improvements owned, leased or operated by charter school or university school for profoundly gifted pupils. (NRS 386.540, 392A.060)

1. In addition to the records and inventory controls established and maintained pursuant to NAC 387.770, the governing body of each charter school and the governing body of each university school for profoundly gifted pupils shall, for each fiscal year, compile a report concerning the capital improvements owned, leased or operated by the charter school or university school for profoundly gifted pupils.

2. The report of the capital improvements required pursuant to subsection 1 must be prepared in such detail as is required by generally accepted accounting principles.

3. The governing body of each charter school and the governing body of each university school for profoundly gifted pupils shall submit, in any format including an electronic format, a copy of the report compiled pursuant to subsection 1 on or before February 1 of the year next succeeding the period to which the report pertains to the Department.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.715 Contents of budget. (NRS 386.540, 392A.060) Each budget of a charter school and each budget of a university school for profoundly gifted pupils must include:

1. Detailed estimates of revenues, balances in other funds and other sources of financing for the budget year classified by funds and sources in a manner and on forms prescribed by the Department of Taxation for use by local governments.

2. Detailed estimates of expenditures and other uses of money for the budget year classified in a manner and on forms prescribed by the Department of Taxation for use by local governments.

3. A separate statement of the anticipated expenses relating to activities designed to influence the passage or defeat of any legislation, setting forth each separate category of expenditure that is required to be included in a supplemental report pursuant to subsection 1 of NAC 387.750.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.720 Tentative budget: Preparation and submission; notice and public hearing. (NRS 386.540, 392A.060)

1. The person designated by the governing body of a charter school pursuant to NRS 386.573 or by the governing body of a university school for profoundly gifted pupils pursuant to NRS 392A.085, as applicable, shall prepare or the governing body shall cause to be prepared, on appropriate forms prescribed by the Department of Taxation for the use of local governments, a tentative budget for the ensuing fiscal year.

2. On or before April 15, a tentative budget for the following fiscal year must be submitted to the clerk or the secretary of the governing body of the charter school or university school for profoundly gifted pupils, as applicable, and a copy of the tentative budget must be submitted to the Department of Education.

3. At the time of submission of the tentative budget, the governing body of the charter school or university school for profoundly gifted pupils, as applicable, shall give notice of the time and place of a public hearing on the tentative budget. The notice of the public hearing must state:

(a) The time and place of the public hearing;

(b) That a tentative budget has been prepared in such detail as prescribed by the Department of Education on forms prescribed by the Department of Taxation; and

(c) The places where copies of the tentative budget are on file and available for public inspection.

4. Budget hearings must be held during the second or third week in May.

5. At the time and place advertised for public hearing, or at any time and place to which the public hearing is from time to time adjourned, the governing body of the charter school or university school for profoundly gifted pupils, as applicable, shall hold a public hearing on the tentative budget, at which time interested persons must be given an opportunity to be heard.

6. At the public hearing, the governing body of the charter school or university school for profoundly gifted pupils, as applicable, shall indicate changes, if any, to be made in the tentative budget.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.725 Final budget: Adoption and submission. (NRS 386.540, 392A.060)

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 a charter school that is not sponsored by the State Board,~~ the sponsor of the charter school.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.730 Final budget: Amounts appropriated for proposed expenditures; limitations. (NRS 386.540, 392A.060)

1. Upon the adoption of the final budget pursuant to NAC 387.725 or the amendment of the budget pursuant to NAC 387.735, the several amounts stated in it as proposed expenditures are appropriated for the purposes indicated in the budget.

2. No governing body may adopt any budget which appropriates for any fund any amount in excess of the budget resources of that fund.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.735 Procedures and requirements for augmenting or amending budget. (NRS 386.540, 392A.060)

1. If anticipated resources actually available during a budget period exceed those estimated, a charter school or university school for profoundly gifted pupils may amend the budget by an augmentation of the appropriations of a fund. If it is desired to augment the appropriations of a fund, the governing body shall, by majority vote of all members of the governing body, adopt a resolution reciting the appropriations to be augmented, and the nature of the unanticipated resources intended to be used for the augmentation at a regular meeting of the body.

2. A budget augmentation becomes effective upon delivery to the Department of an executed copy of the resolution providing therefor.

3. Nothing in NAC 387.600 to 387.780, inclusive, precludes the amendment of a budget by increasing the total appropriation for any fiscal year to include a grant-in-aid, gift or bequest to a charter school or university school for profoundly gifted pupils which is required to be used for a specific purpose as a condition of the grant. Acceptance of such a grant and agreement to the terms imposed by the granting agency or person constitutes an appropriation to the purpose specified.

4. Budget appropriations may be transferred between functions, funds or contingency accounts in the following manner, if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions:

(a) The person designated to administer the budget for a charter school or university school for profoundly gifted pupils may transfer appropriations within any function.

(b) The person designated to administer the budget may transfer appropriations between functions or programs within a fund, if:

- (1) The governing body is advised of the action at the next regular meeting; and
- (2) The action is recorded in the official minutes of the meeting.

(c) Upon recommendation of the person designated to administer the budget, the governing body may authorize the transfer of appropriations between funds or from the contingency account, if:

(1) The governing body announces the transfer of appropriations at a regularly scheduled meeting and sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected;

- (2) The governing body sets forth its reasons for the transfer; and
- (3) The action is recorded in the official minutes of the meeting.

5. In any year in which the Legislature by law increases or decreases the revenues of a charter school or university school for profoundly gifted pupils, and that increase or decrease was not included or anticipated in the final budget of the charter school or university school for profoundly gifted pupils as adopted pursuant to NAC 387.725, the governing body of any such charter school or university school for profoundly gifted pupils may, within 60 days after the adjournment sine die of the legislative session, file an amended budget with the Department increasing or decreasing its anticipated revenues and expenditures from that contained in its final budget to the extent of the actual increase or decrease of revenues resulting from the legislative action.

6. In any year in which the Legislature enacts a law requiring an increase or decrease in expenditures of a charter school or university school for profoundly gifted pupils, which was not anticipated or included in its final budget as adopted pursuant to NAC 387.725, the governing body of any such charter school or university school for profoundly gifted pupils may, within 60 days after the adjournment sine die of the legislative session, file an amended budget with the Department providing for an increase or decrease in expenditures from that contained in its final budget to the extent of the actual amount made necessary by the legislative action.

7. For each school year, within 60 days of the receipt of the final enrollment and attendance audit performed pursuant to NRS 387.126, each charter school or university school for profoundly gifted pupils shall adopt an amendment to its final budget after the count of pupils is completed pursuant to subsection 1 of NRS 387.1233. The amendment must reflect any adjustments necessary as a result of the completed count of pupils.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.740 Limitation on expenditure of money in excess of amount appropriated; exceptions. (NRS 386.540, 392A.060)

1. No 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 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.

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

(d) 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) 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.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.750 Reporting of expenditures of charter school or university school for profoundly gifted pupils for lobbying activities; filing with Department. (NRS 386.540, 392A.060)

1. In each year in which the Legislature convenes, a charter school or university school for profoundly gifted pupils which expends more than \$6,000 on activities designed to influence the passage or defeat of any legislation shall file with the Department within 60 days after the adjournment sine die of the legislative session a report supplemental to its final budget which includes separate items for expenses relating to that activity, including, without limitation:

(a) Transportation.

(b) The amount of money spent on:

(1) The lodging and meals of its officers, lobbyists and employees;

(2) The salary or wages paid to its officers and employees; and

(3) Compensation paid to any lobbyists, to the extent that such information does not duplicate the information required pursuant to subparagraphs (1) and (2).

(c) The amount of money spent on entertainment, gifts or other expenses which are required to be reported pursuant to chapter 218H of NRS.

(d) The amount of money spent in Carson City on supplies, equipment and facilities and other personnel and services needed to support the activity.

(e) An identification of the fund, account or other source against which the expenses were charged.

2. The amounts reported pursuant to subsection 1 must include any funds spent by an educational management organization with whom the charter school or university school for profoundly gifted pupils has a contract.

3. The charter school or university school for profoundly gifted pupils shall make a copy of the supplemental report available for inspection within 60 days after the adjournment sine die of the legislative session.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.755 Establishment of contingency account authorized; limit on appropriations; expenditures from account. (NRS 386.540, 392A.060) A contingency account may be established in any governmental fund. The maximum amount which may be appropriated for such a contingency account is 3 percent of the money otherwise appropriated to the fund, exclusive of any amounts to be transferred to other funds. No expenditure may be made directly from such a contingency account, except as a transfer to the appropriate account, and then only in accordance with the procedure established in NAC 387.735.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.760 Establishment of petty cash, imprest or revolving accounts authorized; payments from accounts; reimbursement of accounts. (NRS 386.540, 392A.060)

1. The governing body of any charter school or university school for profoundly gifted pupils may, by resolution, establish one or more petty cash accounts, imprest accounts or revolving accounts in a bank or credit union to assist in the administration of any activities in which the charter school or university school for profoundly gifted pupils is authorized by law to engage.

2. A resolution establishing any petty cash account, imprest account or revolving account in a bank or credit union must, in detail, set forth the following:

- (a) The object and purpose of the account.
- (b) The source of money to be used to establish and maintain the account.
- (c) The method of controlling expenditures from the account.
- (d) The maximum dollar amount of any single expenditure.

3. Payments made out of any such accounts in accordance with the establishing resolution may be made directly without approval of the governing body of any charter school or university school for profoundly gifted pupils.

4. Reimbursement of any such petty cash, imprest or revolving accounts must be made no less often than monthly. The reimbursement must be supported by proper evidences of expenditures made from the account and must be approved by the governing body in the same manner as other claims against the fund to which the reimbursement is to be charged.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.765 Compliance with accounting principles; use of chart of accounts; maintenance of money in banks, credit unions or savings and loan associations. (NRS 386.540, 392A.060) A charter school or university school for profoundly gifted pupils shall:

1. Comply with generally accepted accounting principles.
2. Use the chart of accounts prescribed by the Department.

3. Maintain all money received by the charter school or university school for profoundly gifted pupils from this State and from the board of trustees of a school district in:

(a) A bank in this State whose deposits are insured by the Federal Deposit Insurance Corporation;

(b) A credit union in this State whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or

(c) A savings and loan association in this State whose deposits, if made by the State, a charter school or a university school for profoundly gifted pupils or an agency of either, are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation.

4. No expenditures from an account may be made in excess of the balance of the account.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.770 Establishment of property and equipment records; inventory controls. (NRS 386.540, 392A.060) The governing body of each charter school and the governing body of each university school for profoundly gifted pupils shall:

1. 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. Require that all such property, equipment and inventory records clearly indicate specific ownership. *The property and equipment records must identify the source of money used to purchase each item or the name of the entity that donated the item, as applicable.*

3. 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.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.775 Annual audits. (NRS 386.540, 392A.060)

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; and

(4) 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 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.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

NAC 387.780 Review of annual audit by Department; plan of correction for violations; hearing. (NRS 386.540, 392A.060)

1. The Department shall review the annual audit of each charter school and each university school for profoundly gifted pupils to determine whether it complies with the applicable statutes and regulations governing charter schools and university schools for profoundly gifted pupils. Any independent auditor's report, whether upon financial position and results of operations or

upon internal financial controls, which the Department believes may not comply with those regulations must be referred by the Department to the Nevada State Board of Accountancy for investigation and such action in respect to the issuing accountant as the Board may find appropriate in the circumstances.

2. In its review of the annual audits submitted, the Department shall identify all violations of statute and regulation reported therein. Within 60 days after the delivery of the annual audit to the charter school or university school for profoundly gifted pupils, the governing body shall advise the Department what action has been taken to prevent recurrence of each violation of law or regulation or to correct each continuing violation. The Department shall evaluate the plan of correction proposed by the charter school or university school for profoundly gifted pupils and, if the plan is satisfactory, shall so advise the governing body. If the plan is not satisfactory, the Department shall advise the governing body that it deems the plan inadequate and propose an alternative plan. Within 30 days thereafter, the governing body shall report its assent to the Department's plan or request a hearing before the State Board. The hearing must be held at the next meeting of the State Board, but must not be held more than 90 days after such a request is received. The determination of the State Board is final.

3. If the governing body fails to submit a proposed plan of correction pursuant to subsection 2, or if the Superintendent of Public Instruction determines that the plan established is not being complied with, the Superintendent must, through the Office of the Attorney General, seek a writ from a court of competent jurisdiction to compel compliance.

(Added to NAC by Bd. of Education by R026-09, eff. 10-27-2009)

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Discussion and possible action on the adoption of the 2013-2014 Special Education Memorandum of Understanding proposed by the Authority

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x / </u>	Action

MEETING DATE: August 23, 2013

AGENDA ITEM: 10

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Steve Canavero, Director, SPCSA

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 10 mins

BACKGROUND:

SUBMITTED BY: _____

Memorandum of Understanding By and Between the State Public Charter School Authority and _____ Charter School Regarding the Provision and Funding of Special Education Services

Whereas, _____ Charter School (the “Charter School”) is a public charter school whose charter application was approved by, and is authorized by, the State Public Charter School Authority (the “Authority”). The Charter School and Authority are sometimes referred to hereinafter collectively as the “Parties”; and

Whereas, as set forth below in greater detail, the Charter School is required, under the Individuals with Disabilities Education Act (“IDEA”), Section 504 of the Federal Rehabilitation Act (“Section 504”) the Americans with Disabilities Act (the “ADA”), applicable Nevada law and regulations, United States Department of Education Office of Civil Rights (“OCR”) mandates, and various Authority policies, to provide special education services to its students; and

Whereas, under Nevada law the Authority serves as the Local Educational Agency (“LEA”) for charter schools that it authorizes, and the Charter School is, with regard to special education and other matters, a school within that LEA; and

Whereas, the Charter School and the Authority wish to further describe their respective duties and obligations regarding the provision and funding of special education services at the Charter School through this memorandum of understanding (“MOU”).

NOW, THEREFORE, THE PARTIES DO AGREE AND COVENANT AS FOLLOWS:

1. Charter School Special Education Responsibilities

a. General Requirements

The Charter School will adhere to the provisions of the IDEA and applicable Nevada special education laws and regulations to assure that all students with disabilities are accorded a free, appropriate public education (“FAPE”) including special education and related services. The Charter School will also ensure that no student otherwise eligible to enroll in their Charter School will be denied enrollment on the basis of their special education status.

The Charter School will comply with the applicable requirements of Section 504, the ADA and all OCR mandates for students enrolled in the Charter School.

The Charter School will implement the program for special education set forth and referenced in its charter contract or application if operating under a written charter as subsequently modified in accordance with Authority policy for approving such modifications.

The Charter School solely shall be responsible for providing and subsidizing those specialized instructional and related services required pursuant to student IEPs, and the services, modifications or accommodations required by a student’s Section 504 Plan.

The Charter School will use Authority forms to develop, maintain, and review assessments and Individual Education Programs (“IEPs”) in the format required by the Authority and will enter accurate assessment and IEP data into the Authority’s designated data system in accordance with Authority policies and procedures. The Charter School will maintain copies of assessments and IEP materials for the Authority to review. The Charter School will submit to the Authority all required reports, including but not limited to the reports identified in the Reporting Requirements Manual, in a timely manner as necessary to comply with federal and applicable state law requirements.

The Charter School shall track daily attendance for each student which shall be reported and certified according to Authority policies and procedures.

The Charter School will participate in the state quality assurance process for special education (i.e. verification reviews, coordinated compliance self-reviews, complaints monitoring, procedural safeguards, and the local plan).

The Charter School is responsible for the management of its special education budgets, personnel, programs and services. The Authority reserves the right to audit the use of special education funds provided to the Charter School to ensure compliance with program and fiscal requirements.

The Charter School will ensure that its special education personnel or contracted personnel are appropriately credentialed and licensed consistent with federal requirements and Nevada laws and regulations. The Charter School will implement the programs and services, including providing related services, required by the IEPs of the students enrolled at the Charter School. The Charter School shall rely on its discretion to determine whether or not to look to and contract with outside entities, such as consultants or local districts, for the provision of any mandated special education or related services. Upon request by the Authority, the Charter School will provide all requested or appropriate documentation to demonstrate the licensure status of Charter School personnel providing special education or related services and of independent contractors providing special education or related services, and, the training received by said personnel, and the steps taken by the Charter School to comply with applicable credentialing the requirements. The Charter School shall promptly provide the Authority with documentation that updates this information during the course of the school year to the extent that it has changes in its personnel, independent contractors, or training for staff.

b. Transferring Students

For students transferring to the Charter School from other schools, the Charter School will provide those related services required by the students’ IEPs immediately upon the students’ enrollment. IEP team meetings for such students will be held within thirty (30) days of the student’s enrollment in accordance with state and federal law.

c. Assessments

The referral process shall include team meetings to review prior interventions, accommodations and modifications and to recommend further interventions as appropriate. The referral process

shall be supported by the Response to Intervention (RtI) model approach using data to identify student strengths and weaknesses. Upon review of accumulated data, observation and review of records, the Charter School may determine that assessment is necessary to determine possible eligibility for special education programs and related services.

Upon a parent's request for assessment, the Charter School will convene a meeting to review and discuss the request in light of student records, acquired data and student performance to agree or deny the request for assessment. If the Charter School determines that assessment for special education eligibility is not warranted, prior written notice must be given to the parent/guardian with a clear rationale for such refusal within 15 days of the request. If the Charter School concludes that there are suspected disabilities, the school must develop an assessment plan, utilizing the Authority's assessment process, for each student with suspected disabilities within the 15 day timeline. The assessment plan will describe the types of assessments that may be used to determine the eligibility of students for special education instruction and services. Assessments will be conducted, within legal timelines, after receiving the parents' written consent. The Charter School shall conduct an IEP team meeting that includes required team members within mandated timelines for each student assessed to discuss results, determine eligibility, and (if eligible) specify special education instruction and services. Consistent with federal and state special education laws and regulations through the IEP process, the IEP team convened at the Charter School will make decisions regarding eligibility, goals, program (including staffing and methodology), placement at the school, and exit from special education.

d. Alternative Placements

In the event that the Charter School is unable to provide an appropriate placement or services for a student with special needs, the Charter School will contact the Authority to discuss placement and service alternatives. The IEP team convened at the Charter School shall have the authority to make offers of a FAPE and decisions regarding the staffing and methodology used to provide special education and related services at the Charter School pursuant to an IEP.

e. Least Restrictive Environment

The Charter School will support movement of students with disabilities, including students with moderate to severe disabilities, into less restrictive environments as appropriate and increase interactions of students with disabilities with non-disabled students. The Charter School's general program of instruction for students with disabilities shall be responsive to the required sequence of courses and related curricular activities provided for all students in the Charter School. Assessment and standardized testing procedures shall be implemented, including guidelines for modifications and adaptations, to monitor student progress.

f. Staffing Requirements

The Charter School shall provide planned staff development activities and participate in available appropriate Authority trainings to support access by students with disabilities to the general education classroom, general education curriculum, integration of instructional strategies

and curriculum adaptations to address the diverse learner, and interaction with non-disabled peers.

The Charter School will ensure that the teachers and other persons who provide services to students with disabilities are knowledgeable of the content of students' IEPs. The Charter School will maintain responsibility for monitoring progress towards IEP goals for students with disabilities. The Charter School will assess and develop individual transition plans to help students with disabilities transition to adult living in accordance with Authority policies and procedures.

g. Student Discipline/Inclusion

The Charter School will ensure that it makes the necessary adjustments to comply with the mandates of applicable state and federal laws, including the IDEA regarding discipline of students with disabilities. Discipline procedures will include positive behavioral interventions. Prior to recommending expulsion and/or prior to the eleventh day of cumulative suspension for a student with disabilities, the Charter School will consult with the Authority prior to convening a manifestation determination. The Charter School will collect data pertaining to the number of special education students suspended or expelled and report that data to the Authority at least annually.

2. Procedural Safeguards/Due Process Hearings

The Authority may invoke dispute resolution provisions set out in the charter application or charter contract, initiate due process hearings, and/or utilize other procedures applicable to the Charter School if the Authority determines that such action is legally necessary to ensure compliance with applicable federal and state special education laws and regulations.

In the event that a parent or guardian of a student attending the Charter School initiates due process proceedings, both the Charter School and the Authority will be named as respondents. Whenever possible, the Authority and the Charter School shall work together in an attempt to resolve the matter at an early stage (informal settlement or mediation). During due process proceedings and any other legal proceedings or actions involving special education, the Charter School will be responsible for its own representation. If the Charter School retains legal representation for a due process proceeding or other legal proceeding or action, the Charter School will be responsible for the cost of such representation.

Because the Charter School will manage, and is fiscally responsible for its students' special education instruction and services, the Charter School will be responsible for any prospective special education and related services, compensatory education and/or reimbursement awarded by a due process hearing officer, court or settlement based on an allegation or allegations that solely the Charter School failed to fulfill its responsibilities under state and federal special education laws and regulations (which include, among other things, identifying students with disabilities, assessing students, conducting IEP team meetings, developing appropriate IEPs, and implementing IEPs). The Authority will be responsible for any prospective special education and related services, compensatory education and/or reimbursement awarded by a due process

hearing officer, court or settlement based on an allegation or allegations that the Authority failed to fulfill its responsibilities under state and federal special education laws and regulations.

If parents' attorneys' fees and costs are to be paid because parents are the prevailing party as a result of a due process hearing or settlement agreement based on the Charter School's alleged failure to fulfill its responsibilities under state and federal special education laws and regulations, the Charter School will be responsible for payment of those attorneys' fees and costs. If parents' attorneys' fees and costs are to be paid because parents are the prevailing party as a result of a due process hearing or settlement agreement based on the Authority's alleged failure to fulfill its responsibilities under state and federal special education laws and regulations, the Authority will be responsible for payment of those attorneys' fees and costs.

3. Complaints

The Authority will investigate, cooperate with and respond to all special education complaints the Authority receives pertaining to the Charter School. The Charter School will cooperate with the Authority in any such investigations and provide the Authority with any and all documentation that is required to respond to complaints within the timelines imposed by the investigating agency. The Charter School will be solely responsible for any and all costs resulting from, arising out of, or associated with the investigation and implementation of appropriate remedies.

4. Local Educational Agency for Special Education

The Authority is required under state law to function as the LEA for charter schools it approves and oversees. Charter Schools authorized by the Authority are deemed to be public schools within the Authority for purposes of special education. The Authority will determine the policies and procedures necessary to ensure that the protections of special education law extend to students in the Charter Schools in the same manner as students in all Authority schools.

The Charter School will adhere to all Authority policies and procedures regarding special education and special education funding, as they may be amended from time to time.

The Charter School shall cooperate with the Authority in submitting all necessary reports and information and in meeting other administrative requirements of the Authority under state and federal laws applicable to the education of students with disabilities. The Authority may monitor the Charter School's compliance and direct such changes as necessary to comply with law or state or Authority policies concerning the Charter School's referral processes, evaluations, reevaluations, eligibility determinations, placement decisions, and development and implementation of IEPs for students with disabilities.

5. Funding of Special Education Services

NRS 386.513(1) deems the State Public Charter School Authority a local education agency (LEA) for the purpose of directing the proportionate share of any money available from federal and state categorical grant programs to charter schools which are sponsored by the State Public Charter School Authority or a college or university within the Nevada System of Higher

Education that are eligible to receive such money. As the LEA, the Authority will receive from the Nevada Department of Education (SEA), state funds on a "unit" basis, with the amount per unit established by the Legislature and, as a sub-grantee, federal IDEA, Part B funds.

State "units", defined by NRS 387.1211, provide funding for licensed personnel who carry out a program of instruction in accordance with minimum standards prescribed by the State Board of Education. The Authority will distribute to Authority sponsored schools, those units allocated to it by the Nevada Department of Education, on a demonstrated needs basis, as determined by the Authority, after thorough evaluation of all applications for units from those schools.

Federal IDEA, Part B funding is primarily intended to provide assistance to states and LEAs in carrying out their responsibilities to educate students, age five through twenty-one, with disabilities. Part B grant funds must only be used to pay for the excess cost of providing special education and related services to children with disabilities; to supplement, but not supplant, state, local, and other federal funds. The Authority will, after setting aside funds for required Authority personnel salaries, school training, and other administrative costs, allocate all remaining Part B funds to schools.

6. Authority Responsibilities Relating to Charter School Special Education Program

The Authority shall provide information to the Charter School regarding Authority special education decisions, policies, and procedures to the same extent as they are provided to other schools within the Authority.

To the extent that the Authority provides training opportunities and/or information regarding special education to other school site staff, such opportunities and/or information shall be made available to Charter School staff.

7. Special Education Reserve Account

In the manner and to the extent described in the Charter School's Written Charter or Charter Contract, the Charter School shall maintain a special education reserve account as a financial reserve to ensure compliance with the indemnification and financial obligations set forth in this MOU. Such reserve shall not in any way limit the Charter School's obligation to indemnify the Authority pursuant to any provision of this MOU; in the event the special education reserve account is insufficient to fully pay costs incurred in connection with any claim or claims, the Charter School shall remain fully responsible for any and all costs incurred in connection with such claim or claims. The Charter School shall keep the special education reserve separate from and not utilize it to satisfy any other requirements applicable to the Charter School. This special education reserve shall be maintained in a separate bank account.

8. Notices

Unless otherwise specified by the Parties, all notices or the provision of written information shall be given via e-mail and U.S. mail to the following contacts:

The Authority:

State Public Charter School Authority

1749 North Stewart Street Suite 40

Carson City, NV 89706

Charter School:

XXXXXXXXXXXX

XXXXXXXXXXXX

XXXXXXXXXXXX

9. Modifications

With the exception of changes to Authority policies and procedures regarding the provision of special education services, the provisions of this memorandum of understanding may only be modified, supplemented or terminated through written agreement of the Parties. This memorandum of understanding is hereby incorporated by reference into the charter contract (the "Charter Contract") of the Charter School and shall, to the extent necessary to carry out the terms and conditions of the memorandum of understanding, supersede any conflicting provisions in the Charter Contract.

10. Term

This MOU is effective upon execution and expires June 30, 2014.

Date:

For the Authority:

For the Charter School:

SPCSA Special Education Due Process Projection Based on 10 Years of Clark County Data					
School Year	SPCSA Projected Enrollment	Projected # of Special Ed Due Process <u>Claims</u> for SPCSA-Sponsored Schools	CCSD 10-Year Claim %age	Projected # of Special Ed Due Process <u>Hearings/Litigation</u> for SPCSA-Sponsored Schools	CCSD 10-Year Hearing %age
2013-14	18,000	3.01	0.02%	0.11	3.59%

1. The above analysis projects 3 SpEd claims for SPCSA sponsored schools in 2013-14. The chance of any one of them going to a hearing or litigation is remote - about 11%.
2. From an American Association of School Administrators (AASA) survey of 200 school districts:
 - a. The national average cost of settling prior to a hearing or litigation (both sides, all costs) is \$23,827.34. Costs can include attorneys, compensatory education, copying, transcripts, postage, etc.
 - b. The national average cost of a hearing or litigation (both sides, all costs) is \$53,395.26. Costs can include attorneys, hearing officers, court reporters, expert witnesses, substitute teachers to replace those involved in the hearing, compensatory education, copying, transcripts, postage, etc.
3. Examples of higher than average costs:
 - a. An SPCSA school's hearing costs in August, 2011 were \$60,994.28. (Their side only). This is an example of a case that required an unusually high number of attorney's hours to resolve.
 - b. In an informal survey of 7 states, the Council of State Attorneys reports multiple cases over \$100,000 and two "very expensive" cases as high as "nearly \$200,000".