

ASSEMBLY BILL NO. 395—ASSEMBLYMEN GARDNER,  
FIORE, JONES; SILBERKRAUS AND WOODBURY

MARCH 17, 2015

Referred to Committee on Education

SUMMARY—Revises provisions relating to the State Public Charter School Authority. (BDR 34-902)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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

AN ACT relating to the State Public Charter School Authority; revising the requirements relating to the financial administration of the State Public Charter School Authority; revising provisions governing the personnel of the Authority; revising provisions regarding the adoption of administrative regulations governing charter schools sponsored by the Authority; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

The State Budget Act prescribes the procedures for the proposal of the budget for the Executive Department of the State Government. (NRS 353.150-353.246) Professional licensing and certification boards and commissions, which are not funded by money from the State General Fund, are exempted entirely from the requirements of the State Budget Act and therefore do not submit their budgets for review and approval by the Executive Department and the Legislature. (NRS 353.005) The Legislative and Judicial Departments of the State Government, the Public Employees' Retirement System and the Tahoe Regional Planning Agency are required to submit their budgets to the Legislature for approval and to the Chief of the Budget Division of the Department of Administration for informational purposes, but are otherwise exempt from the requirements of the State Budget Act. (NRS 353.210, 353.246) In the same manner, **sections 2, 13 and 14** of this bill exempt the State Public Charter School Authority, which is one of the entities that sponsors charter schools in Nevada, from the requirements of the State Budget Act, except for the requirements of submitting its biennial agency budget to the Legislature for approval and to the Chief of the Budget Division for informational purposes.

Under existing law, officers and employees of the Executive Department of the State Government are in either the classified or unclassified service, unless



otherwise provided by specific statute. (NRS 284.013, 284.140, 284.150) For example, employees of the Office of the Governor are not in the classified or unclassified service. (NRS 223.085) Under existing law, the State Public Charter School Authority appoints a Director, who is in the unclassified service, and employs such staff as is necessary to carry out its powers and duties. (NRS 386.509-386.5125) **Sections 2, 4, 5 and 12** of this bill remove all officers and employees of the Authority from the classified and unclassified service and require the Authority to adopt rules and policies regarding the employment rights, salary ranges and benefits of its officers and employees. However, the officers and employees of the Authority remain eligible to participate in the Public Employees' Benefits Program and the Public Employees' Retirement System. In addition, **section 5** transfers the authority to employ staff from the seven-member Authority to the Director of the Authority.

With certain exceptions, existing law limits the amount of the salary of a person employed by the State to not more than 95 percent of the salary for the Office of Governor during the same period. (NRS 281.123) **Sections 2, 4 and 5** exempt the salaries of the Director and employees of the State Public Charter School Authority from this salary limitation and require that the amount of the salaries be within the limits of the biennial agency budget adopted by the Authority.

Under existing law, the State Public Charter School Authority is required to sponsor the charter schools in Nevada whose applications it has approved. In addition, if approved by the Department of Education, the board of trustees of a school district and a college or university within the Nevada System of Higher Education are authorized to sponsor charter schools in Nevada. (NRS 386.490-386.649) The Department of Education is authorized under existing law to adopt administrative regulations governing charter schools and is specifically required to adopt regulations governing: (1) the process for submission to a sponsor of an application to form a charter school, renew a charter contract or request an amendment of a written charter or charter contract, and the contents of the application; and (2) the criteria and type of investigation that must be applied by a sponsor in determining whether to approve such an application. (NRS 386.540)

**Section 10** of this bill transfers from the Department to the State Public Charter School Authority the duty to adopt regulations governing the process for submission and approval, and the contents of, applications to form, renew a charter contract or request an amendment of a written charter or charter contract for a charter school sponsored by the Authority. With certain exceptions, **section 10** also authorizes the Authority to adopt such regulations as necessary to carry out its powers and duties concerning the charter schools that it sponsors. However, under **section 16** of this bill, the current regulations of the Department governing all charter schools remain in effect and will be enforced by the Authority with respect to charter schools sponsored by the Authority until the Authority amends those regulations. The Authority will continue to be subject to the regulations adopted by the Department on other matters such as reporting requirements by sponsors of charter schools, including the reporting of information for inclusion in the annual report of accountability. (NRS 385.347) Charter schools sponsored by the Authority will also continue to be subject to any regulations adopted by the Department governing procedures for accounting and budgeting and performance and financial audits. (NRS 386.540)



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** NRS 385.007 is hereby amended to read as follows:  
2       385.007 As used in this title, unless the context otherwise  
3 requires:

4       1. "Charter school" means a public school that is formed  
5 pursuant to the provisions of NRS 386.490 to 386.649, inclusive ,  
6 *and section 2 of this act.*

7       2. "Department" means the Department of Education.

8       3. "Homeschooled child" means a child who receives  
9 instruction at home and who is exempt from compulsory attendance  
10 pursuant to NRS 392.070.

11       4. "Limited English proficient" has the meaning ascribed to it  
12 in 20 U.S.C. § 7801(25).

13       5. "Public schools" means all kindergartens and elementary  
14 schools, junior high schools and middle schools, high schools,  
15 charter schools and any other schools, classes and educational  
16 programs which receive their support through public taxation and,  
17 except for charter schools, whose textbooks and courses of study are  
18 under the control of the State Board.

19       6. "State Board" means the State Board of Education.

20       7. "University school for profoundly gifted pupils" has the  
21 meaning ascribed to it in NRS 392A.040.

22       **Sec. 2.** Chapter 386 of NRS is hereby amended by adding  
23 thereto a new section to read as follows:

24       *The State Public Charter School Authority shall:*

25       1. *Adopt biennially a budget for the operation of the State*  
26 *Public Charter School Authority for submission pursuant to NRS*  
27 *353.210 and 353.246. The biennial agency budget must include,*  
28 *without limitation, all projected revenues and expenditures for the*  
29 *State Public Charter School Authority to carry out its powers and*  
30 *duties during the 2 fiscal years included in the biennial agency*  
31 *budget. Any changes to the biennial agency budget must be*  
32 *adopted by the State Public Charter School Authority.*

33       2. *Adopt such rules and policies as the State Public Charter*  
34 *School Authority deems appropriate to establish the employment*  
35 *rights of the persons appointed or employed by the State Public*  
36 *Charter School Authority.*

37       3. *In addition to the benefits provided to state officers and*  
38 *employees pursuant to chapters 286 and 287 of NRS, determine*  
39 *the other benefits of the members of the State Public Charter*  
40 *School Authority and the persons appointed or employed by the*  
41 *State Public Charter School Authority within the limits of the*



*biennial agency budget adopted by the State Public Charter School Authority pursuant to subsection 1.*

*4. Adopt salary ranges for the positions of persons appointed or employed by the State Public Charter School Authority within the limits of the biennial agency budget adopted by the State Public Charter School Authority pursuant to subsection 1.*

**Sec. 3.** NRS 386.490 is hereby amended to read as follows:

386.490 As used in NRS 386.490 to 386.649, inclusive, *and section 2 of this act*, the words and terms defined in NRS 386.492 to 386.503, inclusive, have the meanings ascribed to them in those sections.

**Sec. 4.** NRS 386.511 is hereby amended to read as follows:

386.511 1. The State Public Charter School Authority shall appoint a Director of the State Public Charter School Authority . ~~[for a term of 3 years.]~~ The State Public Charter School Authority shall ensure that the Director has a demonstrated understanding of charter schools and a commitment to using charter schools as a way to strengthen public education in this State.

2. ~~[A vacancy in the position of Director must be filled by the State Public Charter School Authority for the remainder of the unexpired term.~~

~~—3.]~~ The Director ~~[is]~~ :

(a) *Is not* in the *classified or* unclassified service of the State.

(b) *Serves at the pleasure of the State Public Charter School Authority.*

(c) *Is entitled to receive an annual salary determined by the State Public Charter School Authority which is within the salary range for the position adopted by the State Public Charter School Authority pursuant to section 2 of this act. The salary of the Director is exempt from the limitations set forth in NRS 281.123.*

**Sec. 5.** NRS 386.5125 is hereby amended to read as follows:

386.5125 The ~~[State Public Charter School Authority]~~ Director may, *within the limits of the biennial budget adopted by the State Public Charter School Authority pursuant to section 2 of this act*, employ such persons as ~~[it]~~ *the Director* deems necessary to carry out the ~~[provisions]~~ *powers and duties* of *the State Public Charter School Authority pursuant to* NRS 386.490 to 386.649, inclusive ~~[ ]~~ , *and section 2 of this act*. The staff employed ~~[by the State Public Charter School Authority must]~~ *pursuant to this section:*

1. *Must* be qualified to carry out the daily responsibilities of sponsoring charter schools in accordance with the provisions of NRS 386.490 to 386.649, inclusive ~~[ ]~~ , *and section 2 of this act.*

2. *Have such duties as may be determined by the Director.*

3. *Are not in the classified or unclassified service of the State.*

4. *Serve at the pleasure of the Director.*



5. *Are entitled to receive annual salaries determined by the Director which are within the salary ranges for the positions adopted by the State Public Charter School Authority pursuant to section 2 of this act. The salaries of the staff employed pursuant to this section are exempt from the limitations set forth in NRS 281.123.*

**Sec. 6.** NRS 386.515 is hereby amended to read as follows:

386.515 1. The board of trustees of a school district may apply to the Department for authorization to sponsor charter schools within the school district in accordance with the regulations adopted by the Department pursuant to NRS 386.540. An application must be approved by the Department before the board of trustees may sponsor a charter school. Not more than 180 days after receiving approval to sponsor charter schools, the board of trustees shall provide public notice of its ability to sponsor charter schools and solicit applications for charter schools.

2. The State Public Charter School Authority shall sponsor charter schools whose applications have been approved by the State Public Charter School Authority pursuant to NRS 386.525. Except as otherwise provided by specific statute, if the State Public Charter School Authority sponsors a charter school, the State Public Charter School Authority is responsible for the evaluation, monitoring and oversight of the charter school.

3. A college or university within the Nevada System of Higher Education may submit an application to the Department to sponsor charter schools in accordance with the regulations adopted by the Department pursuant to NRS 386.540. An application must be approved by the Department before a college or university within the Nevada System of Higher Education may sponsor charter schools.

4. Each sponsor of a charter school shall carry out the following duties and powers:

(a) Evaluating applications to form charter schools as prescribed by NRS 386.525;

(b) Approving applications to form charter schools that the sponsor determines are high quality, meet the identified educational needs of pupils and will serve to promote the diversity of public educational choices in this State;

(c) Declining to approve applications to form charter schools that do not satisfy the requirements of NRS 386.525;

(d) Negotiating and executing charter contracts pursuant to NRS 386.527;

(e) Monitoring, in accordance with NRS 386.490 to 386.649, inclusive, *and section 2 of this act*, and in accordance with the terms and conditions of the applicable charter contract, the



performance and compliance of each charter school sponsored by the entity; and

(f) Determining whether the charter contract of a charter school that the entity sponsors merits renewal or whether the renewal of the charter contract should be denied or whether the written charter should be revoked or the charter contract terminated, as applicable, in accordance with NRS 386.530, 386.535 or 386.5351, as applicable.

5. Each sponsor of a charter school shall develop policies and practices that are consistent with state laws and regulations governing charter schools. In developing the policies and practices, the sponsor shall review and evaluate nationally recognized policies and practices for sponsoring organizations of charter schools. The policies and practices must include, without limitation:

(a) The organizational capacity and infrastructure of the sponsor for sponsorship of charter schools, which must not be described as a limit on the number of charter schools the sponsor will approve;

(b) The procedure and criteria for evaluating charter school applications in accordance with NRS 386.525 and for the renewal of charter contracts pursuant to NRS 386.530;

(c) A description of how the sponsor will maintain oversight of the charter schools it sponsors; and

(d) A description of the process of evaluation for the charter schools it sponsors in accordance with NRS 386.610.

6. Evidence of material or persistent failure *by a board of trustees or a college or university* to carry out the powers and duties of a sponsor prescribed by this section constitutes grounds for revocation of the entity's authority to sponsor charter schools.

**Sec. 7.** NRS 386.520 is hereby amended to read as follows:

386.520 1. A committee to form a charter school must consist of:

(a) One member who is a teacher or other person licensed pursuant to chapter 391 of NRS or who previously held such a license and is retired, as long as his or her license was held in good standing;

(b) One member who:

(1) Satisfies the qualifications of paragraph (a); or

(2) Is a school administrator with a license issued by another state or who previously held such a license and is retired, as long as his or her license was held in good standing;

(c) One parent or legal guardian who is not a teacher or employee of the proposed charter school; and

(d) Two members who possess knowledge and expertise in one or more of the following areas:

(1) Accounting;



- 1 (2) Financial services;
- 2 (3) Law; or
- 3 (4) Human resources.

4 2. In addition to the members who serve pursuant to subsection  
5 1, the committee to form a charter school may include, without  
6 limitation, not more than four additional members as follows:

- 7 (a) Members of the general public;
- 8 (b) Representatives of nonprofit organizations and businesses;
- 9 or

10 (c) Representatives of a college or university within the Nevada  
11 System of Higher Education.

12 3. A majority of the persons who serve on the committee to  
13 form a charter school must be residents of this State at the time that  
14 the application to form the charter school is submitted to the  
15 ~~{Department.}~~ **proposed sponsor.**

16 4. The committee to form a charter school shall ensure that the  
17 completed application:

18 (a) Presents the academic, financial and organizational vision  
19 and plans for the proposed charter school; and

20 (b) Provides the proposed sponsor of the charter school with a  
21 clear basis for assessing the capacity of the applicant to carry out the  
22 vision and plans.

23 5. An application to form a charter school must include all  
24 information prescribed by the ~~{Department by regulation}~~ **applicable**  
25 **regulations adopted pursuant to NRS 386.540** and:

26 (a) A written description of how the charter school will carry out  
27 the provisions of NRS 386.490 to 386.649, inclusive ~~{H}~~ **, and**  
28 **section 2 of this act.**

29 (b) A written description of the mission and goals for the charter  
30 school. A charter school must have as its stated purpose at least one  
31 of the following goals:

32 (1) Improving the academic achievement of pupils;

33 (2) Encouraging the use of effective and innovative methods  
34 of teaching;

35 (3) Providing an accurate measurement of the educational  
36 achievement of pupils;

37 (4) Establishing accountability and transparency of public  
38 schools;

39 (5) Providing a method for public schools to measure  
40 achievement based upon the performance of the schools; or

41 (6) Creating new professional opportunities for teachers.

42 (c) The projected enrollment of pupils in the charter school.

43 (d) The proposed dates for accepting applications for enrollment  
44 in the initial year of operation of the charter school.



(e) The proposed system of governance for the charter school, including, without limitation, the number of persons who will govern, the method for nominating and electing the persons who will govern and the term of office for each person.

(f) The method by which disputes will be resolved between the governing body of the charter school and the sponsor of the charter school.

(g) The proposed curriculum for the charter school and, if applicable to the grade level of pupils who are enrolled in the charter school, the requirements for the pupils to receive a high school diploma, including, without limitation, whether those pupils will satisfy the requirements of the school district in which the charter school is located for receipt of a high school diploma.

(h) The textbooks that will be used at the charter school.

(i) The qualifications of the persons who will provide instruction at the charter school.

(j) Except as otherwise required by NRS 386.595, the process by which the governing body of the charter school will negotiate employment contracts with the employees of the charter school.

(k) A financial plan for the operation of the charter school. The plan must include, without limitation, procedures for the audit of the programs and finances of the charter school and guidelines for determining the financial liability if the charter school is unsuccessful.

(l) A statement of whether the charter school will provide for the transportation of pupils to and from the charter school. If the charter school will provide transportation, the application must include the proposed plan for the transportation of pupils. If the charter school will not provide transportation, the application must include a statement that the charter school will work with the parents and guardians of pupils enrolled in the charter school to develop a plan for transportation to ensure that pupils have access to transportation to and from the charter school.

(m) The procedure for the evaluation of teachers of the charter school, if different from the procedure prescribed in NRS 391.3125 and 391.3128. If the procedure is different from the procedure prescribed in NRS 391.3125 and 391.3128, the procedure for the evaluation of teachers of the charter school must provide the same level of protection and otherwise comply with the standards for evaluation set forth in NRS 391.3125 and 391.3128.

(n) The time by which certain academic or educational results will be achieved.

(o) The kind of school, as defined in subsections 1 to 4, inclusive, of NRS 388.020, for which the charter school intends to operate.



(p) A statement of whether the charter school will enroll pupils who are in a particular category of at-risk pupils before enrolling other children who are eligible to attend the charter school pursuant to NRS 386.580 and the method for determining eligibility for enrollment in each such category of at-risk pupils served by the charter school.

6. As used in subsection 1, “teacher” means a person who:

(a) Holds a current license to teach issued pursuant to chapter 391 of NRS or who previously held such a license and is retired, as long as his or her license was held in good standing; and

(b) Has at least 2 years of experience as an employed teacher.

➤ The term does not include a person who is employed as a substitute teacher.

**Sec. 8.** NRS 386.525 is hereby amended to read as follows:

386.525 1. A charter school may submit the application to the proposed sponsor of the charter school. If an application proposes to convert an existing public school, homeschool or other program of home study into a charter school, the proposed sponsor shall deny the application.

2. The proposed sponsor of a charter school shall, in reviewing an application to form a charter school:

(a) Assemble a team of reviewers who possess the appropriate knowledge and expertise with regard to the academic, financial and organizational experience of charter schools to review and evaluate the application;

(b) Conduct a thorough evaluation of the application, which includes an in-person interview with the committee to form the charter school;

(c) Base its determination on documented evidence collected through the process of reviewing the application; and

(d) Adhere to the policies and practices developed by the proposed sponsor pursuant to subsection 5 of NRS 386.515.

3. The proposed sponsor of a charter school may approve an application to form a charter school only if the proposed sponsor determines that:

(a) The application ~~is~~:

~~—(1) Complies~~ **complies** with NRS 386.490 to 386.649, inclusive, **and section 2 of this act** and the **applicable** regulations ~~{applicable to charter schools;}~~ **adopted pursuant thereto;** and

~~{(2) Is complete in accordance with the regulations of the Department; and}~~

(b) The applicant has demonstrated competence in accordance with the criteria for approval prescribed by the sponsor pursuant to subsection 5 of NRS 386.515 that will likely result in a successful opening and operation of the charter school.



4. If the board of trustees of a school district or a college or a university within the Nevada System of Higher Education, as applicable, receives an application to form a charter school, the board of trustees or the institution, as applicable, shall consider the 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 board of trustees of the school district or the institution, as applicable, and ensure that notice of the meeting has been provided pursuant to chapter 241 of NRS. The board of trustees, the college or the university, as applicable, shall review an application in accordance with the requirements for review set forth in subsections 2 and 3.

5. The board of trustees, the college or the university, as applicable, may approve an application if it satisfies the requirements of subsection 3.

6. The board of trustees, the college or the university, as applicable, shall provide written notice to the applicant of its approval or denial of the application. If the board of trustees, the college or the university, as applicable, denies an application, it shall include in the written notice the reasons for the denial and the deficiencies in the application. The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

7. If the board of trustees, the college or the university, as applicable, denies an application after it has been resubmitted pursuant to subsection 6, the applicant may submit a written request for sponsorship by the State Public Charter School Authority not more than 30 days after receipt of the written notice of denial. Any request that is submitted pursuant to this subsection must be accompanied by the application to form the charter school.

8. If the State Public Charter School Authority receives an application pursuant to subsection 1 or 7, it shall consider the application at a meeting which must be held not later than 60 days after receipt of the application or a later period mutually agreed upon by the committee to form the charter school and the State Public Charter School Authority. Notice of the meeting must be posted in accordance with chapter 241 of NRS. The State Public Charter School Authority shall review the application in accordance with the requirements for review set forth in subsections 2 and 3. The State Public Charter School Authority may approve an application only if it satisfies the requirements of subsection 3. Not more than 30 days after the meeting, the State Public Charter School Authority shall provide written notice of its determination to the applicant.



9. If the State Public Charter School Authority denies or fails to act upon an application, the denial or failure to act must be based upon a finding that the applicant failed to satisfy the requirements of subsection 3. The State Public Charter School Authority shall include in the written notice the reasons for the denial or the failure to act and the deficiencies in the application. The staff designated by the State Public Charter School Authority shall meet with the applicant to confer on the method to correct the identified deficiencies. The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

10. If the State Public Charter School Authority denies an application after it has been resubmitted pursuant to subsection 9, the applicant may, not more than 30 days after the receipt of the written notice from the State Public Charter School Authority, appeal the final determination to the district court of the county in which the proposed charter school will be located.

11. On or before January 1 of each odd-numbered year, the Superintendent of Public Instruction shall submit a written report to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature. The report must include:

(a) A list of each application to form a charter school that was submitted to the board of trustees of a school district, the State Public Charter School Authority, a college or a university during the immediately preceding biennium;

(b) The educational focus of each charter school for which an application was submitted;

(c) The current status of the application; and

(d) If the application was denied, the reasons for the denial.

**Sec. 9.** NRS 386.535 is hereby amended to read as follows:

386.535 Except as otherwise provided in NRS 386.5351:

1. The sponsor of a charter school may revoke a written charter or terminate a charter contract before the expiration of the charter if the sponsor determines that:

(a) The charter school, its officers or its employees:

(1) Committed a material breach of the terms and conditions of the written charter or charter contract;

(2) Failed to comply with generally accepted standards of fiscal management;

(3) Failed to comply with the provisions of NRS 386.490 to 386.649, inclusive, *and section 2 of this act* or any other statute or regulation applicable to charter schools; or

(4) If the charter school holds a charter contract, has persistently underperformed, as measured by the performance



1 indicators, measures and metrics set forth in the performance  
2 framework for the charter school;

3 (b) The charter school has filed for a voluntary petition of  
4 bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise  
5 financially impaired such that the charter school cannot continue to  
6 operate; or

7 (c) There is reasonable cause to believe that revocation or  
8 termination is necessary to protect the health and safety of the pupils  
9 who are enrolled in the charter school or persons who are employed  
10 by the charter school from jeopardy, or to prevent damage to or loss  
11 of the property of the school district or the community in which the  
12 charter school is located.

13 2. Before the sponsor revokes a written charter or terminates a  
14 charter contract, the sponsor shall provide written notice of its  
15 intention to the governing body of the charter school. The written  
16 notice must:

17 (a) Include a statement of the deficiencies or reasons upon  
18 which the action of the sponsor is based;

19 (b) Except as otherwise provided in subsection 4, prescribe a  
20 period, not less than 30 days, during which the charter school may  
21 correct the deficiencies, including, without limitation, the date on  
22 which the period to correct the deficiencies begins and the date on  
23 which that period ends;

24 (c) Prescribe the date on which the sponsor will make a  
25 determination regarding whether the charter school has corrected the  
26 deficiencies, which determination may be made during the public  
27 hearing held pursuant to subsection 3; and

28 (d) Prescribe the date on which the sponsor will hold a public  
29 hearing to consider whether to revoke the written charter or  
30 terminate the charter contract.

31 3. Except as otherwise provided in subsection 4, not more than  
32 90 days after the notice is provided pursuant to subsection 2, the  
33 sponsor shall hold a public hearing to make a determination  
34 regarding whether to revoke the written charter or terminate the  
35 charter contract. If the charter school corrects the deficiencies to the  
36 satisfaction of the sponsor within the time prescribed in paragraph  
37 (b) of subsection 2, the sponsor shall not revoke the written charter  
38 or terminate the charter contract of the charter school. The sponsor  
39 may not include in a written notice pursuant to subsection 2 any  
40 deficiency which was included in a previous written notice and  
41 which was corrected by the charter school, unless the deficiency  
42 recurred after being corrected.

43 4. The sponsor of a charter school and the governing body of  
44 the charter school may enter into a written agreement that prescribes  
45 different time periods than those set forth in subsections 2 and 3.



5. If the written charter is revoked or the charter contract is terminated, the sponsor of the charter school shall submit a written report to the Department and the governing body of the charter school setting forth the reasons for the termination not later than 10 days after revoking the written charter or terminating the charter contract.

**Sec. 10.** NRS 386.540 is hereby amended to read as follows:

386.540 1. The Department ~~{shall}~~ :

*(a) Shall* adopt regulations that prescribe:

~~{(a)}~~ *(1)* The process for submission of an application pursuant to NRS 386.515 by the board of trustees of a school district or a college or university within the Nevada System of Higher Education to the Department for authorization to sponsor charter schools, the contents of the application, the process for the Department to review the application and the timeline for review;

~~{(b)}~~ *(2)* The process for the Department to conduct a comprehensive review of the sponsors of charter schools that it has approved for sponsorship pursuant to NRS 386.515 at least once every 3 years;

~~{(c)}~~ *(3)* The process for the Department to determine whether to continue or to revoke the authorization of a board of trustees of a school district or a college or university within the Nevada System of Higher Education to sponsor charter schools;

~~{(d)}~~ *(4)* The process for submission ~~{of an application to form a charter school}~~ to the board of trustees of a school district ~~{, the State Public Charter School Authority and}~~ *or* a college or university within the Nevada System of Higher Education ~~{, of an application to form a charter school, an application to renew a charter contract and an application to request an amendment of a written charter pursuant to NRS 386.527, and the contents of {the} such an application}~~;

~~{(e) The process for submission of an application to renew a charter contract;~~

~~—{(f)} and~~

*(5)* The criteria *that must be applied* and type of investigation that must be ~~{applied}~~ *conducted* by the board of trustees ~~{, the State Public Charter School Authority}~~ and a college or university within the Nevada System of Higher Education in determining whether to approve an application to form a charter school, an application to renew a charter contract or ~~{a}~~ *an application to* request ~~{for}~~ an amendment of a written charter or a charter contract ~~{, and}~~

~~—{(g) The process for submission of an amendment of a written charter or a charter contract pursuant to NRS 386.527 and the contents of the application.}~~



~~2. The Department may~~

(b) May adopt *such* regulations *governing a charter school sponsored by the board of trustees of a school district or a college or university within the Nevada System of Higher Education* as it determines are necessary to carry out the provisions of NRS 386.490 to 386.649, inclusive, ~~including, without limitation,~~ and section 2 of this act.

(c) May adopt regulations that prescribe *for a charter school sponsored by the board of trustees of a school district, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education* the:

~~(a)~~ (1) Procedures for accounting and budgeting;

~~(b)~~ (2) Requirements for performance audits and financial audits of charter schools on an annual basis for charter schools that do not satisfy the requirements of subsection 1 of NRS 386.5515; and

~~(c)~~ (3) Requirements for performance audits every 3 years and financial audits on an annual basis for charter schools that satisfy the requirements of subsection 1 of NRS 386.5515.

2. *The State Public Charter School Authority:*

(a) *Shall adopt regulations that prescribe:*

(1) *The process for submission to the State Public Charter School Authority of an application to form a charter school, an application to renew a charter contract and an application to request an amendment of a written charter and the contents of such an application; and*

(2) *The criteria that must be applied and type of investigation that must be conducted by the State Public Charter School Authority in determining whether to approve an application to form a charter school, an application to renew a charter contract or an application to request an amendment of a written contract or a charter contract.*

(b) *Except as otherwise provided in subsection 1, may adopt such regulations as it determines are necessary to carry out the provisions of NRS 386.490 to 386.649, inclusive, and section 2 of this act concerning a charter school sponsored by the State Public Charter School Authority.*

**Sec. 11.** NRS 386.540 is hereby amended to read as follows:

386.540 1. The Department ~~shall~~:

(a) *Shall* adopt regulations that prescribe:

~~(a)~~ (1) The process for submission of an application pursuant to NRS 386.515 by the board of trustees of a school district or a college or university within the Nevada System of Higher Education to the Department for authorization to sponsor charter schools, the



contents of the application, the process for the Department to review the application and the timeline for review;

~~[(b)]~~ (2) The process for the Department to conduct a comprehensive review of the sponsors of charter schools that it has approved for sponsorship pursuant to NRS 386.515 at least once every 3 years;

~~[(c)]~~ (3) The process for the Department to determine whether to continue or to revoke the authorization of a board of trustees of a school district or a college or university within the Nevada System of Higher Education to sponsor charter schools;

~~[(d)]~~ (4) The process for submission ~~[of an application to form a charter school]~~ to the board of trustees of a school district ~~[, the State Public Charter School Authority and]~~ or a college or university within the Nevada System of Higher Education ~~[, of an application to form a charter school, an application to renew a charter contract and an application to request an amendment of a charter contract pursuant to NRS 386.527, and the contents of [the] such an application;~~

~~[(e)] The process for submission of an application to renew a charter contract;~~

~~—[(f)] and~~

(5) The criteria *that must be applied* and type of investigation that must be ~~[applied]~~ *conducted* by the board of trustees ~~[, the State Public Charter School Authority]~~ and a college or university within the Nevada System of Higher Education in determining whether to approve an application to form a charter school, an application to renew a charter contract or ~~[a]~~ *an application to request [for] an amendment of a charter contract . [, and*

~~—(g) The process for submission of an amendment of a charter contract pursuant to NRS 386.527 and the contents of the application.~~

~~—2. The Department may]~~

(b) May adopt *such* regulations *governing a charter school sponsored by the board of trustees of a school district or a college or university within the Nevada System of Higher Education* as it determines are necessary to carry out the provisions of NRS 386.490 to 386.649, inclusive, ~~[including, without limitation,]~~ *, and section 2 of this act.*

(c) May adopt regulations that prescribe *for a charter school sponsored by the board of trustees of a school district, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education* the:

~~[(a)]~~ (1) Procedures for accounting and budgeting;



~~[(b)]~~ (2) Requirements for performance audits and financial audits of charter schools on an annual basis for charter schools that do not satisfy the requirements of subsection 1 of NRS 386.5515; and

~~[(e)]~~ (3) Requirements for performance audits every 3 years and financial audits on an annual basis for charter schools that satisfy the requirements of subsection 1 of NRS 386.5515.

**2. The State Public Charter School Authority:**

**(a) Shall adopt regulations that prescribe:**

*(1) The process for submission to the State Public Charter School Authority of an application to form a charter school, an application to renew a charter contract and an application to request an amendment of a charter contract, and the contents of such an application; and*

*(2) The criteria that must be applied and type of investigation that must be conducted by the State Public Charter School Authority in determining whether to approve an application to form a charter school, an application to renew a charter contract or an application to request an amendment of a charter contract.*

*(b) Except as otherwise provided in subsection 1, may adopt such regulations as it determines are necessary to carry out the provisions of NRS 386.490 to 386.649, inclusive, and section 2 of this act concerning a charter school sponsored by the State Public Charter School Authority.*

**Sec. 12.** NRS 284.140 is hereby amended to read as follows:

284.140 ~~[(The)]~~ *Except as otherwise provided by specific statute,* the unclassified service of the State consists of the following state officers or employees in the Executive Department of the State Government who receive annual salaries for their services:

1. Members of boards and commissions, and heads of departments, agencies and institutions required by law to be appointed.

~~[(Except as otherwise provided in NRS 223.085, 223.570 and 223.600, all)]~~ *All* persons required by law to be appointed by the Governor or heads of departments or agencies appointed by the Governor or by boards.

3. All employees other than clerical in the Office of the Attorney General and the State Public Defender required by law to be appointed by the Attorney General or the State Public Defender.

4. Except as otherwise provided by the Board of Regents of the University of Nevada pursuant to NRS 396.251, officers and members of the teaching staff and the staffs of the Agricultural Extension Department and Experiment Station of the Nevada



System of Higher Education, or any other state institution of learning, and student employees of these institutions. Custodial, clerical or maintenance employees of these institutions are in the classified service. The Board of Regents of the University of Nevada shall assist the Administrator in carrying out the provisions of this chapter applicable to the Nevada System of Higher Education.

5. All other officers and employees authorized by law to be employed in the unclassified service.

**Sec. 13.** NRS 353.210 is hereby amended to read as follows:

353.210 1. Except as otherwise provided in subsections 6 and 7, on or before September 1 of each even-numbered year, all departments, institutions and other agencies of the Executive Department of the State Government, and all agencies of the Executive Department of the State Government receiving state money, fees or other money under the authority of the State, including those operating on money designated for specific purposes by the Nevada Constitution or otherwise, shall prepare, on blanks furnished them by the Chief, and submit to the Chief:

(a) The number of full-time equivalent positions within the department, institution or agency.

(b) The number of full-time equivalent positions within the department, institution or agency that have been vacant for at least 12 months, the number of months each such position has been vacant and the reasons for each such vacancy.

(c) Any existing contracts for services the department, institution or agency has with temporary employment services or other persons, the proposed expenditures for such contracts in the next 2 fiscal years and the reasons for the use of such services. If such contracts include any privatization contracts, a copy of each of those privatization contracts together with:

(1) A statement specifying the duration of the privatization contracts;

(2) The number of privatization contracts proposed for the next 2 fiscal years and the estimated expenditures for the privatization contracts; and

(3) An analysis of each of the privatization contracts, which includes, without limitation:

(I) For the preceding, current and next fiscal years, the annual amount required to perform each of the privatization contracts; and

(II) For the preceding and current fiscal years, the number of persons the department, institution or agency employed pursuant to the privatization contracts, reflected as the equivalent full-time position if the persons were regularly employed by the department,



1 institution or agency, including the equivalent hourly wage and the  
2 cost of benefits for each job classification.

3 (d) Estimates of expenditure requirements of the department,  
4 institution or agency, together with all anticipated income from fees  
5 and all other sources, for the next 2 fiscal years compared with the  
6 corresponding figures of the last completed fiscal year and the  
7 estimated figures for the current fiscal year.

8 2. The Chief shall direct that one copy of the forms submitted  
9 pursuant to subsection 1, accompanied by every supporting schedule  
10 and any other related material, be delivered directly to the Fiscal  
11 Analysis Division of the Legislative Counsel Bureau on or before  
12 September 1 of each even-numbered year.

13 3. The Budget Division of the Department of Administration  
14 shall give advance notice to the Fiscal Analysis Division of the  
15 Legislative Counsel Bureau of any conference between the Budget  
16 Division of the Department of Administration and personnel of  
17 other state agencies regarding budget estimates. A Fiscal Analyst of  
18 the Legislative Counsel Bureau or his or her designated  
19 representative may attend any such conference.

20 4. The estimates of expenditure requirements submitted  
21 pursuant to subsection 1 must be classified to set forth the data of  
22 funds, organizational units, and the character and objects of  
23 expenditures by program or budgetary account and by category of  
24 expense, and must include a mission statement and measurement  
25 indicators in adequate detail to comply with the requirements of  
26 subparagraph (3) of paragraph (b) of subsection 1 of NRS 353.205.  
27 The organizational units may be subclassified by functions and by  
28 agencies, bureaus or commissions, or in any other manner at the  
29 discretion of the Chief.

30 5. If any department, institution or other agency of the  
31 Executive Department of the State Government, whether its money  
32 is derived from state money or from other money collected under  
33 the authority of the State, fails or neglects to submit estimates of its  
34 expenditure requirements as provided in this section, the Chief may,  
35 from any data at hand in the Chief's office or which the Chief may  
36 examine or obtain elsewhere, make and enter a proposed budget for  
37 the department, institution or agency in accordance with the data.

38 6. Agencies, bureaus, commissions and officers of the  
39 Legislative Department ~~{, the Public Employees' Retirement~~  
40 ~~System}~~ and the Judicial Department of the State Government, *the*  
41 *Public Employees' Retirement System and the State Public*  
42 *Charter School Authority* shall submit to the Chief for his or her  
43 information in preparing the proposed executive budget the budgets  
44 which they propose to submit to the Legislature.



7. On or before September 1 of each even-numbered year, the Tahoe Regional Planning Agency shall submit the budget which the Agency proposes to submit to the Legislature to:

(a) The Chief for his or her information in preparing the proposed executive budget.

(b) The Fiscal Analysis Division of the Legislative Counsel Bureau.

8. The information provided by a department, institution or agency pursuant to paragraph (c) of subsection 1 is a public record and must be open to public inspection.

9. As used in this section, “privatization contract” means a contract executed by or on behalf of a department, institution or agency which authorizes a private entity to provide public services which are:

(a) Substantially similar to the services performed by the public employees of the department, institution or agency; and

(b) In lieu of the services otherwise authorized or required to be provided by the department, institution or agency.

**Sec. 14.** NRS 353.246 is hereby amended to read as follows:

353.246 1. Except as otherwise provided in subsection 2 of this section and subsections 6 and 7 of NRS 353.210, the provisions of NRS 353.150 to 353.245, inclusive, do not apply to agencies, bureaus, commissions and officers of the Legislative Department ~~[- the Public Employees’ Retirement System,]~~ and the Judicial Department of the State Government, *the Public Employees’ Retirement System, the State Public Charter School Authority* and the Tahoe Regional Planning Agency.

2. The Legislative Department ~~[- the Public Employees’ Retirement System,]~~ and the Judicial Department of the State Government, *the Public Employees’ Retirement System, the State Public Charter School Authority* and the Tahoe Regional Planning Agency shall submit their budgets to the Legislature in the same format as the proposed executive budget unless otherwise provided by the Legislative Commission. All projections of revenue and any other information concerning future state revenue contained in those budgets must be based upon the projections and estimates prepared by the Economic Forum pursuant to NRS 353.228.

**Sec. 15.** 1. If, on July 1, 2015, the State Public Charter School Authority has not adopted the rules, policies and salary ranges and determined the benefits for all of its officers and employees who are not in the classified or unclassified service of the State on July 1, 2015, as required pursuant to section 2 of this act, those officers and employees are entitled to the same rights and privileges as they enjoyed under chapter 284 of NRS before July 1,



2015, until the adoption of those rules, policies and salary ranges and the determination of those benefits.

2. A person who is employed by the State Public Charter School Authority on June 30, 2015, with permanent status in the classified service may request the Division of Human Resource Management of the Department of Administration to place his or her name on an appropriate reemployment list maintained by the Division. Upon receipt of such a request, the Division shall maintain such an employee on the reemployment list until June 30, 2016, or until the person is reemployed by the Executive Department of the State Government in the classified service in the class or a comparable class with the same grade as the position that the person held with the State Public Charter School Authority before the position was moved from the classified service, whichever occurs earlier. An employee's eligibility to remain on the reemployment list during the period specified in this subsection is not affected by any separation from service of the employee with the State Public Charter School Authority during that period.

**Sec. 16.** 1. Any administrative regulations adopted by the Department of Education pursuant to NRS 386.540 before July 1, 2015, remain in force with respect to a charter school proposed to be sponsored or sponsored by the State Public Charter School Authority before, on or after July 1, 2015, until amended by the State Public Charter School Authority.

2. Any contracts or other agreements entered into by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity are binding upon the officer, agency or other entity to which the responsibility for the administration of the provisions of the contract or other agreement has been transferred. Such contracts and other agreements may be enforced by the officer, agency or other entity to which the responsibility for the enforcement of the provisions of the contract or other agreement has been transferred.

3. Any action taken by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity remains in effect as if taken by the officer, agency or other entity to which the responsibility for the enforcement of such actions has been transferred.

**Sec. 17.** 1. This section and sections 1 to 10, inclusive, and sections 12 to 16, inclusive, of this act become effective:

(a) Upon passage and approval for the purposes of the State Public Charter School Authority carrying out its duties pursuant to section 2 of this act and adopting regulations; and



- 1 (b) On July 1, 2015, for all other purposes.  
2 2. Section 11 of this act becomes effective on January 1, 2020.

