

SENATE BILL NO. 384—SENATOR HAMMOND

MARCH 18, 2013

Referred to Committee on Education

SUMMARY—Revises provisions relating to charter schools. (BDR 34-687)

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

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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 charter schools; renaming the State Public Charter School Authority the Nevada Public Charter School Authority; authorizing the Authority to issue bonds, notes and other obligations to finance the acquisition of property, buildings and facilities for charter schools; establishing the procedure for the issuance of such obligations; providing for the payment of the obligations; revising provisions relating to the closure of a charter school and the payment of its debts; authorizing a charter school to incorporate as a nonprofit corporation, borrow money and encumber its assets; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the State Public Charter School Authority, consisting of
2 seven members appointed by the Governor, the Majority Leader of the Senate, the
3 Speaker of the Assembly and the Charter School Association of Nevada, exists
4 primarily to sponsor certain charter schools and oversee their operations. (NRS
5 386.509, 386.5095, 386.515) This bill changes the name of the State Public Charter
6 School Authority to the Nevada Public Charter School Authority and authorizes it
7 to issue bonds and other obligations to finance the acquisition, construction,
8 improvement, maintenance or furnishing of property, buildings and facilities for
9 charter schools. **Sections 1-22** of this bill enact the Charter School Financing Law
10 and provide for the issuance of such obligations by the Authority.
11 **Section 29** of this bill revises provisions governing the closure of a charter
12 school to provide, among other things, for notice of the closure, the development of
13 a plan for closure, an audit and the winding up of the financial affairs of the charter
14 school. **Section 30** of this bill authorizes a charter school to incorporate as a
15 nonprofit corporation. **Section 31** of this bill authorizes a charter school to borrow



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16 money and encumber its property and other assets, and to use public money to
17 purchase property with the approval of the charter school's sponsor.

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

1 **Section 1.** Chapter 386 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 22, inclusive, of this
3 act.

4 **Sec. 2.** *Sections 2 to 22, inclusive, of this act may be cited as*
5 *the Charter School Financing Law.*

6 **Sec. 3.** *As used in sections 2 to 22, inclusive, of this act,*
7 *unless the context otherwise requires, the words and terms defined*
8 *in sections 4 to 8, inclusive, of this act have the meanings ascribed*
9 *to them in those sections.*

10 **Sec. 4.** *“Bond” means any bond, note or other evidence of*
11 *indebtedness.*

12 **Sec. 5.** *“Finance” or “financing” includes, without*
13 *limitation, the issuance of bonds by the Nevada Public Charter*
14 *School Authority for the purpose of using all or any part of the*
15 *proceeds to pay for or to reimburse a user or the designee of a user*
16 *for the cost of acquiring the facilities of a project, or to provide*
17 *money for the project itself where appropriate, whether these costs*
18 *are incurred by the user or a designee of the user.*

19 **Sec. 6.** *“Mortgage” means a mortgage, trust deed or other*
20 *security device.*

21 **Sec. 7.** *“Project” means:*

22 1. *Any building, structure or real property owned, to be*
23 *acquired or used by a charter school for any of its educational*
24 *purposes and all related appurtenances, easements, rights-of-way,*
25 *improvements, paving, utilities, landscaping and parking facilities,*
26 *together with all the personal property necessary, convenient or*
27 *appurtenant thereto; or*

28 2. *Any capital equipment owned, to be acquired or used by a*
29 *charter school for any of its educational purposes.*

30 **Sec. 8.** *“User” means the person who will:*

31 1. *Occupy, operate, maintain and employ the facilities of a*
32 *project; or*

33 2. *Manage and administer a project,*
34 *↪ after the financing, acquisition or construction of the project.*

35 **Sec. 9.** 1. *The Nevada Public Charter School Authority*
36 *may:*

37 (a) *Sue and be sued in its own name;*

38 (b) *Have, and alter at will, an official seal;*



1 (c) *Contract with experts, advisers, consultants and agents for*
2 *needed services;*

3 (d) *Finance or fund one or more projects, which must be*
4 *located in this State;*

5 (e) *Issue revenue bonds on behalf of the State of Nevada,*
6 *including refunding bonds, to defray the cost of financing,*
7 *acquiring, constructing, reconstructing, improving, maintaining,*
8 *equipping or furnishing any project, which revenue bonds may be*
9 *issued in one or more series or issues where considered advisable,*
10 *and each series or issue may contain different maturity dates,*
11 *interest rates, priorities on securities available for guaranteeing*
12 *payment of them, and other differing terms and conditions*
13 *considered necessary and not in conflict with sections 2 to 22,*
14 *inclusive, of this act;*

15 (f) *Secure the payment of any such bonds as provided in*
16 *sections 2 to 22, inclusive, of this act;*

17 (g) *Make and execute contracts and other instruments as*
18 *necessary or convenient for the performance of its duties and the*
19 *exercise of its powers and functions; and*

20 (h) *Exercise any other powers or duties that are necessary or*
21 *appropriate to carry out and effectuate the purposes of sections 2*
22 *to 22, inclusive, of this act.*

23 2. *The Nevada Public Charter School Authority shall not*
24 *exercise any power in any manner which would create general*
25 *obligations of the State of Nevada or any agency, department or*
26 *political subdivision of the State.*

27 **Sec. 10. 1.** *Any bonds issued by the Nevada Public Charter*
28 *School Authority pursuant to sections 2 to 22, inclusive, of this act*
29 *are special obligations of the Nevada Public Charter School*
30 *Authority. Bonds and interest coupons issued pursuant to sections*
31 *2 to 22, inclusive, of this act are not and do not give rise to a*
32 *general obligation or liability of the Nevada Public Charter School*
33 *Authority or a charge against its general credit. This limitation*
34 *must be plainly stated upon the face of any such bonds.*

35 2. *The bonds described in subsection 1 may be authorized by*
36 *resolution of the Nevada Public Charter School Authority and*
37 *may:*

38 (a) *Be executed and delivered at any time and from time to*
39 *time;*

40 (b) *Be in such form and denominations;*

41 (c) *Be of such tenor;*

42 (d) *Be in registered or bearer form as to principal or interest or*
43 *both;*

44 (e) *Be payable in such installments and at such times;*

45 (f) *Be payable at such places within or without the State;*



- 1 (g) *Bear interest at such rates and evidenced in such manner;*
- 2 (h) *Be redeemable before maturity, with or without premium;*
- 3 (i) *Be convertible into equity positions in any assets acquired*
- 4 *or developed with the proceeds of the sale of the bonds; and*
- 5 (j) *Contain such other provisions, not inconsistent with*
- 6 *sections 2 to 22, inclusive, of this act,*
- 7 *↪ as is deemed by the Nevada Public Charter School Authority to*
- 8 *be for the best interests of the Nevada Public Charter School*
- 9 *Authority and provided for in its proceedings pursuant to which*
- 10 *the bonds are authorized to be issued.*

11 3. *Any bonds issued pursuant to sections 2 to 22, inclusive, of*

12 *this act may be sold at public or private sale in such a manner and*

13 *at such times as determined by the Nevada Public Charter School*

14 *Authority to be most advantageous, with or without a credit rating.*

15 4. *The bonds of the Nevada Public Charter School Authority*

16 *must be secured by a pledge of one or more notes, debentures,*

17 *bonds, other secured or unsecured debt obligations of the user, or*

18 *such sinking fund or other arrangement as in the judgment of the*

19 *Nevada Public Charter School Authority is appropriate for the*

20 *purpose of ensuring payment of the bond obligations to investors*

21 *in accordance with their terms.*

22 5. *Any bonds issued pursuant to sections 2 to 22, inclusive, of*

23 *this act and any interest coupons applicable to such bonds are*

24 *negotiable instruments notwithstanding the fact that they are*

25 *payable solely from a specified source.*

26 **Sec. 11.** *The proceedings of the Nevada Public Charter*

27 *School Authority under which any bonds are authorized to be*

28 *issued pursuant to sections 2 to 22, inclusive, of this act may:*

29 1. *If the bonds bear interest at a variable rate, specify the*

30 *methods, formulas or indices by which the interest rate is to be*

31 *determined;*

32 2. *Specify:*

33 (a) *The terms and conditions under which any such bonds are*

34 *issued, sold and delivered;*

35 (b) *The officer or member of the Nevada Public Charter*

36 *School Authority responsible for issuance, execution and delivery*

37 *of the bonds;*

38 (c) *The maximum amount of bonds which may be outstanding*

39 *at any one time;*

40 (d) *The source of payment of the bonds, which may include the*

41 *proceeds of refunding bonds issued pursuant to sections 2 to 22,*

42 *inclusive, of this act; and*

43 (e) *Any other details necessary or appropriate for the issuance*

44 *of bonds not inconsistent with sections 2 to 22, inclusive, of this*

45 *act; and*



1 3. *Delegate by resolution to one or more members or officers*
2 *of the Nevada Public Charter School Authority the authority to:*

3 (a) *In accordance with and within the limits set forth in the*
4 *resolution, approve the final interest rate, price, principal amount,*
5 *maturity, redemption features and other terms of the bonds; and*

6 (b) *Approve and execute all documents relating to the issuance*
7 *of the bonds.*

8 **Sec. 12.** *1. The principal of and interest on any bonds*
9 *issued by the Nevada Public Charter School Authority:*

10 (a) *Must be secured by a pledge and assignment of the*
11 *revenues out of which the bonds are made payable or by such*
12 *other sinking fund or security provision as, in the judgment of the*
13 *Nevada Public Charter School Authority, is reasonably designed*
14 *to assure payment of the obligations to the purchasers thereof,*
15 *except that a purchaser of any such bonds has no recourse against*
16 *the Nevada Public Charter School Authority's general funds or its*
17 *general credit;*

18 (b) *May be secured by a mortgage covering all or any part of*
19 *the project; and*

20 (c) *May be secured by any other security device deemed most*
21 *advantageous by the Nevada Public Charter School Authority.*

22 2. *The proceedings under which any bonds are authorized to*
23 *be issued pursuant to sections 2 to 22, inclusive, of this act and*
24 *any mortgage given to secure them may contain any agreement*
25 *and provision customarily contained in instruments securing*
26 *bonds, including, without limitation, provisions relating to:*

27 (a) *The fixing and collection of money for any project covered*
28 *by the proceedings or mortgage;*

29 (b) *The terms to be incorporated in the lease, installment-*
30 *purchase agreement, rental agreement, mortgage, trust indenture,*
31 *loan agreement, financing agreement or other agreement for the*
32 *project;*

33 (c) *The maintenance and insurance of the project;*

34 (d) *The creation and maintenance of one or more special*
35 *funds from the revenues of the project; and*

36 (e) *The rights and remedies available to the bondholders or to*
37 *the trustee under a mortgage in the event of a default, which the*
38 *Nevada Public Charter School Authority deems advisable and*
39 *which are not in conflict with sections 2 to 22, inclusive, of this*
40 *act, except that in making any agreements or provisions the*
41 *Nevada Public Charter School Authority may not obligate itself*
42 *and may not incur a general obligation or liability or a charge*
43 *upon its general credit.*

44 3. *The proceedings authorizing any bonds pursuant to*
45 *sections 2 to 22, inclusive, of this act and any mortgage securing*



1 *bonds may provide that, in the event of a default in the payment of*
2 *the principal of or the interest on the bonds or in the performance*
3 *of any agreement contained in the proceedings or mortgage,*
4 *payment and performance may be enforced by the appointment of*
5 *a receiver with power to charge and collect the revenues from the*
6 *project and to apply the revenues from the project in accordance*
7 *with the proceedings or the provisions of the mortgage.*

8 *4. Any mortgage made pursuant to sections 2 to 22, inclusive,*
9 *of this act to secure bonds issued pursuant to those sections may*
10 *also provide that, in the event of a default in payment or the*
11 *violation of any agreement contained in the mortgage, in the*
12 *mortgage may be foreclosed or otherwise realized on in any*
13 *manner permitted by law. The mortgage may also provide that any*
14 *trustee under the mortgage or the holder of any of the bonds*
15 *secured by the mortgage may become the purchaser at any*
16 *foreclosure sale if the mortgagee or holder is the highest bidder.*
17 *No breach of any agreement imposes any general obligation or*
18 *liability upon the Nevada Public Charter School Authority or any*
19 *charge upon its general credit.*

20 *5. Any revenues pledged for the payment of any bonds issued*
21 *by the Nevada Public Charter School Authority are immediately*
22 *subject to the lien of each such pledge without any physical*
23 *delivery thereof, any filing or further act and the lien of each such*
24 *pledge has priority over all other obligations and liabilities of the*
25 *Nevada Public Charter School Authority, except as may be*
26 *otherwise provided in sections 2 to 22, inclusive, of this act or in*
27 *the proceedings authorizing the bonds, and subject to any pledges*
28 *and liens previously created. The lien of each such pledge is valid*
29 *and binding as against all persons having claims of any kind,*
30 *whether in tort, contract or otherwise, against the Nevada Public*
31 *Charter School Authority regardless of whether any such persons*
32 *have notice of the lien.*

33 **Sec. 13.** *Any bonds issued and at any time outstanding*
34 *pursuant to sections 2 to 22, inclusive, of this act may at any time*
35 *and from time to time be refunded either in advance or by*
36 *exchange by the Nevada Public Charter School Authority by the*
37 *issuance of its refunding bonds in such amount as the Nevada*
38 *Public Charter School Authority deems necessary. Any such*
39 *refunding may be effected whether the bonds to be refunded have*
40 *then matured or mature thereafter, either by sale of the refunding*
41 *bonds and the application of the proceeds from the sale to the*
42 *payment of the bonds to be refunded by such refunding bonds or*
43 *by exchange of the refunding bonds for the bonds to be refunded*
44 *by such refunding bonds. Any refunding bonds issued pursuant to*
45 *sections 2 to 22, inclusive, of this act are subject to the provisions*



1 *of section 11 of this act and may be secured in accordance with*
2 *the provisions of section 12 of this act.*

3 **Sec. 14.** *The proceeds from the sale of any bonds issued*
4 *pursuant to sections 2 to 22, inclusive, of this act must be applied*
5 *only for the purposes for which the bonds are issued, but any*
6 *accrued interest and premium received upon any such sale must*
7 *be applied to the payment of the principal of or the interest on the*
8 *bonds sold, and if for any reason any portion of those proceeds are*
9 *not needed for the purposes for which the bonds were issued, then*
10 *the unneeded portion of the proceeds must be applied to the*
11 *payment of the principal of or the interest on the bonds or in*
12 *accordance with such other plan or device for the furtherance of*
13 *the project and the protection of the bondholder as the Nevada*
14 *Public Charter School Authority deems appropriate under the*
15 *circumstances.*

16 **Sec. 15.** *The cost of acquiring or improving any project*
17 *includes:*

- 18 1. *The actual cost of acquiring or improving real estate;*
- 19 2. *The actual cost of enlarging, constructing, reconstructing,*
20 *improving, maintaining, equipping or furnishing all or any part of*
21 *a project which is constructed, including, without limitation, the*
22 *fees of architects or engineers; and*
- 23 3. *All expenses in connection with the authorization, sale and*
24 *issuance of the bonds to finance the acquisition or improvement,*
25 *enlargement, construction, reconstruction, improvement,*
26 *maintenance, equipping or furnishing of a project, including,*
27 *without limitation, legal fees, the fees of financial advisers, fees*
28 *for a letter of credit, fees for a line of credit or other liquidity*
29 *agreement, bank acceptance fees, fees of tender agents,*
30 *remarketing agents and indexing agents, premiums for bond*
31 *insurance or insurance of the obligations of users under security*
32 *agreements, printing costs, underwriters' discounts, reserves to*
33 *pay principal and interest on the bonds and the interest on bonds*
34 *for a reasonable time before construction, during construction*
35 *and for a reasonable period after completion of construction of a*
36 *project.*

37 **Sec. 16.** *The determination of the Nevada Public Charter*
38 *School Authority that the limitations of sections 2 to 22, inclusive,*
39 *of this act imposed upon the issuance of bonds or upon the*
40 *issuance of other securities pursuant to those sections, including,*
41 *without limitation, any securities for funding or refunding*
42 *securities, have been complied with is conclusive in the absence of*
43 *fraud or arbitrary and gross abuse of discretion.*

44 **Sec. 17.** 1. *Except as otherwise provided in subsection 2,*
45 *bonds and other securities issued pursuant to the provisions of*



1 *sections 2 to 22, inclusive, of this act, their transfer and the*
2 *income produced by the bonds and other securities is and must*
3 *forever be and remain free and exempt from taxation by this State*
4 *or any political subdivision of this State.*

5 *2. The provisions of subsection 1 do not apply to the tax on*
6 *the transfers of taxable estates imposed by chapter 375A of NRS*
7 *or the tax on generation-skipping transfers imposed by chapter*
8 *375B of NRS.*

9 *Sec. 18. Nothing contained in sections 2 to 22, inclusive, of*
10 *this act shall be construed as a restriction or limitation upon any*
11 *lawful powers otherwise possessed by the Nevada Public Charter*
12 *School Authority.*

13 *Sec. 19. 1. Any bank, trust company, banker, savings bank*
14 *or institution, savings and loan association, investment company*
15 *and any other person carrying on a banking or investment*
16 *business, any insurance company, insurance association or any*
17 *other person carrying on an insurance business and any executor,*
18 *administrator, curator, trustee or any other fiduciary, may invest*
19 *money in his, her or its custody in any of the bonds or other*
20 *securities issued in accordance with the provisions of sections 2 to*
21 *22, inclusive, of this act.*

22 *2. Nothing contained in this section shall be deemed to*
23 *relieve any person of any duty of exercising reasonable care in*
24 *selecting securities.*

25 *Sec. 20. 1. The State of Nevada hereby pledges to and*
26 *agrees with the holders of any bonds issued pursuant to sections 2*
27 *to 22, inclusive, of this act, and any person who may enter into*
28 *contracts with the Nevada Public Charter School Authority, that*
29 *the State will not alter, impair or limit the rights vested by any*
30 *such bonds or contracts until the bonds, with applicable interest,*
31 *are fully met and discharged and the contracts are fully*
32 *performed.*

33 *2. Nothing contained in sections 2 to 22, inclusive, of this act*
34 *shall be deemed to preclude any alteration, impairment or*
35 *limitation if adequate provision is made by law for the protection*
36 *of the holders of the bonds or persons entering into contracts with*
37 *the Nevada Public Charter School Authority. The Nevada Public*
38 *Charter School Authority may include this pledge and*
39 *undertaking for the State in any such bonds or contracts.*

40 *Sec. 21. 1. The Nevada Public Charter School Authority*
41 *shall provide for the publication of any resolution or other*
42 *proceeding adopted by it pursuant to sections 2 to 22, inclusive, of*
43 *this act.*



1 2. *Any such publication must be in a newspaper of general*
2 *circulation in the county in which the project is located and must*
3 *comply with the provisions of NRS 238.010 to 238.080, inclusive.*

4 3. *With respect to any resolution or other proceeding*
5 *providing for the issuance of bonds and authorizing the execution*
6 *of any agreement in connection therewith, the Nevada Public*
7 *Charter School Authority may, in lieu of publishing the entire*
8 *resolution or other proceeding, publish a notice of bonds to be*
9 *issued, titled as such, containing:*

10 (a) *The name of the Nevada Public Charter School Authority;*

11 (b) *The purpose of the issue;*

12 (c) *The name of the users, if known;*

13 (d) *The maximum principal amount which may be issued;*

14 (e) *The maximum number of years over which the bonds may*
15 *mature; and*

16 (f) *The times and place at which a copy of the resolution or*
17 *other proceeding may be examined, which must be at an office of*
18 *the Nevada Public Charter School Authority during its regular*
19 *business hours as described in the notice and for a period of not*
20 *less than 30 days after the publication of the notice.*

21 4. *Any person in interest may contest the legality of the*
22 *resolution, proceeding, any bonds authorized under them or any*
23 *provisions made for the security and payment of the bonds within*
24 *30 days after the publication required by this section. After the end*
25 *of that period, no person may contest the regularity, formality or*
26 *legality of the resolution or any agreement authorized thereby, or*
27 *the proceedings, bonds or security provisions for any cause.*

28 **Sec. 22.** 1. *Except as otherwise provided in sections 2 to 22,*
29 *inclusive, of this act, no other statute which is applicable to the*
30 *authorization or issuance of bonds or other securities or the*
31 *exercise of any other power granted pursuant to sections 2 to 22,*
32 *inclusive, of this act and which requires approval or in any way*
33 *impedes or restricts the Nevada Public Charter School Authority*
34 *in carrying out the acts authorized to be done pursuant to sections*
35 *2 to 22, inclusive, of this act is applicable to any proceedings taken*
36 *or acts done pursuant to the provisions of those sections.*

37 2. *The powers conferred by sections 2 to 22, inclusive, of this*
38 *act are in addition and supplemental to and not in substitution for*
39 *any other law, and the limitations imposed by sections 2 to 22,*
40 *inclusive, of this act do not affect the powers conferred by any*
41 *other law.*

42 3. *Nothing contained in sections 2 to 22, inclusive, of this act*
43 *shall be construed to prevent the exercise of any power granted to*
44 *the Nevada Public Charter School Authority, acting by and*



1 *through any of its officers, agents or employees, or otherwise by*
2 *any law.*

3 *4. No part of sections 2 to 22, inclusive, of this act repeals or*
4 *affects any other law or part thereof, and sections 2 to 22,*
5 *inclusive, of this act shall not be construed as repealing or*
6 *amending any such other law.*

7 **Sec. 23.** NRS 386.490 is hereby amended to read as follows:

8 386.490 As used in NRS 386.490 to 386.610, inclusive, *and*
9 *sections 2 to 22, inclusive, of this act,* the words and terms defined
10 in NRS 386.495, 386.500 and 386.503 have the meanings ascribed
11 to them in those sections.

12 **Sec. 24.** NRS 386.495 is hereby amended to read as follows:

13 386.495 “Director” means the Director of the ~~{State}~~ *Nevada*
14 Public Charter School Authority appointed pursuant to
15 NRS 386.511.

16 **Sec. 25.** NRS 386.503 is hereby amended to read as follows:

17 386.503 ~~{“State”}~~ *“Nevada* Public Charter School Authority”
18 means the ~~{State}~~ *Nevada* Public Charter School Authority created
19 by NRS 386.509.

20 **Sec. 26.** NRS 386.509 is hereby amended to read as follows:

21 386.509 The ~~{State}~~ *Nevada* Public Charter School Authority
22 is hereby created ~~{}~~ *as a body politic and corporate.* The purpose of
23 the ~~{State}~~ *Nevada* Public Charter School Authority is to:

24 1. Authorize charter schools of high-quality throughout this
25 State with the goal of expanding the opportunities for pupils in this
26 State, including, without limitation, pupils who are at risk.

27 2. Provide oversight to the charter schools that it sponsors to
28 ensure that those charter schools maintain high educational and
29 operational standards, preserve autonomy and safeguard the
30 interests of pupils and the community.

31 3. Serve as a model of the best practices in sponsoring charter
32 schools and foster a climate in this State in which all charter
33 schools, regardless of sponsor, can flourish.

34 *4. Exercise the powers granted to it by NRS 386.490 to*
35 *386.610, inclusive, and sections 2 to 22, inclusive, of this act,*
36 *including the power to borrow money and issue obligations,*
37 *including refunding obligations.*

38 **Sec. 27.** NRS 386.5095 is hereby amended to read as follows:

39 386.5095 1. The ~~{State}~~ *Nevada* Public Charter School
40 Authority consists of seven members. The membership of the
41 ~~{State}~~ *Nevada* Public Charter School Authority consists of:

42 (a) Two members appointed by the Governor in accordance with
43 subsection 2;

44 (b) Two members, who must not be Legislators, appointed by
45 the Majority Leader of the Senate in accordance with subsection 2;



1 (c) Two members, who must not be Legislators, appointed by
2 the Speaker of the Assembly in accordance with subsection 2; and

3 (d) One member appointed by the Charter School Association of
4 Nevada or its successor organization.

5 2. The Governor, the Majority Leader of the Senate and the
6 Speaker of the Assembly shall ensure that the membership of the
7 ~~{State}~~ Nevada Public Charter School Authority:

8 (a) Includes persons with a demonstrated understanding of
9 charter schools and a commitment to using charter schools as a way
10 to strengthen public education in this State;

11 (b) Includes a parent or legal guardian of a pupil enrolled in a
12 charter school in this State;

13 (c) Includes persons with specific knowledge of:

14 (1) Issues relating to elementary and secondary education;

15 (2) School finance or accounting, or both;

16 (3) Management practices;

17 (4) Assessments required in elementary and secondary
18 education;

19 (5) Educational technology; and

20 (6) The laws and regulations applicable to charter schools;

21 and

22 (d) Insofar as practicable, reflects the ethnic and geographical
23 diversity of this State.

24 3. Each member of the ~~{State}~~ Nevada Public Charter School
25 Authority must be a resident of this State.

26 4. After the initial terms, the term of each member of the
27 ~~{State}~~ Nevada Public Charter School Authority is 3 years,
28 commencing on July 1 of the year in which he or she is appointed. A
29 vacancy in the membership of the ~~{State}~~ Nevada Public Charter
30 School Authority must be filled for the remainder of the unexpired
31 term in the same manner as the original appointment. A member
32 shall continue to serve on the ~~{State}~~ Nevada Public Charter School
33 Authority until his or her successor is appointed.

34 5. The members of the ~~{State}~~ Nevada Public Charter School
35 Authority shall select a Chair and Vice Chair from among its
36 members. After the initial selection of those officers, each of those
37 officers holds the position for a term of 2 years commencing on
38 July 1 of each odd-numbered year. If a vacancy occurs in the Chair
39 or Vice Chair, the vacancy must be filled in the same manner as the
40 original selection for the remainder of the unexpired term.

41 6. Each member of the ~~{State}~~ Nevada Public Charter School
42 Authority is entitled to receive:

43 (a) For each day or portion of a day during which he or she
44 attends a meeting of the ~~{State}~~ Nevada Public Charter School



1 Authority a salary of not more than \$80, as fixed by the ~~{State}~~
2 *Nevada* Public Charter School Authority; and

3 (b) For each day or portion of a day during which he or she
4 attends a meeting of the ~~{State}~~ *Nevada* Public Charter School
5 Authority or is otherwise engaged in the business of the ~~{State}~~
6 *Nevada* Public Charter School Authority the per diem allowance
7 and travel expenses provided for state officers and employees
8 generally.

9 *7. If the Nevada Public Charter School Authority is dissolved*
10 *for any reason, all money, property, rights and interests of the*
11 *Nevada Public Charter School Authority, after the satisfaction of*
12 *its obligations, immediately vest in and become the property of the*
13 *State of Nevada, which succeeds to all rights of the Nevada Public*
14 *Charter School Authority subject to any encumbrances which then*
15 *exist on any of its properties or other assets.*

16 *8. None of the net earnings of the Nevada Public Charter*
17 *School Authority inure to the benefit of any private person.*

18 **Sec. 28.** NRS 386.5125 is hereby amended to read as follows:

19 386.5125 The ~~{State}~~ *Nevada* Public Charter School Authority
20 may employ such persons as it deems necessary to carry out the
21 provisions of NRS 386.490 to 386.610, inclusive ~~{H}~~, *and sections 2*
22 *to 22, inclusive, of this act.* The staff employed by the ~~{State}~~
23 *Nevada* Public Charter School Authority must be qualified to carry
24 out the daily responsibilities of sponsoring charter schools *and the*
25 *responsibilities of providing for the financing of charter school*
26 *facilities* in accordance with the provisions of NRS 386.490 to
27 386.610, inclusive ~~{H}~~, *and sections 2 to 22, inclusive, of this act.*

28 **Sec. 29.** NRS 386.536 is hereby amended to read as follows:

29 386.536 1. ~~{Except as otherwise provided in subsections 2~~
30 ~~and 3, if}~~ *If* a charter school ceases to operate voluntarily or upon
31 revocation of its written charter, the governing body of the charter
32 school shall ~~{appoint}~~ :

33 (a) *Give written notice of the closure to:*

34 (1) *The sponsor of the charter school, unless the closure*
35 *results from the revocation of the written charter;*

36 (2) *The Nevada Public Charter School Authority, unless*
37 *the Nevada Public Charter School Authority is the sponsor of the*
38 *charter school and the closure results from the revocation of the*
39 *written charter;*

40 (3) *The board of trustees of the school district in which*
41 *the charter school is located, unless the board of trustees is the*
42 *sponsor of the charter school and the closure results from the*
43 *revocation of the written charter;*

44 (4) *The Department;*



1 ***(5) The parents or legal guardians of the pupils enrolled in***
2 ***the charter school; and***

3 ***(6) The creditors of the charter school;***

4 ***(b) Except as otherwise provided in subsections 4 and 5,***
5 ***appoint*** an administrator of the charter school, subject to the
6 approval of the sponsor of the charter school, to act as a trustee
7 during the process of the closure of the charter school and for 1 year
8 after the date of closure ~~H~~;

9 ***(c) As soon as practicable, develop and present to the sponsor***
10 ***of the charter school a written plan for the closure of the charter***
11 ***school;***

12 ***(d) Maintain an office at the charter school or elsewhere, with***
13 ***regular hours of operation and voice messaging stating the hours***
14 ***of operation;***

15 ***(e) Maintain existing insurance coverage in force for the***
16 ***period required by the sponsor of the charter school;***

17 ***(f) Conduct a financial audit and an inventory of all the assets***
18 ***of the charter school and cause a written report of the audit and***
19 ***inventory to be prepared for the sponsor of the charter school and***
20 ***the Department;***

21 ***(g) Prepare a written list of the creditors of the charter school,***
22 ***identifying secured creditors and the assets in which those***
23 ***creditors have a security interest;***

24 ***(h) Supply any information or documents required by the***
25 ***sponsor of the charter school; and***

26 ***(i) Protect all the assets of the charter school from theft,***
27 ***misappropriation, deterioration or other loss.***

28 ***2. The notice of the closure required by subsection 1 must***
29 ***include:***

30 ***(a) The date of closure;***

31 ***(b) A statement of the plan of the charter school to assist***
32 ***pupils to identify and transfer to another school; and***

33 ***(c) The telephone number, mailing address and physical***
34 ***address of the office required by subsection 1.***

35 ***3. The administrator appointed pursuant to subsection 1 shall***
36 ***carry out the duties prescribed for the governing body of the***
37 ***charter school by paragraphs (c) to (i), inclusive, of subsection 1 if***
38 ***the governing body ceases to exist or is otherwise unable to***
39 ***perform those duties and*** shall assume the responsibility for the
40 records of the:

41 ***(a) Charter school;***

42 ***(b) Employees of the charter school; and***

43 ***(c) Pupils enrolled in the charter school.***

44 ~~H~~ ***4. If an administrator for the charter school is no longer***
45 ***available to carry out the duties set forth in subsection ~~H~~ 3, the***



1 governing body of the charter school shall appoint a qualified
2 person to assume those duties.

3 ~~3.1~~ 5. If the governing body of the charter school ceases to
4 exist or is otherwise unable to appoint an administrator pursuant to
5 subsection 1 or a qualified person pursuant to subsection ~~2.1~~ 4, the
6 sponsor of the charter school shall appoint an administrator or a
7 qualified person to carry out the duties set forth in subsection ~~1.1~~.

8 ~~4.1~~ 6. *In addition to performing the duties set forth in*
9 *subsection 3, the administrator appointed by the governing body of*
10 *the charter school or the sponsor, or the qualified person*
11 *appointed to carry out the duties of the administrator, shall:*

12 (a) *Cause to be paid and discharged all the liabilities and*
13 *obligations of the charter school to the extent of the charter*
14 *school's assets;*

15 (b) *Terminate any lease, service agreement or any other*
16 *contract of the charter school that is not necessary to complete the*
17 *closure of the charter school;*

18 (c) *Supply any information or documents required by the*
19 *sponsor of the charter school; and*

20 (d) *After the financial affairs of the charter school have been*
21 *wound up and the closure of the charter school has otherwise*
22 *been completed, cause a financial audit to be prepared and cause*
23 *a written report of the audit to be prepared for the sponsor of the*
24 *charter school and the Department.*

25 7. The governing body of the charter school or the sponsor of
26 the charter school may, to the extent practicable, provide financial
27 compensation to the administrator or person appointed to carry out
28 the provisions of this section. If the sponsor of the charter school
29 provides such financial compensation, the sponsor is entitled to
30 receive reimbursement from the charter school for the costs incurred
31 by the sponsor in providing the financial compensation. Such
32 reimbursement must not exceed costs incurred for a period longer
33 than 6 months.

34 **Sec. 30.** NRS 386.553 is hereby amended to read as follows:

35 386.553 A charter school ~~shall~~ :

36 1. *Shall* not operate for profit.

37 2. *May be incorporated as a nonprofit corporation pursuant*
38 *to the provisions of chapter 82 of NRS.*

39 **Sec. 31.** NRS 386.560 is hereby amended to read as follows:

40 386.560 1. The governing body of a charter school may
41 contract with the board of trustees of the school district in which the
42 charter school is located or in which a pupil enrolled in the charter
43 school resides or with the Nevada System of Higher Education for
44 the provision of facilities to operate the charter school or to perform
45 any service relating to the operation of the charter school, including,



1 without limitation, transportation, the provision of health services
2 for the pupils who are enrolled in the charter school and the
3 provision of school police officers. If the board of trustees of a
4 school district or a college or university within the Nevada System
5 of Higher Education is the sponsor of the charter school, the
6 governing body and the sponsor must enter into a service agreement
7 pursuant to NRS 386.561 before the provision of such services.

8 2. A charter school may use any public facility located within
9 the school district in which the charter school is located. A charter
10 school may use school buildings owned by the school district only
11 upon approval of the board of trustees of the school district and
12 during times that are not regular school hours.

13 3. The board of trustees of a school district may donate surplus
14 personal property of the school district to a charter school that is
15 located within the school district.

16 4. *A charter school may:*

17 (a) *Acquire by construction, purchase, devise, gift, exchange*
18 *or lease, or any combination of those methods, and construct,*
19 *reconstruct, improve, maintain, equip and furnish any building,*
20 *structure or property to be used for any of its educational purposes*
21 *and the related appurtenances, easements, rights-of-way,*
22 *improvements, paving, utilities, landscaping, parking facilities and*
23 *lands;*

24 (b) *Mortgage, pledge or otherwise encumber all or any part of*
25 *its property or assets;*

26 (c) *Borrow money and otherwise incur indebtedness; and*

27 (d) *Use public money to purchase real property or buildings*
28 *with the approval of the sponsor.*

29 5. Except as otherwise provided in this subsection, upon the
30 request of a parent or legal guardian of a pupil who is enrolled in a
31 charter school, the board of trustees of the school district in which
32 the pupil resides shall authorize the pupil to participate in a class
33 that is not available to the pupil at the charter school or participate in
34 an extracurricular activity, excluding sports, at a public school
35 within the school district if:

36 (a) Space for the pupil in the class or extracurricular activity is
37 available; and

38 (b) The parent or legal guardian demonstrates to the satisfaction
39 of the board of trustees that the pupil is qualified to participate in the
40 class or extracurricular activity.

41 ➤ If the board of trustees of a school district authorizes a pupil to
42 participate in a class or extracurricular activity, excluding sports,
43 pursuant to this subsection, the board of trustees is not required to
44 provide transportation for the pupil to attend the class or activity.
45 The provisions of this subsection do not apply to a pupil who is



1 enrolled in a charter school and who desires to participate on a part-
2 time basis in a program of distance education provided by the board
3 of trustees of a school district pursuant to NRS 388.820 to 388.874,
4 inclusive. Such a pupil must comply with NRS 388.858.

5 ~~15-1~~ 6. Upon the request of a parent or legal guardian of a pupil
6 who is enrolled in a charter school, the board of trustees of the
7 school district in which the pupil resides shall authorize the pupil to
8 participate in sports at the public school that he or she would
9 otherwise be required to attend within the school district, or upon
10 approval of the board of trustees, any public school within the same
11 zone of attendance as the charter school if:

12 (a) Space is available for the pupil to participate; and

13 (b) The parent or legal guardian demonstrates to the satisfaction
14 of the board of trustees that the pupil is qualified to participate.

15 ➔ If the board of trustees of a school district authorizes a pupil to
16 participate in sports pursuant to this subsection, the board of trustees
17 is not required to provide transportation for the pupil to participate.

18 ~~16-1~~ 7. The board of trustees of a school district may revoke its
19 approval for a pupil to participate in a class, extracurricular activity
20 or sports at a public school pursuant to subsections ~~4 and~~ 5 and 6
21 if the board of trustees or the public school determines that the pupil
22 has failed to comply with applicable statutes, or applicable rules and
23 regulations of the board of trustees, the public school or the Nevada
24 Interscholastic Activities Association. If the board of trustees so
25 revokes its approval, neither the board of trustees nor the public
26 school is liable for any damages relating to the denial of services to
27 the pupil.

28 **Sec. 32.** NRS 386.562 is hereby amended to read as follows:

29 386.562 1. A contract or a proposed contract between a
30 charter school or a proposed charter school and a contractor or an
31 educational management organization must not:

32 (a) Give to the contractor or educational management
33 organization direct control of educational services, financial
34 decisions, the appointment of members of the governing body, or
35 the hiring and dismissal of an administrator or financial officer of
36 the charter school or proposed charter school;

37 (b) Authorize the payment of loans, advances or other monetary
38 charges from the contractor or educational management
39 organization which are greater than 15 percent of the total expected
40 funding received by the charter school or proposed charter school
41 from the State Distributive School Account;

42 (c) Require the charter school or proposed charter school to
43 prepay any fees to the contractor or educational management
44 organization;



1 (d) Require the charter school or proposed charter school to pay
2 the contractor or educational management organization before the
3 payment of other obligations of the charter school or proposed
4 charter school during a period of financial distress;

5 (e) Allow a contractor or educational management organization
6 to cause a delay in the repayment of a loan or other money advanced
7 by the contractor or educational management organization to the
8 charter school or proposed charter school, which delay would
9 increase the cost to the charter school or proposed charter school of
10 repaying the loan or advance;

11 (f) Require the charter school or proposed charter school to
12 enroll a minimum number of pupils for the continuation of the
13 contract between the charter school or proposed charter school and
14 the contractor or educational management organization;

15 (g) Require the charter school or proposed charter school to
16 request or borrow money from this State to pay the contractor or
17 educational management organization if the contractor or
18 educational management organization will provide financial
19 management to the charter school or proposed charter school;

20 (h) Contain a provision which restricts the ability of the charter
21 school or proposed charter school to borrow money from a person or
22 entity other than the contractor or educational management
23 organization;

24 (i) Provide for the allocation to the charter school or proposed
25 charter school of any indirect cost incurred by the contractor or
26 educational management organization;

27 (j) Authorize the payment of fees to the contractor or
28 educational management organization which are not attributable to
29 the actual services provided by the contractor or educational
30 management organization;

31 (k) Allow any money received by the charter school or proposed
32 charter school from this State or from the board of trustees of a
33 school district to be transferred to or deposited in a bank, credit
34 union or other financial institution outside this State, including
35 money controlled by the contractor or educational management
36 organization; or

37 (l) Except as otherwise provided in this paragraph, provide
38 incentive fees to the contractor or educational management
39 organization. A contract or a proposed contract may provide to the
40 contractor or educational management organization incentive fees
41 that are based on the academic improvement of pupils enrolled in
42 the charter school.

43 2. As used in this section, **“contractor”** or “educational
44 management organization” means a corporation, business,
45 organization or other entity, whether or not conducted for profit,



1 with whom a committee to form a charter school or the governing
2 body of a charter school, as applicable, contracts to assist with the
3 operation, management or provision and implementation of
4 educational services and programs of the charter school or proposed
5 charter school. The term includes a corporation, business,
6 organization or other entity that directly employs and provides
7 personnel to a charter school or proposed charter school.

8 **Sec. 33.** NRS 386.570 is hereby amended to read as follows:

9 386.570 1. Each pupil who is enrolled in a charter school,
10 including, without limitation, a pupil who is enrolled in a program
11 of special education in a charter school, must be included in the
12 count of pupils in the school district for the purposes of
13 apportionments and allowances from the State Distributive School
14 Account pursuant to NRS 387.121 to 387.126, inclusive, unless the
15 pupil is exempt from compulsory attendance pursuant to NRS
16 392.070. A charter school is entitled to receive its proportionate
17 share of any other money available from federal, state or local
18 sources that the school or the pupils who are enrolled in the school
19 are eligible to receive. If a charter school receives special education
20 program units directly from this State, the amount of money for
21 special education that the school district pays to the charter school
22 may be reduced proportionately by the amount of money the charter
23 school received from this State for that purpose. The State Board
24 shall prescribe a process which ensures that all charter schools,
25 regardless of the sponsor, have information about all sources of
26 funding for the public schools provided through the Department,
27 including local funds pursuant to NRS 387.1235.

28 2. All money received by the charter school from this State or
29 from the board of trustees of a school district must be deposited in
30 an account with a bank, credit union or other financial institution in
31 this State. The governing body of a charter school may negotiate
32 with the board of trustees of the school district and the State Board
33 for additional money to pay for services which the governing body
34 wishes to offer.

35 3. Upon completion of each school quarter, the Superintendent
36 of Public Instruction shall pay to the sponsor of a charter school
37 one-quarter of the yearly sponsorship fee for the administrative costs
38 associated with sponsorship for that school quarter, which must be
39 deducted from the quarterly apportionment to the charter school
40 made pursuant to NRS 387.124. Except as otherwise provided in
41 subsection 4, the yearly sponsorship fee for the sponsor of a charter
42 school must be in an amount of money not to exceed 2 percent of
43 the total amount of money apportioned to the charter school during
44 the school year pursuant to NRS 387.124.



1 4. If the governing body of a charter school satisfies the
2 requirements of this subsection, the governing body may submit a
3 request to the sponsor of the charter school for approval of a
4 sponsorship fee in an amount that is less than 2 percent but at least 1
5 percent of the total amount of money apportioned to the charter
6 school during the school year pursuant to NRS 387.124. The
7 sponsor of the charter school shall approve such a request if the
8 sponsor of the charter school determines that the charter school
9 satisfies the requirements of this subsection. If the sponsor of the
10 charter school approves such a request, the sponsor shall provide
11 notice of the decision to the governing body of the charter school
12 and the Superintendent of Public Instruction. If the sponsor of the
13 charter school denies such a request, the governing body of
14 the charter school may appeal the decision of the sponsor to the
15 Superintendent of Public Instruction. Upon appeal, the sponsor of
16 the charter school and the governing body of the charter school are
17 entitled to present evidence. The decision of the Superintendent of
18 Public Instruction on the appeal is final and is not subject to judicial
19 review. The governing body of a charter school may submit a
20 request for a reduction of the sponsorship fee pursuant to this
21 subsection if:

22 (a) The charter school satisfies the requirements of subsection 1
23 of NRS 386.5515; and

24 (b) There has been a decrease in the duties of the sponsor of the
25 charter school that justifies a decrease in the sponsorship fee.

26 5. To determine the amount of money for distribution to a
27 charter school in its first year of operation, the count of pupils who
28 are enrolled in the charter school must initially be determined 30
29 days before the beginning of the school year of the school district,
30 based on the number of pupils whose applications for enrollment
31 have been approved by the charter school. The count of pupils who
32 are enrolled in the charter school must be revised on the last day of
33 the first school month of the school district in which the charter
34 school is located for the school year, based on the actual number of
35 pupils who are enrolled in the charter school. Pursuant to subsection
36 5 of NRS 387.124, the governing body of a charter school may
37 request that the apportionments made to the charter school in its first
38 year of operation be paid to the charter school 30 days before the
39 apportionments are otherwise required to be made.

40 6. If a charter school ceases to operate as a charter school
41 during a school year, the remaining apportionments that would have
42 been made to the charter school pursuant to NRS 387.124 for that
43 year must be paid on a proportionate basis to the school districts
44 where the pupils who were enrolled in the charter school reside.



1 7. The governing body of a charter school may solicit and
2 accept donations, money, grants, property, loans, personal services
3 or other assistance for purposes relating to education from members
4 of the general public, corporations or agencies. The governing body
5 may comply with applicable federal laws and regulations governing
6 the provision of federal grants for charter schools. The ~~State~~
7 *Nevada* Public Charter School Authority may assist a charter school
8 that operates exclusively for the enrollment of pupils who receive
9 special education in identifying sources of money that may be
10 available from the Federal Government or this State for the
11 provision of educational programs and services to such pupils.

12 ~~{8. If a charter school uses money received from this State to~~
13 ~~purchase real property, buildings, equipment or facilities, the~~
14 ~~governing body of the charter school shall assign a security interest~~
15 ~~in the property, buildings, equipment and facilities to the State of~~
16 ~~Nevada.}~~

17 **Sec. 34.** NRS 386.575 is hereby amended to read as follows:

18 386.575 1. If a charter school files a voluntary petition of
19 bankruptcy or is declared bankrupt during a school year, ~~the~~
20 ~~governing body of the charter school shall make an assignment of~~
21 ~~all~~ *any* real property ~~and~~ *or* other property ~~{of the charter school~~
22 ~~to the State of Nevada for the repayment of all money received}~~
23 *held* by the charter school ~~{from this state for the operation of the~~
24 ~~charter school during that year. The governing body shall make full~~
25 ~~settlement with this state for such repayment, and the State may take~~
26 ~~any lawful action necessary to recover the money.}~~ *must be*
27 *disposed of as provided in NRS 386.536.*

28 2. If a charter school files a voluntary petition of bankruptcy or
29 is declared bankrupt during a school year, neither the State of
30 Nevada nor the sponsor of the charter school may be held liable for
31 any claims resulting from the bankruptcy.

32 **Sec. 35.** NRS 387.123 is hereby amended to read as follows:

33 387.123 1. The count of pupils for apportionment purposes
34 includes all pupils who are enrolled in programs of instruction of the
35 school district, including, without limitation, a program of distance
36 education provided by the school district, pupils who reside in the
37 county in which the school district is located and are enrolled in any
38 charter school, including, without limitation, a program of distance
39 education provided by a charter school, and pupils who are enrolled
40 in a university school for profoundly gifted pupils located in the
41 county, for:

- 42 (a) Pupils in the kindergarten department.
43 (b) Pupils in grades 1 to 12, inclusive.



1 (c) Pupils not included under paragraph (a) or (b) who are
2 receiving special education pursuant to the provisions of NRS
3 388.440 to 388.520, inclusive.

4 (d) Pupils who reside in the county and are enrolled part-time in
5 a program of distance education provided pursuant to NRS 388.820
6 to 388.874, inclusive.

7 (e) Children detained in facilities for the detention of children,
8 alternative programs and juvenile forestry camps receiving
9 instruction pursuant to the provisions of NRS 388.550, 388.560
10 and 388.570.

11 (f) Pupils who are enrolled in classes pursuant to subsection ~~4~~
12 5 of NRS 386.560 and pupils who are enrolled in classes pursuant to
13 subsection 5 of NRS 386.580.

14 (g) Pupils who are enrolled in classes pursuant to subsection 3
15 of NRS 392.070.

16 (h) Pupils who are enrolled in classes and taking courses
17 necessary to receive a high school diploma, excluding those pupils
18 who are included in paragraphs (d), (f) and (g).

19 2. The State Board shall establish uniform regulations for
20 counting enrollment and calculating the average daily attendance of
21 pupils. In establishing such regulations for the public schools, the
22 State Board:

23 (a) Shall divide the school year into 10 school months, each
24 containing 20 or fewer school days, or its equivalent for those public
25 schools operating under an alternative schedule authorized pursuant
26 to NRS 388.090.

27 (b) May divide the pupils in grades 1 to 12, inclusive, into
28 categories composed respectively of those enrolled in elementary
29 schools and those enrolled in secondary schools.

30 (c) Shall prohibit the counting of any pupil specified in
31 subsection 1 more than once.

32 3. Except as otherwise provided in subsection 4 and NRS
33 388.700, the State Board shall establish by regulation the maximum
34 pupil-teacher ratio in each grade, and for each subject matter
35 wherever different subjects are taught in separate classes, for each
36 school district of this State which is consistent with:

37 (a) The maintenance of an acceptable standard of instruction;

38 (b) The conditions prevailing in the school district with respect
39 to the number and distribution of pupils in each grade; and

40 (c) Methods of instruction used, which may include educational
41 television, team teaching or new teaching systems or techniques.

42 ➤ If the Superintendent of Public Instruction finds that any school
43 district is maintaining one or more classes whose pupil-teacher ratio
44 exceeds the applicable maximum, and unless the Superintendent
45 finds that the board of trustees of the school district has made every



1 reasonable effort in good faith to comply with the applicable
2 standard, the Superintendent shall, with the approval of the State
3 Board, reduce the count of pupils for apportionment purposes by the
4 percentage which the number of pupils attending those classes is of
5 the total number of pupils in the district, and the State Board may
6 direct the Superintendent to withhold the quarterly apportionment
7 entirely.

8 4. The provisions of subsection 3 do not apply to a charter
9 school, a university school for profoundly gifted pupils or a program
10 of distance education provided pursuant to NRS 388.820 to 388.874,
11 inclusive.

12 **Sec. 36.** NRS 387.1233 is hereby amended to read as follows:

13 387.1233 1. Except as otherwise provided in subsection 2,
14 basic support of each school district must be computed by:

15 (a) Multiplying the basic support guarantee per pupil established
16 for that school district for that school year by the sum of:

17 (1) Six-tenths the count of pupils enrolled in the kindergarten
18 department on the last day of the first school month of the school
19 district for the school year, including, without limitation, the count
20 of pupils who reside in the county and are enrolled in any charter
21 school on the last day of the first school month of the school district
22 for the school year.

23 (2) The count of pupils enrolled in grades 1 to 12, inclusive,
24 on the last day of the first school month of the school district for the
25 school year, including, without limitation, the count of pupils who
26 reside in the county and are enrolled in any charter school on the last
27 day of the first school month of the school district for the school
28 year and the count of pupils who are enrolled in a university school
29 for profoundly gifted pupils located in the county.

30 (3) The count of pupils not included under subparagraph (1)
31 or (2) who are enrolled full-time in a program of distance education
32 provided by that school district or a charter school located within
33 that school district on the last day of the first school month of the
34 school district for the school year.

35 (4) The count of pupils who reside in the county and are
36 enrolled:

37 (I) In a public school of the school district and are
38 concurrently enrolled part-time in a program of distance education
39 provided by another school district or a charter school on the last
40 day of the first school month of the school district for the school
41 year, expressed as a percentage of the total time services are
42 provided to those pupils per school day in proportion to the total
43 time services are provided during a school day to pupils who are
44 counted pursuant to subparagraph (2).



1 (II) In a charter school and are concurrently enrolled part-
2 time in a program of distance education provided by a school district
3 or another charter school on the last day of the first school month of
4 the school district for the school year, expressed as a percentage of
5 the total time services are provided to those pupils per school day in
6 proportion to the total time services are provided during a school
7 day to pupils who are counted pursuant to subparagraph (2).

8 (5) The count of pupils not included under subparagraph (1),
9 (2), (3) or (4), who are receiving special education pursuant to the
10 provisions of NRS 388.440 to 388.520, inclusive, on the last day of
11 the first school month of the school district for the school year,
12 excluding the count of pupils who have not attained the age of 5
13 years and who are receiving special education pursuant to
14 subsection 1 of NRS 388.475 on that day.

15 (6) Six-tenths the count of pupils who have not attained the
16 age of 5 years and who are receiving special education pursuant to
17 subsection 1 of NRS 388.475 on the last day of the first school
18 month of the school district for the school year.

19 (7) The count of children detained in facilities for the
20 detention of children, alternative programs and juvenile forestry
21 camps receiving instruction pursuant to the provisions of NRS
22 388.550, 388.560 and 388.570 on the last day of the first school
23 month of the school district for the school year.

24 (8) The count of pupils who are enrolled in classes for at
25 least one semester pursuant to subsection ~~4~~ 5 of NRS 386.560,
26 subsection 5 of NRS 386.580 or subsection 3 of NRS 392.070,
27 expressed as a percentage of the total time services are provided to
28 those pupils per school day in proportion to the total time services
29 are provided during a school day to pupils who are counted pursuant
30 to subparagraph (2).

31 (b) Multiplying the number of special education program units
32 maintained and operated by the amount per program established for
33 that school year.

34 (c) Adding the amounts computed in paragraphs (a) and (b).

35 2. Except as otherwise provided in subsection 4, if the
36 enrollment of pupils in a school district or a charter school that is
37 located within the school district on the last day of the first school
38 month of the school district for the school year is less than or equal
39 to 95 percent of the enrollment of pupils in the same school district
40 or charter school on the last day of the first school month of the
41 school district for the immediately preceding school year, the largest
42 number from among the immediately preceding 2 school years must
43 be used for purposes of apportioning money from the State
44 Distributive School Account to that school district or charter school
45 pursuant to NRS 387.124.



1 3. Except as otherwise provided in subsection 4, if the
2 enrollment of pupils in a school district or a charter school that is
3 located within the school district on the last day of the first school
4 month of the school district for the school year is more than 95
5 percent of the enrollment of pupils in the same school district or
6 charter school on the last day of the first school month of the school
7 district for the immediately preceding school year, the larger
8 enrollment number from the current year or the immediately
9 preceding school year must be used for purposes of apportioning
10 money from the State Distributive School Account to that school
11 district or charter school pursuant to NRS 387.124.

12 4. If the Department determines that a school district or charter
13 school deliberately causes a decline in the enrollment of pupils in
14 the school district or charter school to receive a higher
15 apportionment pursuant to subsection 2 or 3, including, without
16 limitation, by eliminating grades or moving into smaller facilities,
17 the enrollment number from the current school year must be used
18 for purposes of apportioning money from the State Distributive
19 School Account to that school district or charter school pursuant to
20 NRS 387.124.

21 5. Pupils who are excused from attendance at examinations or
22 have completed their work in accordance with the rules of the board
23 of trustees must be credited with attendance during that period.

24 6. Pupils who are incarcerated in a facility or institution
25 operated by the Department of Corrections must not be counted for
26 the purpose of computing basic support pursuant to this section. The
27 average daily attendance for such pupils must be reported to the
28 Department of Education.

29 7. Pupils who are enrolled in courses which are approved by
30 the Department as meeting the requirements for an adult to earn a
31 high school diploma must not be counted for the purpose of
32 computing basic support pursuant to this section.

33 **Sec. 37.** The Legislative Counsel shall, in preparing
34 supplements to the Nevada Administrative Code, appropriately
35 change any references to an officer, agency or other entity whose
36 name is changed or whose responsibilities are transferred pursuant
37 to the provisions of this act to refer to the appropriate officer,
38 agency or other entity.

39 **Sec. 38.** This act becomes effective on July 1, 2013.

