

**Amendment No. 1018**

Assembly Amendment to Assembly Bill No. 222 First Reprint	(BDR 34-10)
<b>Proposed by:</b> Committee on Ways and Means	
<b>Amendment Box:</b>	
<b>Resolves Conflicts with:</b> N/A	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will ADD an appropriation where one does not currently exist in A.B. 222 R1.
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ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____

Amend sec. 3, page 3, line 23, after “*sections.*” by inserting:

*“The Legislative Counsel Bureau may accept gifts, grants and other sources of money to provide financial assistance in expanding the number of school districts selected for reviews pursuant to sections 2 to 11, inclusive, of this act.”.*

Amend sec. 6, page 6, lines 28 and 29, by deleting “*a program*” and inserting:

*“the plan for funding the rebuilding of older schools and the programs”.*

Amend sec. 6, page 6, line 40, by deleting “*public;*” and inserting:

*“public, including, without limitation, surveys of the residents of the community;”.*

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MAM/KCR

Date: 5/26/2005

A.B. No. 222—Requires periodic review of school districts to evaluate compliance with certain financial management principles.

Amend the bill as a whole by deleting sec. 12 and adding a new section designated sec. 12, following sec. 11, to read as follows:

**“Sec. 12.** 1. There is hereby appropriated from the State General Fund to the Legislative Counsel Bureau the sum of \$300,000 for reviews of certain school districts in accordance with sections 2 to 11, inclusive, of this act.

2. Notwithstanding the provisions of section 4 of this act to the contrary, the Legislative Auditor shall issue a request for proposals for reviews of school districts selected by the Legislative Auditor after consultation with the Legislative Commission.

3. Each school district selected by the Legislative Auditor, in consultation with the Legislative Commission, pursuant to subsection 2 must undergo a review in accordance with sections 2 to 11, inclusive, of this act during the 2005-2006 interim.

4. After the initial reviews, the provisions of section 4 of this act regarding the selection of school districts for review apply.

5. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2007, and must be reverted to the State General Fund on or before September 21, 2007.”.

Amend the title of the bill, page 2, sixth line, after “circumstances;” by inserting: “making an appropriation;”.

**If this amendment is adopted, the Legislative  
Counsel's Digest will be changed to read as follows:**

**Legislative Counsel's Digest:**

Existing law requires each local government, including each school district, to conduct an annual audit of its financial statements. (NRS 354.624) The Department of Education must review each school district's report of the annual audit. (NRS 387.304)

This bill requires, to the extent that money is available, selected school districts to undergo a review of their financial management principles once every 6 years.

This bill also requires the Legislative Auditor to recommend to the Legislature on or before February 1 of each odd-numbered year the school districts for review in the next even-numbered year. The Legislature may, by concurrent resolution, accept the recommendations of the Legislative Auditor or select other school districts to review.

This bill prescribes the method for selecting a consultant to conduct the review and the process to be used for the review. An oversight committee must be established to assist the consultant and monitor his progress.

This bill defines the criteria for the review. The review must be based upon certain management principles in the areas of financial management, facilities management, personnel management, district organization, employee health plans, transportation and alignment with the needs and expectations of the public. The consultant may also review any other area of interest if he determines such a review is warranted.

This bill requires the consultant to prepare a preliminary and final report. The final report must be submitted to the board of trustees of the school district, the State Board of Education, the Legislative Auditor and the Legislature. The board of trustees of the school district must also hold a public hearing to discuss the report and must vote on whether to adopt the plan for corrective action if a plan is recommended by the consultant.

This bill requires the Legislative Auditor to review the final report and determine whether the school district has successfully implemented corrective action. The Legislature or a standing committee of the Legislature may also review the report and conduct hearings to determine why a school district failed to carry out the financial management principles or implement corrective action.