

CHAPTER.....

AN ACT relating to state financial administration; expressing the intent of the Legislature to account for all state financial aid to public schools in the State Distributive School Account; revising the formula for calculating the basic support guarantee; requiring each school district to reserve a certain amount of money necessary to carry out increases in the salaries of employees negotiated with an employee organization; authorizing the imposition and providing for the administration of a new sales and use tax for the benefit of counties and school districts; authorizing counties and school districts to use the proceeds of the tax for certain purposes; providing a temporary waiver from certain requirements governing expenditures for textbooks, instructional supplies, instructional software and instructional hardware by school districts; authorizing the Legislative Commission to request an allocation from the Contingency Account in the State General Fund for the costs of a special audit or investigation of the school districts of this State; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law declares that “the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity.” (NRS 387.121) To accomplish this objective, the Legislature establishes, during each legislative session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil. (NRS 387.122) This is the per pupil amount that is “guaranteed” on a statewide basis through a combination of state money and certain local revenues. The basic support guarantee for each school district is computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment. (NRS 387.121-387.1223) In addition to the basic support guarantee per pupil, state financial aid to public education is provided through various programs, commonly known as “categorical funding,” that target specific purposes or populations of pupils for additional support. Such programs include, without limitation, the Account for the New Nevada Education Funding Plan, Zoom schools and Victory schools. (NRS 387.129-387.139; section 1 of chapter 544, Statutes of Nevada 2017, p. 3768; section 2 of chapter 389, Statutes of Nevada 2015, p. 2199)

Section 1 of this bill declares the intent of the Legislature, commencing with Fiscal Year 2019-2020, to account for all state and local financial aid to public schools and express the total per pupil support for public schools.

Existing law requires the board of trustees of each school district to establish a program of performance pay and enhanced compensation for the recruitment and retention of licensed teachers and administrators. Existing law authorizes such a program to include professional development. (NRS 391A.450) **Section 3** of this



bill requires a school district that negotiates with an employee organization to increase the salaries of teachers and classified employees in a fiscal year to reserve for that fiscal year an amount of money sufficient to provide the agreed-upon increase in the salaries of licensed teachers and classified employees prescribed in such a program. **Section 16** of this bill clarifies the manner in which the provisions of this bill apply to any existing contracts.

Existing law authorizes the board of county commissioners of certain counties to impose a sales and use tax for deposit in the county school district's fund for capital projects. (NRS 377C.100) **Section 5** of this bill authorizes the board of county commissioners of each county to impose, by two-thirds vote of the board or by a majority vote of the people at a primary, general or special election, a new sales and use tax at the rate of one-quarter of 1 percent of the gross receipts of retailers. **Section 6** of this bill requires the proceeds of the tax to be deposited with the county treasurer. **Section 8** of this bill authorizes the proceeds of the tax to be used to pay the cost of: (1) one or more programs of early childhood education; (2) one or more programs of adult education; (3) one or more programs to reduce truancy; (4) one or more programs to reduce homelessness; (5) certain matters relating to affordable housing; (6) incentives for the recruitment or retention of licensed teachers for high-vacancy schools; and (7) certain programs for workforce training. **Sections 5-12** of this bill require the administration of any new sales and use tax in the same manner as the sales and use tax imposed by the Local School Support Tax Law, as set forth in chapter 374 of NRS.

Section 13 of this bill makes an appropriation for a block grant to each school district and charter school for certain purposes.

Existing law requires the Department of Education to determine the amount of money that each school district, charter school and university school for profoundly gifted pupils is required to expend during each fiscal year on textbooks, instructional supplies, instructional software and instructional hardware. (NRS 387.206) Existing law also authorizes the board of trustees of a school district, the governing body of a charter school or the governing body of a university school for profoundly gifted pupils that is experiencing an economic hardship to submit a request to the Department for a waiver of all or a portion of the minimum expenditure requirements. (NRS 387.2065) **Section 14** of this bill provides a temporary waiver for the 2019-2021 biennium from these requirements without requiring the school districts, charter schools or university schools for profoundly gifted pupils to submit a request for such a waiver.

Existing law authorizes the Legislative Commission to direct the Legislative Auditor to make any special audit or investigation that in its judgment is proper and necessary to assist the Legislature in the proper discharge of its duties. (NRS 218G.120) **Section 15** of this bill authorizes the Legislative Commission to request an allocation from the Contingency Account in the State General Fund to pay the costs of the Legislative Auditor to conduct a special audit or investigation of the school districts of this State.

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



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

Section 1. NRS 387.121 is hereby amended to read as follows:

387.121 1. The Legislature declares that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, this State should supplement local financial ability to whatever extent necessary in each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every Nevada child to receive the benefit of the purposes for which public schools are maintained. Therefore, the quintessence of the State's financial obligation for such programs can be expressed in a formula partially on a per pupil basis and partially on a per program basis as: State financial aid to school districts equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes minus all the local funds attributable to pupils who reside in the county but attend a charter school or a university school for profoundly gifted pupils. This formula is designated the Nevada Plan.

2. It is the intent of the Legislature, commencing with Fiscal Year 2016-2017, to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are English learners, pupils who are at risk and gifted and talented pupils. As used in this subsection, "pupils who are at risk" means pupils who are eligible for free or reduced-price lunch pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board of Education.

3. It is the intent of the Legislature, commencing with Fiscal Year 2019-2020, to promote transparency and accountability in state funding for public education by accounting for all state financial aid to public schools and projected local financial aid to public schools, both on a per pupil basis and on a per program basis, and expressing the total per pupil amount of all such support.

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 391A of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a school district negotiates with an employee organization pursuant to NRS 288.150 to increase the salary of employees for a fiscal year, the board of trustees of the school



district shall reserve for that fiscal year an amount of money sufficient, when combined with any appropriation for that purpose and any money remaining in the account established pursuant to subsection 2, to carry out each such increase in the salary of an employee.

2. Except as otherwise provided in subsection 3, the money reserved by a board of trustees pursuant to subsection 1 and any money provided by appropriation to increase the salary of an employee of the school district who is subject to a negotiated increase in salary described in subsection 1 must be:

(a) Accounted for separately by the school district.

(b) Used only to pay an increase in salaries in accordance with subsection 1.

3. Any money reserved pursuant to subsection 1 for a fiscal year that remains in the account established pursuant to subsection 2 at the end of that fiscal year does not revert to the general fund of the school district, but must be carried forward to the next fiscal year and used only for the purpose of paying an increase in salaries negotiated between a school district and an employee organization pursuant to NRS 288.150 in subsequent fiscal years.

4. Any money reserved pursuant to subsection 1 must not be subtracted from the operating expenses of the school district for purposes of determining the budget of the school district for any other fiscal year.

Sec. 4. Title 32 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 5 to 8, inclusive, of this act.

Sec. 5. 1. *The board of county commissioners of each county may enact an ordinance imposing a tax at the rate of one-quarter of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county. An ordinance adopted pursuant to this section must be approved by:*

(a) A two-thirds majority of the members of the board of county commissioners; or

(b) A majority of the registered voters of the county voting on the question at a primary, general or special election.

2. Any tax imposed pursuant to this section applies throughout the county, including incorporated cities in the county.

3. An ordinance enacted pursuant to this section must include provisions in substance as follows:



(a) Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

(b) A provision that all amendments to chapter 374 of NRS after the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of the ordinance.

(c) A provision that the county shall contract before the effective date of the ordinance with the Department to perform all functions incident to the administration or operation of the tax in the county.

(d) A provision that a purchaser is entitled to a refund, in accordance with the provisions of NRS 374.635 to 374.720, inclusive, of the amount of the tax required to be paid that is attributable to the tax imposed upon the sale of, and the storage, use or other consumption in the county of, tangible personal property used for the performance of a written contract:

(1) Entered into on or before the effective date of the tax;

or

(2) For the construction of an improvement to real property for which a binding bid was submitted before the effective date of the tax if the bid was afterward accepted,

↳ if, under the terms of the contract or bid, the contract price or bid amount cannot be adjusted to reflect the imposition of the tax.

(e) A provision that specifies the date on which the tax must first be imposed, which must be the first day of the first calendar quarter that begins at least 120 days after the effective date of the ordinance.

Sec. 6. 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid pursuant to this chapter must be paid to the Department in the form of remittances payable to the Department.

2. The Department shall deposit the payments in the State Treasury to the credit of the Sales and Use Tax Account in the State General Fund.

3. The State Controller, acting upon the collection data furnished by the Department, shall monthly:

(a) Transfer from the Sales and Use Tax Account 1.75 percent of all fees, taxes, interest and penalties collected pursuant to this chapter during the preceding month to the appropriate account in the State General Fund as compensation to the State for the cost of collecting the tax.

(b) Determine for each county an amount of money equal to any fees, taxes, interest and penalties collected in or for that county pursuant to this chapter during the preceding month, less



the amount transferred to the State General Fund pursuant to paragraph (a).

(c) Transfer the amount determined for each county to the Intergovernmental Fund and remit the money to the county treasurer to be held and expended for the purposes identified in section 8 of this act.

Sec. 7. The Department may redistribute any proceeds from any tax, interest or penalty collected pursuant to this chapter which is determined to be improperly distributed, but no such redistribution may be made as to amounts originally distributed more than 6 months before the date on which the Department obtains knowledge of the improper distribution.

Sec. 8. 1. The money received from any tax imposed pursuant to section 5 of this act and any applicable penalty or interest must be retained by the county, or remitted to a city or school district in the county, and must only be used to pay the cost of:

(a) One or more programs of early childhood education operated by the county school district or any public school in the county school district;

(b) One or more programs of adult education operated by the county school district or any public school in the county school district;

(c) One or more programs to reduce truancy;

(d) One or more programs to reduce homelessness;

(e) The development or redevelopment of affordable housing or ensuring the availability or affordability of housing, including, without limitation, any infrastructure or services to support the development or redevelopment of affordable housing;

(f) Incentives for the recruitment or retention of licensed teachers for high-vacancy schools in the county school district; and

(g) One or more joint labor-management programs of workforce training in the hospitality industry.

2. If a public school ceases to be a high-vacancy school, the county school district in which the public school is located:

(a) May continue to use the money received by the county school district from any tax imposed pursuant to section 5 of this act to pay incentives to licensed teachers at the public school pursuant to paragraph (f) of subsection 1 for the remainder of the school year in which the public school ceased to be a high-vacancy school; and



(b) Shall not use the money received by the county school district from any tax imposed pursuant to section 5 of this act to pay incentives to licensed teachers at the public school pursuant to paragraph (f) of subsection 1 for any subsequent school year unless the public school newly qualifies as a high-vacancy school.

3. A county that receives money from a tax imposed pursuant to section 5 of this act, and any city or school district to which the money is remitted, must account separately for all such money. On or before November 1 of each year, each such county, city or school district shall prepare a report detailing how all money received from a tax imposed pursuant to section 5 of this act was spent during the immediately preceding fiscal year and submit the report to the Director of the Legislative Counsel Bureau for transmission to the next session of the Legislature, if the report is submitted in an even-numbered year, or to the Legislative Commission, if the report is submitted in an odd-numbered year.

4. As used in this section, "high-vacancy school" means a public school, other than a charter school, in which 10 percent or more of the classroom teacher positions at the public school are:

(a) Vacant for 20 consecutive days or more; or

(b) Filled by a substitute teacher for 20 consecutive days or more in the same classroom or assignment.

Sec. 9. NRS 360.2937 is hereby amended to read as follows:

360.2937 1. Except as otherwise provided in this section, NRS 360.320 or any other specific statute, and notwithstanding the provisions of NRS 360.2935, interest must be paid upon an overpayment of any tax provided for in chapter 362, 363A, 363B, 363C, 369, 370, 372, 372B, 374, 377, 377A or 377C of NRS, *or sections 5 to 8, inclusive, of this act*, any of the taxes provided for in NRS 372A.290, any fee provided for in NRS 444A.090 or 482.313, or any assessment provided for in NRS 585.497, at the rate of 0.25 percent per month from the last day of the calendar month following the period for which the overpayment was made.

2. No refund or credit may be made of any interest imposed on the person making the overpayment with respect to the amount being refunded or credited.

3. The interest must be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if the person has not already filed a claim, is notified by the Department that a claim may be filed or the date upon which the claim is certified to the State Board of Examiners, whichever is earlier.



(b) In the case of a credit, to the same date as that to which interest is computed on the tax or the amount against which the credit is applied.

Sec. 10. NRS 360.300 is hereby amended to read as follows:

360.300 1. If a person fails to file a return or the Department is not satisfied with the return or returns of any tax, contribution or premium or amount of tax, contribution or premium required to be paid to the State by any person, in accordance with the applicable provisions of this chapter, chapter 360B, 362, 363A, 363B, 363C, 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C or 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS, *or sections 5 to 8, inclusive, of this act*, as administered or audited by the Department, it may compute and determine the amount required to be paid upon the basis of:

- (a) The facts contained in the return;
 - (b) Any information within its possession or that may come into its possession; or
 - (c) Reasonable estimates of the amount.
2. One or more deficiency determinations may be made with respect to the amount due for one or for more than one period.

3. In making its determination of the amount required to be paid, the Department shall impose interest on the amount of tax determined to be due, calculated at the rate and in the manner set forth in NRS 360.417, unless a different rate of interest is specifically provided by statute.

4. The Department shall impose a penalty of 10 percent in addition to the amount of a determination that is made in the case of the failure of a person to file a return with the Department.

5. When a business is discontinued, a determination may be made at any time thereafter within the time prescribed in NRS 360.355 as to liability arising out of that business, irrespective of whether the determination is issued before the due date of the liability.

Sec. 11. NRS 360.417 is hereby amended to read as follows:

360.417 Except as otherwise provided in NRS 360.232 and 360.320, and unless a different penalty or rate of interest is specifically provided by statute, any person who fails to pay any tax provided for in chapter 362, 363A, 363B, 363C, 369, 370, 372, 372B, 374, 377, 377A, 377C, 444A or 585 of NRS, *or sections 5 to 8, inclusive, of this act*, any of the taxes provided for in NRS 372A.290, or any fee provided for in NRS 482.313, and any person or governmental entity that fails to pay any fee provided for in NRS 360.787, to the State or a county within the time required, shall pay



a penalty of not more than 10 percent of the amount of the tax or fee which is owed, as determined by the Department, in addition to the tax or fee, plus interest at the rate of 0.75 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment. The amount of any penalty imposed must be based on a graduated schedule adopted by the Nevada Tax Commission which takes into consideration the length of time the tax or fee remained unpaid.

Sec. 12. NRS 360.510 is hereby amended to read as follows:

360.510 1. If any person is delinquent in the payment of any tax or fee administered by the Department or if a determination has been made against the person which remains unpaid, the Department may:

(a) Not later than 3 years after the payment became delinquent or the determination became final; or

(b) Not later than 6 years after the last recording of an abstract of judgment or of a certificate constituting a lien for tax owed,

↳ give a notice of the delinquency and a demand to transmit personally or by registered or certified mail to any person, including, without limitation, any officer or department of this State or any political subdivision or agency of this State, who has in his or her possession or under his or her control any credits or other personal property belonging to the delinquent, or owing any debts to the delinquent or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or that person. In the case of any state officer, department or agency, the notice must be given to the officer, department or agency before the Department presents the claim of the delinquent taxpayer to the State Controller.

2. A state officer, department or agency which receives such a notice may satisfy any debt owed to it by that person before it honors the notice of the Department.

3. After receiving the demand to transmit, the person notified by the demand may not transfer or otherwise dispose of the credits, other personal property, or debts in his or her possession or under his or her control at the time the person received the notice until the Department consents to a transfer or other disposition.

4. Every person notified by a demand to transmit shall, within 10 days after receipt of the demand to transmit, inform the Department of and transmit to the Department all such credits, other personal property or debts in his or her possession, under his or her control or owing by that person within the time and in the manner



requested by the Department. Except as otherwise provided in subsection 5, no further notice is required to be served to that person.

5. If the property of the delinquent taxpayer consists of a series of payments owed to him or her, the person who owes or controls the payments shall transmit the payments to the Department until otherwise notified by the Department. If the debt of the delinquent taxpayer is not paid within 1 year after the Department issued the original demand to transmit, the Department shall issue another demand to transmit to the person responsible for making the payments informing him or her to continue to transmit payments to the Department or that his or her duty to transmit the payments to the Department has ceased.

6. If the notice of the delinquency seeks to prevent the transfer or other disposition of a deposit in a bank or credit union or other credits or personal property in the possession or under the control of a bank, credit union or other depository institution, the notice must be delivered or mailed to any branch or office of the bank, credit union or other depository institution at which the deposit is carried or at which the credits or personal property is held.

7. If any person notified by the notice of the delinquency makes any transfer or other disposition of the property or debts required to be withheld or transmitted, to the extent of the value of the property or the amount of the debts thus transferred or paid, that person is liable to the State for any indebtedness due pursuant to this chapter, chapter 360B, 362, 363A, 363B, 363C, 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C or 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS *or sections 5 to 8, inclusive, of this act*, from the person with respect to whose obligation the notice was given if solely by reason of the transfer or other disposition the State is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

Sec. 13. 1. The Department of Education shall transfer the sums of money identified in this subsection from the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 to school districts and the State Public Charter School Authority for block grants for the purposes described in subsection 2. The money must not be used for administrative expenditures of the Department of Education. The amount to be transferred for the fiscal year shown is:



	<u>2019-2020</u>	<u>2020-2021</u>
Carson City School District	\$321,107	\$321,107
Churchill County School District	129,882	129,882
Clark County School District	13,164,542	13,164,542
Douglas County School District	233,145	233,145
Elko County School District	393,004	393,004
Esmeralda County School District	2,822	2,822
Eureka County School District	10,870	10,870
Humboldt County School District	138,896	138,896
Lander County School District	40,094	40,094
Lincoln County School District	38,911	38,911
Lyon County School District	346,687	346,687
Mineral County School District	21,795	21,795
Nye County School District	208,922	208,922
Pershing County School District	27,070	27,070
Storey County School District	17,403	17,403
Washoe County School District	2,691,893	2,691,893
White Pine County School District	49,030	49,030
State Public Charter School Authority	1,471,904	1,471,904

2. The money received by each school district and the State Public Charter School Authority pursuant to subsection 1 may be used for any of the following purposes:

- (a) Providing incentives for new teachers;
- (b) Carrying out any of the purposes for which a school district or charter school may apply for a grant from the Nevada Ready 21 Technology Program created by NRS 388.810;
- (c) Carrying out any of the purposes for which a school district or charter school may apply for a grant from the Great Teaching and Leading Fund created by NRS 391A.500;
- (d) Carrying out any program to provide assistance to teachers in meeting the standards for effective teaching, including, without limitation, through peer assistance and review;
- (e) Purchasing library books;
- (f) Supporting pupil career and technical organizations; and
- (g) If the school district or charter school determines that the money received pursuant to subsection 1 would best be put to use by doing so, supporting the operations of the school district or charter school.

3. The money received by each school district and the State Public Charter School Authority pursuant to subsection 1:



(a) May not be used to settle or arbitrate disputes between a recognized organization representing employees of a school district and the school district, or to settle any negotiations.

(b) May not be used to adjust the district-wide schedule of salaries and benefits of the employees of a school district or the school-wide schedule of salaries and benefits of the employees of a charter school.

(c) Must not be budgeted by a school district or charter school in a manner that creates any obligation or deficit for funding in any fiscal year after the fiscal years for which the money was received.

4. The money transferred pursuant to subsection 1 must be accounted for separately by each school district and the State Public Charter School Authority. On or before November 1 of each year, each school district and the State Public Charter School Authority shall prepare a report detailing how all money received pursuant to subsection 1 was spent during the immediately preceding fiscal year and submit the report to the Director of the Legislative Counsel Bureau for transmission to the next session of the Legislature, if the report is submitted in an even-numbered year, or to the Legislative Commission, if the report is submitted in an odd-numbered year.

5. The money transferred pursuant to subsection 1 must be expended in accordance with NRS 353.150 to 353.246, inclusive, concerning the allotment, transfer, work program and budget. Transfers to and allotments from must be allowed and made in accordance with NRS 353.215 to 353.225, inclusive, after separate consideration of the merits of each request.

6. Any remaining balance of the transfer made by subsection 1 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfer made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must be used for the purposes identified in subsection 2 and does not revert to the State General Fund.

Sec. 14. 1. Notwithstanding the provisions of NRS 387.206 to 387.207, inclusive, to the contrary for the 2019-2021 biennium:

(a) The Department of Education is not required to comply with the provisions of NRS 387.206 to 387.2067, inclusive.

(b) Each school district, charter school and university school for profoundly gifted pupils is not required to comply with the provisions governing the minimum amount of money that must be expended for each fiscal year in that biennium for textbooks, instructional supplies, instructional software and instructional



hardware as prescribed pursuant to NRS 387.206 and is not required to submit a request for a waiver pursuant to NRS 387.2065. The:

(1) Requirement to provide a written accounting of the use of the money as set forth in subsection 1 of NRS 387.2067; and

(2) Restrictions on the use of the money that would have otherwise been expended by the school district, charter school or university school for profoundly gifted pupils to meet the requirements of NRS 387.206 as set forth in subsection 3 of NRS 387.2067,

↪ apply during this period.

(c) Each school district is not required to comply with the provisions governing the minimum amount of money that must be expended for each school year in that biennium for library books, software for computers, the purchase of equipment relating to instruction and the maintenance and repair of equipment, vehicles, and buildings and facilities as prescribed pursuant to NRS 387.207.

2. If, before July 1, 2019, the board of trustees of a school district, the governing body of a charter school or the governing body of a university school for profoundly gifted pupils submitted a request for a waiver pursuant to NRS 387.2065 for a fiscal year during the 2019-2021 biennium, the Department of Education shall return the request to the applicant.

Sec. 15. 1. Notwithstanding the provisions of NRS 353.266, 353.268 and 353.269, if the Legislative Commission directs the Legislative Auditor to make a special audit or investigation of the 17 school districts pursuant to NRS 218G.120, the Interim Finance Committee may make an allocation from the Contingency Account in the State General Fund to cover the costs of the special audit or investigation.

2. Such a special audit or investigation may include, without limitation, for each school district in this State, an examination and analysis of:

(a) The distribution of federal, state and local money to the school district and whether the methods of distribution ensure intradistrict equity.

(b) Internal controls and compliance with laws, contracts and grant agreements in the following areas:

(1) Human resources;

(2) Fiscal operations relating to expenditures and distributions;

(3) The salaries of teachers and other licensed educational personnel;

(4) Per pupil spending; and



(5) Fiscal monitoring.

3. The Superintendent of Public Instruction, the board of trustees of each school district and the superintendent of schools of each school district shall provide such information as is required by the Legislative Auditor to assist with the completion of such a special audit or investigation.

4. If such a special audit or investigation is directed by the Legislative Commission pursuant to NRS 218G.120, the Legislative Auditor shall, on or before January 31, 2021, prepare and present a final written report of the audit to the Audit Subcommittee of the Legislative Commission created by NRS 218E.240.

Sec. 16. The provisions of section 3 of this act apply to any contract existing on July 1, 2019, to the extent that the provisions of section 3 of this act do not conflict with the terms of such a contract and to the extent that a conflict exists, the provisions of the contract control.

Sec. 17. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 18. This act becomes effective on July 1, 2019.

