

ASSEMBLY BILL NO. 309—ASSEMBLYMAN FRIERSON

MARCH 18, 2019

Referred to Committee on Ways and Means

SUMMARY—Makes various changes relating to state financial administration. (BDR 34-886)

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

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

AN ACT relating to 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:

1 Existing law declares that “the proper objective of state financial aid to public
2 education is to ensure each Nevada child a reasonably equal educational
3 opportunity.” (NRS 387.121) To accomplish this objective, the Legislature
4 establishes, during each legislative session and for each school year of the
5 biennium, an estimated statewide average basic support guarantee per pupil.



6 (NRS 387.122) This is the per pupil amount that is “guaranteed” on a statewide
7 basis through a combination of state money and certain local revenues. The basic
8 support guarantee for each school district is computed by multiplying the basic
9 support guarantee per pupil that is established by law for the school district for each
10 school year by pupil enrollment. (NRS 387.121-387.1223) In addition to the basic
11 support guarantee per pupil, state financial aid to public education is provided
12 through various programs, commonly known as “categorical funding,” that target
13 specific purposes or populations of pupils for additional support. Such programs
14 include, without limitation, the Account for the New Nevada Education Funding
15 Plan, Zoom schools and Victory schools. (NRS 387.129-387.139; **section 1** of
16 chapter 544, Statutes of Nevada 2017, p. 3768; **section 2** of chapter 389, Statutes of
17 Nevada 2015, p. 2199)

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

21 Existing law requires the board of trustees of each school district to establish a
22 program of performance pay and enhanced compensation for the recruitment and
23 retention of licensed teachers and administrators. Existing law authorizes such a
24 program to include professional development. (NRS 391A.450) **Section 3** of this
25 bill requires a school district that negotiates with an employee organization to
26 increase the salaries of teachers and classified employees in a fiscal year to reserve
27 for that fiscal year an amount of money sufficient to provide the agreed-upon
28 increase in the salaries of licensed teachers and classified employees prescribed in
29 such a program. **Section 16** of this bill clarifies the manner in which the provisions
30 of this bill apply to any existing contracts.

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

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

49 Existing law requires the Department of Education to determine the amount of
50 money that each school district, charter school and university school for profoundly
51 gifted pupils is required to expend during each fiscal year on textbooks,
52 instructional supplies, instructional software and instructional hardware. (NRS
53 387.206) Existing law also authorizes the board of trustees of a school district, the
54 governing body of a charter school or the governing body of a university school for
55 profoundly gifted pupils that is experiencing an economic hardship to submit a
56 request to the Department for a waiver of all or a portion of the minimum
57 expenditure requirements. (NRS 387.2065) **Section 14** of this bill provides a
58 temporary waiver for the 2019-2021 biennium from these requirements without
59 requiring the school districts, charter schools or university schools for profoundly
60 gifted pupils to submit a request for such a waiver.



61 Existing law authorizes the Legislative Commission to direct the Legislative
62 Auditor to make any special audit or investigation that in its judgment is proper and
63 necessary to assist the Legislature in the proper discharge of its duties. (NRS
64 218G.120) **Section 15** of this bill authorizes the Legislative Commission to request
65 an allocation from the Contingency Account in the State General Fund to pay the
66 costs of the Legislative Auditor to conduct a special audit or investigation of the
67 school districts of this State.

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

1 **Section 1.** NRS 387.121 is hereby amended to read as follows:
2 387.121 1. The Legislature declares that the proper objective
3 of state financial aid to public education is to ensure each Nevada
4 child a reasonably equal educational opportunity. Recognizing wide
5 local variations in wealth and costs per pupil, this State should
6 supplement local financial ability to whatever extent necessary in
7 each school district to provide programs of instruction in both
8 compulsory and elective subjects that offer full opportunity for
9 every Nevada child to receive the benefit of the purposes for which
10 public schools are maintained. Therefore, the quintessence of the
11 State's financial obligation for such programs can be expressed in a
12 formula partially on a per pupil basis and partially on a per program
13 basis as: State financial aid to school districts equals the difference
14 between school district basic support guarantee and local available
15 funds produced by mandatory taxes minus all the local funds
16 attributable to pupils who reside in the county but attend a charter
17 school or a university school for profoundly gifted pupils. This
18 formula is designated the Nevada Plan.

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

29 *3. It is the intent of the Legislature, commencing with Fiscal*
30 *Year 2019-2020, to promote transparency and accountability in*
31 *state funding for public education by accounting for all state*
32 *financial aid to public schools and projected local financial aid to*
33 *public schools, both on a per pupil basis and on a per program*



1 *basis, and expressing the total per pupil amount of all such*
2 *support.*

3 **Sec. 2.** (Deleted by amendment.)

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

6 *1. If a school district negotiates with an employee*
7 *organization pursuant to NRS 288.150 to increase the salary of*
8 *employees for a fiscal year, the board of trustees of the school*
9 *district shall reserve for that fiscal year an amount of money*
10 *sufficient, when combined with any appropriation for that purpose*
11 *and any money remaining in the account established pursuant to*
12 *subsection 2, to carry out each such increase in the salary of an*
13 *employee.*

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

19 *(a) Accounted for separately by the school district.*

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (a) Transfer from the Sales and Use Tax Account 1.75 percent
43 of all fees, taxes, interest and penalties collected pursuant to this
44 chapter during the preceding month to the appropriate account in



1 *the State General Fund as compensation to the State for the cost*
2 *of collecting the tax.*

3 *(b) Determine for each county an amount of money equal to*
4 *any fees, taxes, interest and penalties collected in or for that*
5 *county pursuant to this chapter during the preceding month, less*
6 *the amount transferred to the State General Fund pursuant to*
7 *paragraph (a).*

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

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

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

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

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

29 *(c) One or more programs to reduce truancy;*

30 *(d) One or more programs to reduce homelessness;*

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

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

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

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

42 *(a) May continue to use the money received by the county*
43 *school district from any tax imposed pursuant to section 5 of this*
44 *act to pay incentives to licensed teachers at the public school*
45 *pursuant to paragraph (f) of subsection 1 for the remainder of the*



1 *school year in which the public school ceased to be a high-*
2 *vacancy school; and*

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

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

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

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

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

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

26 360.2937 1. Except as otherwise provided in this section,
27 NRS 360.320 or any other specific statute, and notwithstanding the
28 provisions of NRS 360.2935, interest must be paid upon an
29 overpayment of any tax provided for in chapter 362, 363A, 363B,
30 363C, 369, 370, 372, 372B, 374, 377, 377A or 377C of NRS, **or**
31 **sections 5 to 8, inclusive, of this act**, any of the taxes provided for
32 in NRS 372A.290, any fee provided for in NRS 444A.090 or
33 482.313, or any assessment provided for in NRS 585.497, at the rate
34 of 0.25 percent per month from the last day of the calendar month
35 following the period for which the overpayment was made.

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

39 3. The interest must be paid:

40 (a) In the case of a refund, to the last day of the calendar month
41 following the date upon which the person making the overpayment,
42 if the person has not already filed a claim, is notified by the
43 Department that a claim may be filed or the date upon which the
44 claim is certified to the State Board of Examiners, whichever is
45 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



1 tax or fee, plus interest at the rate of 0.75 percent per month, or
2 fraction of a month, from the last day of the month following the
3 period for which the amount or any portion of the amount should
4 have been reported until the date of payment. The amount of any
5 penalty imposed must be based on a graduated schedule adopted by
6 the Nevada Tax Commission which takes into consideration the
7 length of time the tax or fee remained unpaid.

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

9 360.510 1. If any person is delinquent in the payment of any
10 tax or fee administered by the Department or if a determination has
11 been made against the person which remains unpaid, the
12 Department may:

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

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

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

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

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

37 4. Every person notified by a demand to transmit shall, within
38 10 days after receipt of the demand to transmit, inform the
39 Department of and transmit to the Department all such credits, other
40 personal property or debts in his or her possession, under his or her
41 control or owing by that person within the time and in the manner
42 requested by the Department. Except as otherwise provided in
43 subsection 5, no further notice is required to be served to that
44 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



	<u>2019-2020</u>	<u>2020-2021</u>	
1			
2	Eureka County School District	\$10,870	\$10,870
3	Humboldt County School District	138,896	138,896
4	Lander County School District	40,094	40,094
5	Lincoln County School District	38,911	38,911
6	Lyon County School District	346,687	346,687
7	Mineral County School District	21,795	21,795
8	Nye County School District	208,922	208,922
9	Pershing County School District	27,070	27,070
10	Storey County School District	17,403	17,403
11	Washoe County School District	2,691,893	2,691,893
12	White Pine County School District	49,030	49,030
13	State Public Charter School		
14	Authority	1,471,904	1,471,904
15			

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

19 (a) Providing incentives for new teachers;

20 (b) Carrying out any of the purposes for which a school district
21 or charter school may apply for a grant from the Nevada Ready
22 Technology Program created by NRS 388.810;

23 (c) Carrying out any of the purposes for which a school district
24 or charter school may apply for a grant from the Great Teaching and
25 Leading Fund created by NRS 391A.500;

26 (d) Carrying out any program to provide assistance to teachers
27 in meeting the standards for effective teaching, including, without
28 limitation, through peer assistance and review;

29 (e) Purchasing library books;

30 (f) Supporting pupil career and technical organizations; and

31 (g) If the school district or charter school determines that the
32 money received pursuant to subsection 1 would best be put to use by
33 doing so, supporting the operations of the school district or charter
34 school.

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

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

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



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

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

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

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

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

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

32 (b) Each school district, charter school and university school for
33 profoundly gifted pupils is not required to comply with the
34 provisions governing the minimum amount of money that must be
35 expended for each fiscal year in that biennium for textbooks,
36 instructional supplies, instructional software and instructional
37 hardware as prescribed pursuant to NRS 387.206 and is not required
38 to submit a request for a waiver pursuant to NRS 387.2065. The:

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

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



1 ↪ apply during this period.

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

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

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

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

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

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

29 (1) Human resources;

30 (2) Fiscal operations relating to expenditures and
31 distributions;

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

34 (4) Per pupil spending; and

35 (5) Fiscal monitoring.

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

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



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

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

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

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