

ASSEMBLY BILL NO. 395—ASSEMBLYWOMAN BRITTNEY MILLER

MARCH 23, 2023

Referred to Committee on Education

SUMMARY—Creates the Financial Oversight of School Spending Committee. (BDR 34-723)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

~

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

AN ACT relating to education; creating the Financial Oversight of School Spending Committee; prescribing the membership, terms and duties of the Oversight Committee; requiring school districts reviewed by the Oversight Committee to cooperate with the Oversight Committee in the review; requiring the Oversight Committee to submit an annual report to the Governor, the State Board of Education and the Legislature and certain legislative entities; requiring the annual report of accountability prepared by the State Board to be submitted to the Oversight Committee upon request; requiring the quarterly financial report of the State Permanent School Fund to be submitted to the Oversight Committee; requiring the annual reports of the budgets prepared by the board of trustees of each school district to be submitted to the Oversight Committee; providing for the appointment of the members of the Oversight Committee to initial terms; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law expresses the intent of the Legislature to promote transparency
2 and accountability in state funding for public education by accounting for all state
3 financial aid to public schools and projected local financial aid to public schools,
4 both on a per pupil basis and on a per program basis, and expressing the total per
5 pupil amount of all such support. The formula for funding public schools in this
6 State is designated as the Pupil-Centered Funding Plan. (NRS 387.121) **Section 4**
7 of this bill creates the Financial Oversight of School Spending Committee and



8 prescribes the membership of the Oversight Committee. **Section 5** of this bill: (1)
9 provides for the election of a Chair and Vice Chair of the Oversight Committee; (2)
10 requires at least quarterly meetings of the Oversight Committee; and (3) prescribes
11 the requirements for a quorum of the Oversight Committee. **Section 6** of this bill
12 prescribes the duties of the Oversight Committee relating to the oversight and
13 review of spending by school districts from federal, state and local revenue.
14 **Section 6** also requires each school district that undergoes a review by the
15 Oversight Committee to cooperate with the Oversight Committee in the review.
16 **Section 7** of this bill requires the Oversight Committee to prepare and submit an
17 annual report of the school districts that underwent a review in the immediately
18 preceding year and any recommendations of the Oversight Committee based upon
19 the reviews. Pursuant to **section 7**, the report must be submitted to: (1) the
20 Governor; (2) the State Board of Education; and (3) the Director of the Legislative
21 Counsel Bureau for transmittal to the Legislature, the Interim Finance Committee,
22 the Legislative Commission and the Joint Interim Standing Committee on
23 Education.

24 **Section 1** of this bill requires the State Board, upon the request of the Oversight
25 Committee, to submit the single annual report of accountability of public schools
26 prepared by the State Board to the Oversight Committee. (NRS 385A.400) **Section**
27 **8** of this bill requires the State Controller to submit the quarterly financial report of
28 the State Permanent School Fund prepared by the State Controller to the Oversight
29 Committee. (NRS 387.013) **Section 9** of this bill requires the board of trustees of
30 each school district to submit the annual report of the budget of the school district
31 to the Oversight Committee. (NRS 387.303)

32 **Section 10** of this bill provides for the appointment of the members of the
33 Oversight Committee to initial terms as soon as practicable after the effective date
34 of this bill, which is upon passage and approval for the purposes of such
35 appointments.

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

1 **Section 1.** NRS 385A.400 is hereby amended to read as
2 follows:

3 385A.400 1. The State Board shall, on or before January 15
4 of each year, prepare for the immediately preceding school year a
5 single annual report of accountability that includes, without
6 limitation the information prescribed by NRS 385A.400 to
7 385A.520, inclusive.

8 2. A separate reporting for a group of pupils must not be made
9 pursuant to NRS 385A.400 to 385A.520, inclusive, if the number of
10 pupils in that group is insufficient to yield statistically reliable
11 information or the results would reveal personally identifiable
12 information about an individual pupil. The Department shall use the
13 mechanism approved by the United States Department of Education
14 for the statewide system of accountability for public schools for
15 determining the minimum number of pupils that must be in a group
16 for that group to yield statistically reliable information.

17 3. The annual report of accountability must:



- 1 (a) Be prepared in a concise manner; and
- 2 (b) Be presented in an understandable and uniform format and,
- 3 to the extent practicable, provided in a language that parents can
- 4 understand.

5 4. On or before January 15 of each year, the State Board shall
6 provide for public dissemination of the annual report of
7 accountability by posting a copy of the report on the Internet
8 website maintained by the Department.

9 5. Upon the request of the Governor, the Attorney General, the
10 Committee, the Bureau, the Board of Regents of the University of
11 Nevada, *the Financial Oversight of School Spending Committee*
12 *created by section 4 of this act*, the board of trustees of a school
13 district, the State Public Charter School Authority, a college or
14 university within the Nevada System of Higher Education, the
15 governing body of a charter school or a member of the general
16 public, the State Board shall provide a portion or portions of the
17 annual report of accountability.

18 **Sec. 2.** Chapter 387 of NRS is hereby amended by adding
19 thereto the provisions set forth in sections 3 to 7, inclusive, of this
20 act.

21 **Sec. 3.** *As used in sections 3 to 7, inclusive, of this act, unless*
22 *the context otherwise requires, "Oversight Committee" means the*
23 *Financial Oversight of School Spending Committee created by*
24 *section 3 of this act.*

25 **Sec. 4. 1.** *The Financial Oversight of School Spending*
26 *Committee is hereby created. The Oversight Committee consists of*
27 *the following 9 members:*

28 (a) *One member of the State Board, appointed by the President*
29 *of the State Board.*

30 (b) *One member of the Interim Finance Committee, appointed*
31 *by the Legislative Commission.*

32 (c) *One member of the general public, appointed by the*
33 *Speaker of the Assembly.*

34 (d) *One member of the general public, appointed by the*
35 *Majority Leader of the Senate.*

36 (e) *One member elected to the board of trustees of a school*
37 *district, appointed by the Legislative Commission.*

38 (f) *One teacher employed by a school district to teach at a*
39 *public school, appointed by the Legislative Commission.*

40 (g) *One school administrator who is employed to provide*
41 *administrative services at an individual school and not to provide*
42 *service at the district level, appointed by the President of the*
43 *Nevada Association of School Administrators.*



1 (h) One member of the Nevada Parent Teacher Association
2 who has at least one child enrolled in a public school within a
3 school district, appointed by the Governor.

4 (i) One member who represents the Nevada State Education
5 Association, appointed by the President of that Association.

6 2. After the initial terms, each member of the Oversight
7 Committee serves a term of 2 years. A member of the Oversight
8 Committee may be reappointed, except that no member may serve
9 more than two consecutive terms.

10 3. Any vacancy occurring in the membership of the Oversight
11 Committee must be filled in the same manner as the original
12 appointment not later than 30 days after the vacancy occurs. A
13 member appointed to fill a vacancy shall serve as a member of the
14 Oversight Committee for the remainder of the unexpired term.

15 4. Each member of the Oversight Committee:

16 (a) Serves without compensation; and

17 (b) While engaged in the business of the Oversight Committee,
18 is entitled to receive the per diem allowance and travel expenses
19 provided for state officers and employees generally.

20 5. The Department shall provide administrative support to the
21 Oversight Committee.

22 **Sec. 5. 1.** At the first meeting of the Oversight Committee
23 and annually thereafter, the Oversight Committee shall elect from
24 its members a Chair and Vice Chair.

25 2. The Oversight Committee shall meet at least once each
26 calendar quarter and at other times at the call of the Chair or a
27 majority of the members of the Oversight Committee.

28 3. A majority of the members of the Oversight Committee
29 constitutes a quorum for the transaction of business, and a
30 quorum may exercise any power or authority conferred on the
31 Oversight Committee.

32 **Sec. 6. 1.** The Oversight Committee shall oversee and
33 review spending by the school districts from federal, state and
34 local revenue, including, without limitation, spending for:

35 (a) Salary increases;

36 (b) Special school programs, including, without limitation, the
37 arts and music;

38 (c) The mental health of pupils;

39 (d) School safety, including, without limitation, drills to
40 practice evacuation and the training of pupils and staff on safety
41 policies;

42 (e) Implicit bias and cultural competency training for staff;
43 and

44 (f) Any other area identified for review by the Oversight
45 Committee.



1 2. A school district reviewed by the Oversight Committee
2 pursuant to this section shall cooperate with the Oversight
3 Committee in the review and shall ensure that the equipment,
4 employees, books, papers, contracts, correspondence and other
5 records of the school district are available to the Oversight
6 Committee.

7 **Sec. 7. 1.** On or before January 1 of each year, the
8 Oversight Committee shall prepare a report that includes, without
9 limitation:

10 (a) An identification of each school district that was reviewed
11 by the Oversight Committee in the immediately preceding year.

12 (b) For each school district that was reviewed, an explanation
13 of the results of the review and a summary of the findings for each
14 of the areas of review.

15 (c) Any recommendations of the Oversight Committee as a
16 result of each review of a school district.

17 2. The report prepared pursuant to subsection 1 must be
18 submitted to:

19 (a) The Governor.

20 (b) The State Board.

21 (c) The Director of the Legislative Counsel Bureau for
22 transmittal to:

23 (1) In odd-numbered years, the next regular session of the
24 Legislature;

25 (2) In even-numbered years, the Joint Interim Standing
26 Committee on Education;

27 (3) The Interim Finance Committee; and

28 (4) The Legislative Commission.

29 **Sec. 8.** NRS 387.013 is hereby amended to read as follows:

30 387.013 The State Controller shall, each quarter, prepare a
31 complete financial report of the State Permanent School Fund. A
32 copy of this report must be submitted to the State Treasurer , ~~and~~
33 ~~to~~ the Fiscal Analysis Division of the Legislative Counsel Bureau
34 ~~and~~ and the Financial Oversight of School Spending Committee
35 created by section 4 of this act.

36 **Sec. 9.** NRS 387.303 is hereby amended to read as follows:

37 387.303 1. Not later than November 1 of each year, the board
38 of trustees of each school district shall submit to the Superintendent
39 of Public Instruction , ~~and~~ the Department of Taxation and the
40 Financial Oversight of School Spending Committee created by
41 section 4 of this act a report which includes the following
42 information:

43 (a) For each fund within the school district, including, without
44 limitation, the school district's general fund and any special revenue
45 fund which receives state money, the total number and salaries of



1 licensed and nonlicensed persons whose salaries are paid from the
2 fund and who are employed by the school district in full-time
3 positions or in part-time positions added together to represent full-
4 time positions. Information must be provided for the current school
5 year based upon the school district's final budget, including any
6 amendments and augmentations thereto, and for the preceding
7 school year. An employee must be categorized as filling an
8 instructional, administrative, instructional support or other position.

9 (b) The school district's actual expenditures in the fiscal year
10 immediately preceding the report.

11 (c) The school district's proposed expenditures for the current
12 fiscal year.

13 (d) The schedule of salaries for licensed employees in the
14 current school year and a statement of whether the negotiations
15 regarding salaries for the current school year have been completed.
16 If the negotiations have not been completed at the time the schedule
17 of salaries is submitted, the board of trustees shall submit a
18 supplemental report to the Superintendent of Public Instruction upon
19 completion of negotiations or the determination of an arbitrator
20 concerning the negotiations that includes the schedule of salaries
21 agreed to or required by the arbitrator.

22 (e) The number of employees who received an increase in salary
23 pursuant to NRS 391.161, 391.162 or 391.163 for the current and
24 preceding fiscal years. If the board of trustees is required to pay an
25 increase in salary retroactively pursuant to NRS 391.161, the board
26 of trustees shall submit a supplemental report to the Superintendent
27 of Public Instruction not later than February 15 of the year in which
28 the retroactive payment was made that includes the number of
29 teachers to whom an increase in salary was paid retroactively.

30 (f) The number of employees eligible for health insurance within
31 the school district for the current and preceding fiscal years and the
32 amount paid for health insurance for each such employee during
33 those years.

34 (g) The rates for fringe benefits, excluding health insurance,
35 paid by the school district for its licensed employees in the
36 preceding and current fiscal years.

37 (h) The amount paid for extra duties, supervision of
38 extracurricular activities and supplemental pay and the number of
39 employees receiving that pay in the preceding and current fiscal
40 years.

41 2. On or before November 25 of each year, the Superintendent
42 of Public Instruction shall submit to the Office of Finance and the
43 Fiscal Analysis Division of the Legislative Counsel Bureau, in a
44 format approved by the Director of the Office of Finance, a



1 compilation of the reports made by each school district pursuant to
2 subsection 1.

3 3. In preparing the agency biennial budget request for the State
4 Education Fund for submission to the Office of Finance, the
5 Superintendent of Public Instruction:

6 (a) Shall compile the information from the most recent
7 compilation of reports submitted pursuant to subsection 2; and

8 (b) May consider the cost of enhancements to existing programs
9 or the projected cost of proposed new educational programs,
10 regardless of whether those enhancements or new programs are
11 included in the adjusted base per pupil funding for inclusion in the
12 biennial budget request to the Office of Finance.

13 4. The Superintendent of Public Instruction shall, in the
14 compilation required by subsection 2, reconcile the revenues of the
15 school districts with the apportionment received by those districts
16 from the State Education Fund for the preceding year.

17 5. The request prepared pursuant to subsection 3 must:

18 (a) Be presented by the Superintendent of Public Instruction to
19 such standing committees of the Legislature as requested by the
20 standing committees for the purposes of developing educational
21 programs and providing appropriations for those programs; and

22 (b) Provide for a direct comparison of appropriations to the
23 proposed budget of the Governor submitted pursuant to subsection 4
24 of NRS 353.230.

25 **Sec. 10.** As soon as practicable after the effective date of this
26 section:

27 1. The members set forth in paragraphs (a) to (e), inclusive, of
28 subsection 1 of section 4 of this act must be appointed to the
29 Financial Oversight of School Spending Committee created by that
30 section to initial terms that expire on July 1, 2024.

31 2. The members set forth in paragraphs (f) to (i), inclusive, of
32 subsection 1 of section 4 of this act must be appointed to the
33 Financial Oversight of School Spending Committee created by that
34 section to initial terms that expire on July 1, 2025.

35 **Sec. 11.** The provisions of subsection 1 of NRS 218D.380 do
36 not apply to any provision of this act which adds or revises a
37 requirement to submit a report to the Legislature.

38 **Sec. 12.** 1. This section becomes effective upon passage and
39 approval.

40 2. Sections 1 to 11, inclusive, of this act become effective:

41 (a) Upon passage and approval for the purpose of appointing
42 members to the Financial Oversight of School Spending Committee
43 created by section 4 of this act and performing any other preparatory
44 administrative tasks that are necessary to carry out the provisions of
45 this act; and



1 (b) On July 1, 2023, for all other purposes.

⑩

