

SENATE BILL NO. 330—SENATOR PICKARD

MARCH 22, 2021

Referred to Committee on Finance

SUMMARY—Revises provisions relating to education. (BDR 34-554)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. 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 education; requiring the board of trustees of each school district to report to the Department of Education an explanation of expenditures; requiring such a report to be posted on certain Internet websites; requiring the board of trustees of a school district to base the budget on the total amount of money available per pupil in the preceding fiscal year; requiring the budget to include certain information relating to expenditures; requiring the system of accounting for public schools to be based on generally accepted accounting principles; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the board of trustees of each school district to submit a
2 report to the Superintendent of Public Instruction and the Department of Taxation
3 which includes information on the school district’s actual and proposed
4 expenditures. (NRS 387.303) **Section 1** of this bill requires the board of trustees of
5 each school district to submit a report to the Department of Education that clearly
6 and concisely explains each expenditure made by the school district and each
7 school in the school district. **Section 1** requires the report to include: (1) the
8 category of spending for each expenditure; (2) how each expenditure was used; and
9 (3) the source of revenue for each expenditure. **Section 1** further requires the
10 Department, each school district and each school that hosts an Internet website to
11 make the information provided in the report available on their respective Internet
12 websites.

13 Existing law requires boards of trustees of county school districts to prepare
14 budgets. (NRS 387.300) **Section 2** of this bill requires the boards of trustees to base
15 their budgets on the total amount of money available per pupil in the preceding
16 fiscal year. **Section 2** also requires that each budget reflect, in plain language, the:



17 (1) total expenditures of the school district; (2) expenditures of each school within
18 the school district; and (3) expenditures common to the school district.
19 Under existing law, the Department is required to develop a uniform system of
20 budgeting and accounting for all the public schools in this State. (NRS 387.3035)
21 **Section 3** of this bill requires such a system to be based on generally accepted
22 accounting principles.

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

1 **Section 1.** Chapter 387 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Not later than August 15 of each year, the board of trustees*
4 *of each school district shall submit to the Department a report*
5 *which provides a clear and concise explanation of each*
6 *expenditure made by the school district and each school in the*
7 *school district. Such explanation must include:*

- 8 (a) *The category of spending for each expenditure;*
- 9 (b) *How each expenditure was used; and*
- 10 (c) *The source of revenue for each expenditure.*

11 *2. Information provided in the report pursuant to subsection*
12 *1 must be based on the money received and the actual*
13 *expenditures made by the school district and each school in the*
14 *school district in the fiscal year immediately preceding the report.*

15 *3. The Department and each school district shall make*
16 *available on their respective Internet websites the report submitted*
17 *pursuant to subsection 1.*

18 *4. Each school about which information was submitted in a*
19 *report pursuant to subsection 1 that operates an Internet website*
20 *shall post on its Internet website:*

- 21 (a) *A link to the report on the Internet website of the school*
22 *district; or*
- 23 (b) *The portion of the report that relates to the school.*

24 *5. The Department shall adopt regulations necessary to carry*
25 *out the provisions of this section.*

26 **Sec. 2.** NRS 387.300 is hereby amended to read as follows:

27 387.300 Boards of trustees of county school districts shall
28 prepare budgets of the amounts of money estimated to be necessary
29 to pay the expenses of conducting the public business of the school
30 districts as provided in chapter 354 of NRS. *Boards of trustees of*
31 *county school districts shall base budgets for the upcoming fiscal*
32 *year on the total amount of money available per pupil in the*
33 *immediately preceding fiscal year from any source identified in*
34 *NRS 387.175. Each budget must, in plain language, include,*
35 *without limitation, a summary of the:*



- 1 **1. Total expenditures by the school district;**
- 2 **2. Expenditures for each school within the school district;**
- 3 **and**
- 4 **3. Expenditures that are common to the school district as a**
- 5 **whole, which may include, without limitation, expenditures for**
- 6 **administration, transportation and maintenance within the school**
- 7 **district.**

8 **Sec. 3.** NRS 387.3035 is hereby amended to read as follows:

9 387.3035 The Department shall:

10 1. Determine the apportionment of all state school money to

11 schools of the State as prescribed by law.

12 2. Develop for public schools of the State a uniform system of

13 budgeting and accounting ~~and~~ **which is based on generally accepted**

14 **accounting principles.** The system must provide for the separate

15 reporting of expenditures for each:

- 16 (a) School district; and
- 17 (b) School within a school district.

18 ↪ Upon approval of the State Board, the system is mandatory for all

19 public schools in this State and must be enforced as provided in

20 subsection 1 of NRS 387.3039.

21 3. Carry on a continuing study of school finance in the State,

22 particularly the method by which schools are financed on the state

23 level, and make such recommendations to the Superintendent of

24 Public Instruction for submission to the Governor as the Department

25 deems advisable.

26 4. Recommend to the Superintendent of Public Instruction for

27 submission to the Governor such changes in budgetary and financial

28 procedures as the studies may show to be advisable.

29 5. Perform such other statistical and financial duties pertaining

30 to the administration and finances of the schools of the State as may

31 be required by the Superintendent of Public Instruction.

32 6. Prepare for the Superintendent of Public Instruction the

33 biennial budgets of the Department for submission to the Governor.

34 **Sec. 4.** Notwithstanding the provisions of section 1 of this act,

35 the initial report submitted by the board of trustees of each school

36 district pursuant to subsection 1 of section 1 of this act must be

37 submitted on or before August 15, 2022.

38 **Sec. 5.** This act becomes effective on July 1, 2021.

