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## ASSEMBLY COMMITTEE ON EDUCATION



### WORK SESSION DOCUMENT

March 12, 2003

Prepared by

Carol M. Stonefield Committee Policy Analyst Research Division

F 1/4

Assembly Education Date: <u>3/12/03</u>Room: <u>3143</u> EXHIBIT \_

# **TAB**

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**MARRIMEN AB**IDITATONAS

Sponsor: Assemblyman Goldwater

Assembly Bill 162 would require the Legislative Auditor to conduct performance audits of the Clark County School District and the Washoe County School District. The audits would include issues identified in the Preliminary Performance Audit Survey conducted by the Legislative Auditor as assigned by the 2001 Session of the Legislature. Issues should include, but not be limited to, management of finances, facilities, and personnel; district organization; employee health plans, and transportation, as applicable to respective districts.

Proponents:

The sponsor testified that he is bringing the bill to determine if existing revenues are being spent efficiently.

The Legislative Auditor testified that the focus of the performance audit is operational accountability, not educational accountability.

Opponents: None

Fiscal Impact: Local Government: No

State Government: The Legislative Auditor has indicated that the audits required by the bill can be performed with the funding that has been requested by the Audit Division in its budget request for the 2003-2005 Biennium.

Proposed Amendments:

- 1. A representative of the Nevada State Education Association offered an amendment that would:
- Require the creation of a business advisory council in each of the school districts affected by the bill;
- Further articulate the performance standards; and
- Include all districts with more than 5000 students.
- 2. Another amendment was suggested that all personnel records should be kept confidential and separate from the performance audit.
- 3. A member of the Assembly Committee on Education suggested that the Legislative Auditor's report should be presented to the Legislative Committee on Education in addition to the Legislative Commission.

Note: The Legislative Auditor said that if the proposal to include more school districts were adopted by the Committee he would have to revisit his fiscal note.

#### Nevada State Education Association

### Proposed amendments on AB 162

1. Require the creation of a business advisory council in all affected school districts. The school board of each affected district would file a public notice of its intention to form a business advisory council prior to the end of the 2004-2005 school year. They would also establish a period during which nominations for the Business Advisory Council would be accepted. At the close of the nomination period, they will finalize appointments to the council. Council members will serve for a period of two years, after which time, the nomination process will take place again.

The duties of the Business Advisory Council are to: review the results of the performance audit conducted by the Legislative Auditor, work with the fiscal and appropriate administrative staff to form recommendations based upon the findings of the auditor, prepare a written report to be submitted to the local school board of trustees which would also be included in the report to the Legislature.

Meetings of the Business Advisory Council will be public and will be held after regular school hours.

- 2. Amend the bill to further articulate performance standards beyond those specified as follows:
  - 1. Alignment of the organization with needs and expectations of the public.
  - 2. Training and development of management staff.
  - 3. Establishment of benchmarks for productivity and performance.
  - 4. Examination of unusual or dramatic changes in specific line items including but not limited to legal expenditures.
- 3. Include all districts with more than 5,000 students. This would expand the audit process to Carson, Douglas, Elko, Lyon, and Nye Counties.