

SENATE BILL NO. 90—SENATOR HARDY

PREFILED JANUARY 25, 2011

Referred to Committee on Finance

SUMMARY—Creates an advisory fiscal affairs committee in each school district. (BDR 34-128)

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

CONTAINS UNFUNDED MANDATE (§ 2)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 school districts; creating in each school district an advisory fiscal affairs committee to review the financial affairs of the school district; providing the powers and duties of such an advisory committee; setting forth the qualifications of the members of such an advisory committee and providing for the appointment of those members; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law sets forth the Local Government Budget and Finance Act, which
2 includes provisions governing the budgets of local governments. (NRS 354.470-
3 354.626) The purposes of the Act include establishing standard methods and
4 procedures for the preparation, presentation, adoption and administration of budgets
5 of local governments and providing specific methods enabling the public and
6 taxpayers to be apprised of the financial preparations, plans, policies and
7 administration of all local governments. (NRS 354.472) The Act is specifically
8 made applicable to the budgets of school districts. (NRS 354.474) Under the Act,
9 each school district is required annually to prepare a tentative budget for the
10 ensuing fiscal year. The tentative budget is required to be submitted to the county
11 auditor and filed with the county clerk. In addition: (1) a copy of the tentative
12 budget must be submitted to the Department of Taxation and the Department of
13 Education on or before April 15; (2) the Department of Taxation is required to
14 examine the tentative budget for compliance with law; and (3) a public hearing on
15 the tentative budget must be held on the third Wednesday in May. (NRS 354.596)
16 **Section 2** of this bill creates in each school district an advisory fiscal affairs
17 committee to review the financial affairs of the school district and provides for the
18 advisory committee's membership, powers and duties. **Section 4** of this bill



requires each school district to prepare and submit to the advisory fiscal affairs committee of the school district a proposed tentative budget for the ensuing fiscal year. **Section 3** of this bill requires the advisory fiscal affairs committee to review the proposed tentative budget and submit a report of its review and any recommendations for revisions to the proposed tentative budget to the board of trustees of the school district. **Section 4** requires the board of trustees, before it files and submits its tentative budget pursuant to NRS 354.596, to: (1) post on its Internet website a copy of the proposed tentative budget and the report and recommendations of the advisory fiscal affairs committee; (2) review and consider the report and recommendations in a public meeting; and (3) make any revisions to the proposed tentative budget that it considers appropriate.

Existing law also requires the clerk of the board of trustees of a school district to publish a list of expenditures of the school district made during the previous quarter school year. (NRS 387.320) **Section 6** of this bill requires that the list be submitted to the advisory fiscal affairs committee of the school district, which, pursuant to **section 3**, is required to review the list and submit a report of its review together with any recommendations to the board of trustees of the school district and the Department of Education. **Section 5** of this bill requires the board of trustees of the school district, in a public meeting, to review and consider the report and recommendations of the advisory fiscal affairs committee.

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

Section 1. Chapter 387 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

Sec. 2. 1. *There is hereby created in each school district an advisory fiscal affairs committee to review the financial affairs of the school district.*

2. *In a county whose population is less than 400,000, the advisory committee consists of the following three members:*

(a) *One member appointed by the Majority Leader of the Senate;*

(b) *One member appointed by the Speaker of the Assembly;*
and

(c) *One member appointed by the Governor.*

3. *In a county whose population is 400,000 or more, the advisory committee consists of the following seven members:*

(a) *One member appointed by the Majority Leader of the Senate.*

(b) *One member appointed by the Speaker of the Assembly.*

(c) *Four members appointed by the Governor. The Governor shall appoint:*

(1) *One member who has experience in public budgeting;*

(2) *One member who has experience in public education;*

(3) *One member who has experience in finance; and*



1 (4) One member who represents the local business
2 community in the county.

3 (d) Except as otherwise provided in subsection 4, one member
4 appointed by majority vote of the members of the advisory
5 committee who are appointed pursuant to paragraphs (a), (b) and
6 (c). The member appointed pursuant to this paragraph:

7 (1) Must represent the general public and be selected from
8 a list consisting of three persons nominated by the board of
9 trustees of the school district; and

10 (2) Must reside in the school district.

11 4. If the members of the advisory committee are unable to
12 agree on the member to be appointed pursuant to paragraph (d) of
13 subsection 3 within 30 days after the initial meeting of the
14 advisory committee or, in subsequent years, within 30 days after
15 the term of the member expires, the Governor shall appoint a
16 member who resides in the school district without regard to the list
17 of nominees prepared pursuant to paragraph (d) of subsection 3.

18 5. Following their initial terms, each member of the advisory
19 committee serves for a term of 2 years. Each member of the
20 advisory committee continues in office until his or her successor is
21 appointed. A member may succeed himself or herself.

22 6. A vacancy on the advisory committee must be filled in the
23 same manner as the original appointment.

24 7. Each member of the advisory committee:

25 (a) Serves without compensation; and

26 (b) Is entitled to receive the per diem allowance and travel
27 expenses provided for state officers and employees generally for
28 each day or portion of a day during which the member attends a
29 meeting of the advisory committee or is otherwise engaged in the
30 business of the advisory committee.

31 8. Each member of the advisory committee who is an officer
32 or employee of the State of Nevada or a local government must be
33 relieved from his or her duties without loss of his or her regular
34 compensation so that the member may prepare for and attend
35 meetings of the advisory committee and perform any work
36 necessary to carry out the duties of the advisory committee in the
37 most timely manner practicable. A state agency or local
38 government shall not require an officer or employee who is a
39 member of the advisory committee to make up the time
40 the member is absent from work to carry out his or her duties as a
41 member and shall not require the member to take annual vacation
42 or compensatory time for the absence.

43 9. At its initial meeting and annually thereafter, the advisory
44 committee shall elect one of its members to serve as chair.
45 The chair shall serve in that capacity through the next following



1 *June 30, and until a successor is elected. The chair may succeed*
2 *himself or herself.*

3 *10. A majority of the members of the advisory committee*
4 *constitutes a quorum for the transaction of business, and a*
5 *majority of a quorum present at any meeting is sufficient for any*
6 *official action taken by the advisory committee.*

7 *11. The members of the advisory committee may administer*
8 *all oaths or affirmations necessary in discharging the duties of*
9 *their office.*

10 *12. The advisory committee shall employ a clerk and may*
11 *employ such other clerical personnel as necessary to the discharge*
12 *of its duties. The clerk shall serve as the secretary of the advisory*
13 *committee.*

14 *13. The advisory committee shall meet at least once each*
15 *calendar quarter on a regularly scheduled day and may meet more*
16 *often upon the call of the chair, either on the motion of the chair*
17 *or at the request of any two members of the advisory committee.*

18 *14. The clerk of the advisory committee shall give written*
19 *notice of each special meeting to each member of the advisory*
20 *committee at least 1 day before the meeting or by mailing the*
21 *notice to each member's place of residence in the county at least 3*
22 *days before the meeting. The notice must specify the time, place*
23 *and purpose of the meeting. If all of the members of the advisory*
24 *committee who did not receive notice are present at the special*
25 *meeting, lack of notice does not invalidate the proceedings.*

26 **Sec. 3. 1. Each advisory fiscal affairs committee created**
27 **pursuant to section 2 of this act shall annually:**

28 *(a) Review the proposed tentative budget of the school district*
29 *for the ensuing fiscal year that is prepared and submitted to the*
30 *advisory committee pursuant to section 4 of this act; and*

31 *(b) On or before March 1, submit a report of its review of the*
32 *proposed tentative budget and any recommendations for revisions*
33 *to the proposed tentative budget to the board of trustees of the*
34 *school district.*

35 **2. Each advisory fiscal affairs committee created pursuant to**
36 **section 2 of this act shall quarterly:**

37 *(a) Review the published list of expenditures of each county*
38 *school district made during the previous quarter school year that*
39 *is submitted to the advisory committee pursuant to NRS 387.320;*
40 *and*

41 *(b) Submit a report of its review of the list of expenditures and*
42 *any recommendations to the board of trustees of the county school*
43 *district and to the Department.*

44 **Sec. 4. 1. The board of trustees of each school district**
45 **shall, on or before February 1 of each year, prepare and submit to**



1 *the advisory fiscal affairs committee of the school district a*
2 *proposed tentative budget of the school district for the ensuing*
3 *fiscal year.*

4 *2. Except as otherwise provided in subsection 3, the board of*
5 *trustees of each school district shall:*

6 *(a) In a public meeting, review and consider the report and*
7 *recommendations concerning the proposed tentative budget that*
8 *are submitted to the board of trustees by the advisory committee*
9 *pursuant to section 3 of this act and make any revisions to the*
10 *proposed tentative budget that the board of trustees determines*
11 *appropriate, before the school district submits and files its*
12 *tentative budget pursuant to subsection 1 of NRS 354.596; and*

13 *(b) For not less than 30 days before that public meeting, cause*
14 *a copy of the proposed tentative budget, all supporting*
15 *documentation and the report and recommendations of the*
16 *advisory committee to be posted on the Internet website of the*
17 *school district.*

18 *3. If the board of trustees of the school district has not*
19 *received the report and recommendations of the advisory*
20 *committee concerning the proposed tentative budget on or before*
21 *March 1, the school district may prepare, submit and file its*
22 *tentative budget pursuant to subsection 1 of NRS 354.596 without*
23 *considering the report and recommendations and without posting*
24 *a copy of the proposed tentative budget and the report and*
25 *recommendations on its Internet website.*

26 **Sec. 5.** *The board of trustees of each school district shall*
27 *quarterly, in a public meeting, review and consider the report and*
28 *recommendations concerning the expenditures of the school*
29 *district made during the previous quarter school year that are*
30 *submitted to the board of trustees by the advisory fiscal affairs*
31 *committee of the school district pursuant to section 3 of this act.*

32 **Sec. 6.** NRS 387.320 is hereby amended to read as follows:

33 387.320 1. During each quarter of each school year, the clerk
34 of the board of trustees of a county school district shall cause to be
35 published a list of expenditures of the county school district made
36 during the previous quarter school year. The published list of
37 expenditures ~~[shall]~~ **must** be in the form prescribed by the
38 Superintendent of Public Instruction.

39 2. The publication required by subsection 1 ~~[shall be]~~ **must:**

40 *(a) Be printed in some newspaper published and of general*
41 *circulation in the county the boundaries of which are conterminous*
42 *with the boundaries of the county school district ~~[.]~~; and*

43 *(b) Be submitted by the clerk of the board of trustees of the*
44 *county school district to the advisory fiscal affairs committee of*



1 *the county school district for its review pursuant to section 3 of*
2 *this act.*

3 3. The newspaper described in subsection 2 must possess the
4 qualifications prescribed in chapter 238 of NRS.

5 4. If no qualified newspaper is published within a county,
6 ~~[then]~~ the required publication ~~[shall]~~ *must* be printed in some
7 qualified newspaper printed in the State of Nevada ~~[and having]~~ *that*
8 *has* a general circulation within the county.

9 **Sec. 7.** 1. As soon as practicable on or after July 1, 2011, the
10 appointments to the advisory fiscal affairs committee in each school
11 district in a county whose population is less than 400,000 that are
12 required by the provisions of subsection 2 of section 2 of this act
13 must be made as follows:

14 (a) The Majority Leader of the Senate shall appoint one member
15 to each such committee to an initial term that expires on June 30,
16 2012;

17 (b) The Speaker of the Assembly shall appoint one member to
18 each such committee to an initial term that expires on June 30, 2013;
19 and

20 (c) The Governor shall appoint one member to each such
21 committee to an initial term that expires on June 30, 2013.

22 2. As soon as practicable on or after July 1, 2011, the
23 appointments to the advisory fiscal affairs committee in each school
24 district in a county whose population is 400,000 or more that are
25 required by the provisions of subsection 3 of section 2 of this act
26 must be made as follows:

27 (a) The Majority Leader of the Senate shall appoint one member
28 to each such committee to an initial term that expires on June 30,
29 2012;

30 (b) The Speaker of the Assembly shall appoint one member to
31 each such committee to an initial term that expires on June 30, 2013;

32 (c) The Governor shall appoint to each such committee:

33 (1) The members described in subparagraphs (1) and (2) of
34 paragraph (c) of subsection 3 of section 2 of this act to initial terms
35 that expire on June 30, 2012; and

36 (2) The members described in subparagraphs (3) and (4) of
37 paragraph (c) of subsection 3 of section 2 of this act to initial terms
38 that expire on June 30, 2013; and

39 (d) The member described in paragraph (d) of subsection 3 of
40 section 2 of this act must be appointed to an initial term that expires
41 on June 30, 2013.

42 **Sec. 8.** The provisions of NRS 354.599 do not apply to any
43 additional expenses of a local government that are related to the
44 provisions of this act.



1 **Sec. 9.** This act becomes effective on July 1, 2011.

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