

**PROPOSED REGULATION OF THE
COMMITTEE ON LOCAL GOVERNMENT FINANCE**

LCB File No. R006-12

March 5, 2012

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

AUTHORITY: §§1-14, NRS 386.353.

A REGULATION relating to local governmental financial administration; establishing procedures and guidelines by which two or more school districts may enter into a cooperative agreement for the purposes of consolidating or sharing certain services, functions or personnel; and providing other matters properly relating thereto.

Section 1. Chapter 354 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 14, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 14, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 8, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Affected district” means a school district for which the consolidation or sharing of one or more services or functions or of personnel has been proposed.*

Sec. 4. *“Function” has the meaning ascribed to it in NRS 354.529 and includes, without limitation, any administrative activities and responsibilities associated with a function, including, without limitation, those relating to budgeting, contracting, finances, personnel, office facilities, information technology and communications.*

Sec. 5. *“Interdistrict service agreement” means a written agreement between two or more affected districts which provides for the consolidation or sharing of one or more services or functions or of personnel.*

Sec. 6. *“Interdistrict service plan” means a written plan which provides for the implementation of an interdistrict service agreement.*

Sec. 7. *“Interested person” means a person, government, governmental agency or political subdivision of a government, other than an affected district, who is directly and substantially affected by the consolidation or sharing of a service or function or of personnel by two or more affected districts.*

Sec. 8. *“Lead district” means the affected district which is designated to act as the lead district pursuant to subsection 1 of section 9 of this regulation.*

Sec. 9. *1. If two or more school districts wish to enter into an interdistrict service agreement, each affected district must, by mutual agreement, designate one of the affected districts to act as the lead district. In the absence of such a designation, the affected district which initially proposed the consolidation or sharing of a service or function or of personnel shall act as the lead district.*

2. A lead district shall:

(a) Collect data pertaining to each service or function or the personnel for which the consolidation or sharing is proposed;

(b) Identify any interested persons;

(c) Prepare a tentative draft of an interdistrict service plan; and

(d) Carry out any other duties prescribed for the lead district pursuant to sections 2 to 14, inclusive, of this regulation.

3. A lead district may request in writing from any affected district or interested person such information relating to each service or function or the personnel for which consolidation or sharing is proposed as may be necessary for the lead district to prepare a tentative draft of an interdistrict service plan, including, without limitation, a description of each service or function or the personnel for which consolidation or sharing is proposed and information concerning:

(a) Any property or other assets used to provide any service, function or personnel for which consolidation or sharing is proposed;

(b) The operating costs for each service or function or the personnel for which consolidation or sharing is proposed;

(c) Any contracts relating to the provision of any service, function or personnel for which consolidation or sharing is proposed;

(d) Any liabilities or pending claims relating to any service, function or personnel for which consolidation or sharing is proposed; and

(e) The mechanism for funding each service or function or the personnel for which consolidation or sharing is proposed.

4. An affected district or interested person shall, not later than 30 days after receiving a written request for information from a lead district pursuant to subsection 3, provide the requested information to the lead district.

Sec. 10. *1. Upon completing a tentative draft of an interdistrict service plan, a lead district shall provide to each affected district and interested person identified by the lead district a copy of the draft.*

2. An affected district or interested person to whom a copy of a tentative draft is provided pursuant to subsection 1 may, not later than 45 days after the affected district or interested person receives a copy of the draft, object to any of the provisions contained in the draft by providing the lead district with a written statement of its objections. The statement may include any alternative provisions which the affected district or interested person desires to be included in the proposed interdistrict service plan.

3. If a lead district:

(a) Does not receive an objection pursuant to subsection 2, the tentative draft constitutes a proposed interdistrict service plan.

(b) Receives an objection pursuant to subsection 2:

(1) Each affected district shall review the objection and may consider any alternative provisions contained in the written statement of objections and any other alternative provisions proposed by an affected district or interested person. If the affected districts are unable to agree on the provisions of a proposed interdistrict service plan within 30 days after receiving the last written statement of objections submitted pursuant to subsection 2, the affected districts may, either jointly or individually, submit to the Department of Education a written request for assistance in resolving any disagreements concerning the proposed interdistrict service plan. An affected district is not required to follow any recommendation of the Department of Education issued pursuant to this subparagraph.

(2) The lead district shall, upon the mutual agreement of each affected district to the provisions of a proposed interdistrict service plan:

(I) Prepare the proposed interdistrict service plan in accordance with that agreement;
and

(II) Provide a copy of the proposed interdistrict service plan to each affected district and interested person identified by the lead district.

Sec. 11. *An interdistrict service plan:*

1. Must include:

(a) Such information as is necessary to complete the consolidation or sharing of each service or function or of personnel as prescribed by the interdistrict service agreement, including, without limitation, a complete description of:

(1) Each service or function or the personnel being consolidated or shared; and

(2) The mechanism to fund each service or function or the personnel; and

(b) The effective date of the consolidation or sharing of each service or function or the personnel.

2. May include, without limitation, one or more of the following:

(a) The statutory authority for the provision of each service, the performance of each function and the employment of the personnel being consolidated or shared pursuant to the interdistrict service agreement.

(b) The reasons for the consolidation or sharing of each service or function or the personnel, which may include, without limitation, any improvements in the management or delivery of a service or function or the management of personnel, in the implementation of the laws of this State or in operational efficiency which are expected to result from the consolidation or sharing of any service, function or personnel.

(c) For each service or function or for the personnel being consolidated or shared, a description of any potential financial effect on any affected district, which may include, without limitation, any potential financial effect on the amount an affected district will receive

from the Local Government Tax Distribution Account or will be allowed to receive from taxes ad valorem.

(d) A description of the transfer or other disposition, including the timing thereof, of any records, property or personnel as a result of the consolidation or sharing of a service or function or of personnel.

(e) An analysis of the effect of the consolidation or sharing of each service or function or of personnel on the employees of each affected district.

(f) Information concerning the payment of any outstanding obligation relating to the consolidation or sharing of a service or function or of personnel, which may include, without limitation, the affected school responsible for the outstanding obligation, the manner and timing of the payment of the outstanding obligation, and methods to ensure the sufficiency of assets to satisfy the outstanding obligation.

(g) Information concerning the affected district responsible for prosecuting, defending or conducting any proceeding relating to the consolidation or sharing of a service or function or of personnel which is pending when the consolidation or sharing of the service, function or personnel goes into effect.

(h) A description of any conditions under which the consolidation or sharing of a service or function or of personnel may be terminated or rescinded and of any procedure for terminating or rescinding the consolidation or sharing of a service or function or of personnel.

(i) Any procedure for resolving a dispute between two or more affected districts regarding the consolidation or sharing of a service or function or of personnel.

Sec. 12. 1. An interdistrict service plan must not authorize an affected district to:

(a) Provide a service, perform a function or employ personnel which the affected district is not expressly authorized by law to provide, perform or employ on the effective date of the consolidation or sharing of the respective service, function or personnel.

(b) Continue to provide a service, perform a function or employ personnel beyond the period prescribed by law for such provision, performance or employment or beyond the date on which the authority for such provision, performance or employment would expire if the respective service, function or personnel had not been consolidated or shared.

2. Except as otherwise specifically provided in an interdistrict service plan or an interdistrict service agreement, the provisions of an interdistrict service plan or interdistrict service agreement do not:

(a) Limit or alter the effect of any ordinance or resolution adopted by an affected district or any other action taken by an affected district before the effective date of the consolidation or sharing of a service or function or of personnel; or

(b) Abate any proceedings:

(1) Commenced by an affected district before the effective date of the consolidation or sharing of a service or function or of personnel; or

(2) Pending before an affected district on the effective date of the consolidation or sharing of a service or function or of personnel.

Sec. 13. *Before approving an interdistrict service plan or interdistrict service agreement, the affected districts:*

1 May jointly hold one or more workshops in each affected district to solicit comments regarding one or more general topics to be addressed in a proposed interdistrict service plan or interdistrict service agreement; and

2. Shall, either jointly or individually, hold a public hearing to approve or disapprove the proposed interdistrict service plan or interdistrict service agreement in accordance with the provisions of chapter 241 of NRS.

Sec. 14. *The approval of an interdistrict service plan or an interdistrict service agreement by an affected district expires 1 year after the date of that approval unless:*

1. The consolidation or sharing of each service or function or of personnel as prescribed by the plan has been completed within that period;

2. The interdistrict service plan or interdistrict service agreement specifies a different period for the expiration of that approval; or

3. Each affected district, by mutual agreement, agrees to extend the applicable period for the expiration of that approval.