Appendix I
Response From the Department of Education

MARY L. PETERSON
Superintendent of Public Instruction

KEITH W. RHEAULT
Deputy Superintendent
Instructional, Research and Evaluative Services

DOUGLAS C. THUNDER
Deputy Superintendent
Administrative and Fiscal Services

MARY L. PETERSON
Superintendent of Public Instruction

KEITH W. RHEAULT
Deputy Superintendent
Instructional, Research and Evaluative Services

DOUGLAS C. THUNDER
Deputy Superintendent
Administrative and Fiscal Services

STATE OF NEVADA

SOUTHERN NEVADA OFFICE
1820 E. Sahara, Suite 205
Las Vegas, Nevada 89104-3746

(702) 486-6455
Fax: (702) 486-6450

DEPARTMENT OF EDUCATION
700 E. Fifth Street
Carson City, Nevada 89701-5096

November 16, 2000

Gary Crews, Legislative Auditor
Legislative Counsel Bureau
Audit Division
401 South Carson Street
Carson City, Nevada 89701

Dear Mr. Crews:

Staff of the Department of Education have reviewed the audit of the textbook adoption process that was conducted by LCB auditors pursuant to Assembly Bill (AB) 241 adopted by the 1999 Legislature. AB 241 called for an audit of the school districts to include a review of funds budgeted for instructional costs including costs for instructional supplies, library books, textbooks, instructional software and other areas related to instruction. The audit was to examine the number of textbooks available per pupil in each subject area and the numbers of textbooks available for students in special education programs. The audit also addressed the amount of money requested of parents of elementary pupils to purchase instructional supplies or other items.

We appreciate the professionalism of the auditors and the opportunity to discuss the draft report on November 9, 2000. The audit report recognizes that it is a local school district responsibility to make decisions about how funds are used for these purposes. It provides the Legislature with some good information on textbook purchases, pointing out that districts on the whole spend as much or more than the amount used for textbooks to calculate the Distributive School Account. It also provides information on the availability of textbooks per student and the amount of funds parents and teachers are adding to what is provided through the Distributive School Account in order to have instructional materials in the classroom.

We do, however, object to the audit recommendations on several counts:

1. The recommendations are not consistent with the stated purpose of AB 241, to "conduct an audit of the school districts in this state." Although the report contains numerous findings regarding school districts, no recommendations are targeted to local school districts. Also missing from the report is the opportunity for districts to respond to the findings or recommendations. Since the whole focus of the audit was on school districts, it would seem appropriate to give them an opportunity to respond. Instead, all the recommendations require action by the Department of Education, which is not even mentioned in AB 241.
2. A basic misunderstanding of the structure of the K-12 education system in Nevada underlies the audit. For example, on page 7 of the report it states that the Department "...is responsible for the administration of elementary and secondary programs at the state level." That is not accurate. Day to day administration is the responsibility of schools and districts. The State Department of Education has no authority or jurisdiction over decisions made at the district level on how much money to spend on textbooks or other instructional supplies and whether or not parents are to be asked to make up the difference. These are decisions that have always been seen by legislators as "local control" decisions.

During the discussion of school district expenditures the report implies that the state funds line items such as textbooks at a certain level. This is not accurate. The state provides a lump sum of money via the DSA and through statute directs each local school district board of trustees to develop and follow a budget that expends this sum in accordance with locally identified needs. The report does not adequately consider the many issues of local control that exist in this state.

3. Finally, the recommendations do not take into account the staffing and operating budget that the Legislature has provided to the Department for this purpose. According to your report, seven LCB auditors were assigned to this audit. The Department of Education has no legislatively authorized staff or budget to carry out this mandate. We have assigned .25 FTE of the legislatively approved Library Consultant position to this activity. In the past the Legislature has viewed the concerns addressed in AB 241 as local issues and has not provided staff or budget for the Department to meet the needs as outlined in the recommendations. Should the Legislature choose to make those state issues, and provide the staff and other resources necessary to carry out the new responsibilities, the Department of Education will be happy to respond appropriately.

For these and other reasons we cannot accept the audit recommendations at this time. A more detailed response to each recommendation is attached.

Sincerely,

Mary Peterson
Superintendent of Public Instruction

MLP/da
Attachment
Department of Education Response to Audit Recommendations

Recommendation 1: Strengthen the process for collecting, compiling, and reviewing Annual Report financial information to ensure all relevant data is obtained and accurately reported.

Nevada Department of Education Response: Until additional resources—financial and staffing—are provided, the Department cannot accept this recommendation.

Explanation: The Department of Education has never been adequately staffed to accomplish the collecting, compiling, and reviewing of the information required in NRS 387.303. In addition, the turn-around time stipulated in the statutes—less than 10 working days—renders the accomplishment of all that is being requested virtually impossible. The Department also contends that the reports that have been prepared over the past ten years have been well prepared. The errors that have been discovered after the compilation of the reports have been, for the most part, immaterial. The Department believes that all activities can be improved, including this assignment. The Department has requested a State funded Administrator for the Distributive School Account in the budget requests for the 2001 Legislature. If this position is funded, this data analysis process will be strengthened.


Nevada Department of Education Response: The Department rejects Recommendation 2, until the resources required to accomplish it are provided.

Explanation: The Department of Education is awaiting the publication of the updated Financial Accounting for Local and State School Systems by the National Center for Education Statistics (Handbook 2R2) before undertaking the revision of the Nevada Financial Accounting Handbook for Local Educational Agencies, August 1979. The Revised Handbook by the National Center for Education Statistics is currently in process. The Nevada version was prepared under a contract with Robert Davis Associates of Atlanta, Georgia. The Department will seek similar guidance in the revision of the Nevada Handbook. However, without the addition of the Administrator for the Distributive School Account, accomplishment of this recommendation will be extremely difficult.
Recommendation 3: Develop and perform monitoring procedures to verify districts are using approved textbooks.

Nevada Department of Education Response: The Department of Education rejects this recommendation, because the resources have never been provided to accomplish it.

Explanation: The Department has not been provided with any staff or financial resources to develop and perform monitoring procedures with regard to the use of textbooks by the school districts. If the legislature authorizes two textbook consultants and one support staff, monitoring will be possible.

Recommendation 4: Work with school districts to identify materials other than textbooks used in classrooms as a basis of instruction, and determine which materials should go through the textbook adoption process.

Nevada Department of Education Response: The Department of Education rejects this recommendation, on the basis of lack of personnel and financial resources to accomplish it.

Explanation: In order to undertake this recommendation and the others involving textbook usage, we believe the Department would have to be provided two professional level staff and one support staff. With the existing staff in the Department this activity is not feasible. Because this activity was not identified as a priority until recently, the Department has not requested this additional staff in the budgets now being prepared for the 2001 Legislature.

Recommendation 5: Ensure that information presented on the Textbook Adoption List is accurate and complete.

Nevada Department of Education Response: The Department of Education rejects this recommendation, again, because of the staffing situation.

Explanation: The Department is making the effort to ensure that the current data in the textbook adoption list is complete and accurate. However, any intensification of the effort with the current staff is not feasible, because of the many other responsibilities and assignments that must be completed.

Recommendation 6: Assist districts in adopting policies regarding the availability of textbooks, and requesting money or supplies from parents.

Nevada Department of Education Response: The Department of Education rejects this recommendation, because the adopting of policies regarding the availability of textbooks and requesting money or supplies from parents is a district responsibility.

Explanation: For the state to require such policies would be an infringement upon the local control of school districts' boards of trustees.
Department of Education Response to Audit Recommendations

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<tr>
<th>Recommendation Number</th>
<th>Accepted</th>
<th>Rejected</th>
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<tbody>
<tr>
<td>1 Strengthen the process for collecting, compiling, and reviewing Annual Report financial information to ensure all relevant data is obtained and accurately reported</td>
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<td>2 Update the guidance provided to school districts in the <em>Nevada Financial Accounting Handbook for Local Educational Agencies, August 1979</em></td>
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<td>3 Develop and perform monitoring procedures to verify districts are using approved textbooks</td>
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<tr>
<td>4 Work with school districts to identify materials other than textbooks used in classrooms as a basis of instruction, and determine which materials should go through the textbook adoption process</td>
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<tr>
<td>5 Ensure that information presented on the Textbook Adoption List is accurate and complete</td>
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<td>X</td>
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<tr>
<td>6 Assist districts in adopting policies regarding the availability of textbooks, and requesting money or supplies from parents</td>
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TOTALS

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