Appendix J
Auditor's Comments on Department's Response

The Department of Education, in its response, does not agree with certain of our findings, conclusions, and recommendations. The following identifies those sections of the report where the Department has taken exception to our position. We have provided our comments on the issues raised in the Department's response to assure the reader that we believe our findings, conclusions, and recommendations as stated in the report are appropriate.

1. Department officials state the recommendations are not consistent with the stated purpose of A.B. 241, to "conduct an audit of the school districts in this state." They also indicate that although the report contains numerous findings regarding school districts, no recommendations are targeted to local school districts. Department officials further comment that missing from the report is the opportunity for districts to respond to the findings or recommendations. (See page 52)

Legislative Auditor's Comments

As discussed on page 11, as part of our audit we assessed the adequacy of controls at the Department of Education related to issues in the audit. Although not specifically required as part of A.B. 241, we included recommendations to the Department of Education to strengthen processes or controls to address conditions noted in our assessment. In addition, as described on page 39, at the conclusion of our audit procedures we sent letters to each superintendent describing the results of our audit applicable to their district. We requested they review the items in the letter to help ensure the accuracy of the data and a complete understanding of the information presented. We encouraged the superintendents to provide their comments or concerns regarding the information. In some cases, meetings or telephone conversations were held to discuss and clarify items in the letters.

2. Department officials state that a basic misunderstanding of the structure of the K-12 education system in Nevada underlies the audit, and the report does not consider issues of local control. Furthermore, they indicate the report inaccurately implies the State provides funds for line items such as textbooks at a certain level. (See page 53)

Legislative Auditor's Comments

In several areas of the report we discussed the responsibilities for administering the system of public education in Nevada. On page 6 we note the statutes provide that public instruction in the State is essentially a matter for local control by school districts, except for powers limited by other specific provisions of law. Specific powers granted to the State Board of Education include responsibility for developing policies relating to supervision, management, and controls of public schools (NRS 385.075). Statutes also give the State Board authority to adopt regulations, as necessary, for the execution of the powers and duties conferred upon it by law (NRS 385.080). The State Board, and the Department of Education as its administrative entity, have statutory responsibilities to approve textbooks (NRS 390.140), and compile financial information (NRS 387.303). These responsibilities, as discussed in our report, are within the Department's jurisdiction and do not infringe on local school district control.
As discussed on page 6, local boards of trustees are responsible for adopting district budgets that provide for instruction of students and operational activities of the district. On page 12, we note that although the state's budgetary process is used to determine the minimum funding districts will receive, local school districts control the actual expenditures. Therefore, budgets are adopted to address local priorities, which may not correspond with specific funding amounts related to instructional costs in the state's basic support guarantee.

Department officials state the recommendations do not take into account the staffing and operating budget the Legislature has provided for this purpose. They believe the Legislature has viewed concerns addressed in A.B. 241 as local issues and has not provided staff or budget to meet the needs as outlined in the recommendations. Consequently, the Department rejected all six of the audit recommendations. However, they further comment that 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. (See page 53)

Legislative Auditor’s Comments

Five of the six recommendations relate to statutory requirements of the Department of Education that are neither new nor entirely local responsibilities. The sixth recommendation is intended to promote communication between the Department and school districts to assist in improving policies.

Our first two recommendations are designed to improve the accuracy of financial information used in the budgetary process for the Distributive School Account, as discussed on page 17. The compilation of this information is an established statutory requirement of the Department. Recommendations three to five relate to the statutory requirements for the approval of textbooks. Statutes requiring state approval of textbooks have been in place for many years, and do not represent new responsibilities. As discussed on page 29, some monitoring must be performed to help ensure compliance with these statutory requirements. Monitoring is a standard concept of management control, which in this case involves a statewide issue and should not represent new responsibilities for the Department. The intent of the sixth recommendation, as discussed on page 27, is for the Department to provide assistance to ensure issues related to the use and availability of instruction materials, and requests of parents, are adequately addressed.