

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

LCB File No. R092-22

Filed December 29, 2022

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

AUTHORITY: § 1, NRS 354.107.

A REGULATION relating to local government finance; amending provisions governing the exclusion of certain money from collective bargaining negotiations and from consideration in determining the ability of a local government to pay compensation and monetary benefits; requiring certain money to be transferred from a county school district fund to the Education Stabilization Account in the State Education Fund; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides that for a county school district fund of a school district: (1) a budgeted ending fund balance of not more than 12 percent of the total budgeted expenditures; and (2) any portion of a budgeted ending fund balance which exceeds 16.6 percent of the total budgeted expenditures for a county school district fund is not subject to collective bargaining negotiations and must not be considered by a fact finder or arbitrator in determining the financial ability to pay compensation or monetary benefits. (NRS 354.6241) Existing regulations provide that a budgeted ending fund balance of not more than 16.6 percent of the total budgeted expenditures is not subject to negotiations and must not be considered by a fact finder or arbitrator in determining the financial ability to pay. (NAC 354.660) This regulation adopts the percentage set forth in the statutory language to provide that for a school district, a budgeted ending fund balance of not more than 12 percent of the total budgeted expenditures for a county school district fund is not subject to negotiations and must not be considered by a fact finder or arbitrator in determining the financial ability to pay. This regulation also provides that any portion of a budgeted ending fund balance which exceeds 16.6 percent of the total budgeted expenditures for a county school district fund is not subject to collective bargaining negotiations, must not be considered by a fact finder or arbitrator in determining the financial ability to pay compensation or monetary benefits and must be transferred to the Education Stabilization Account in the State Education Fund.

Section 1. NAC 354.660 is hereby amended to read as follows:

354.660 1. Except as otherwise provided in this section, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 16.67 percent of the total budgeted expenditures, less capital outlay, for a general fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

2. For the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 8.3 percent of the total budgeted expenditures for a local government special revenue fund which receives revenue from property taxes or the Local Government Tax Distribution Account:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

3. For a school district, for the purposes of chapter 288 of NRS ~~16.67~~ **12** :

(a) A budgeted ending fund balance of not more than ~~16.67~~ **12** percent of the total budgeted expenditures for a county school district fund:

~~(a)~~ **(1)** Is not subject to negotiations with an employee organization; and

~~(b)~~ **(2)** Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits ~~16.67~~ **12** ; *and*

(b) Any portion of a budgeted ending fund balance which exceeds 16.6 percent of the total budgeted expenditures for a county school district fund:

(1) Is not subject to negotiations with an employee organization;

(2) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits; and

(3) Except as otherwise provided in section 77 of chapter 624, Statutes of Nevada 2019, at page 4252, must be transferred to the Education Stabilization Account pursuant to NRS 387.1213.