

101 NORTH CARSON STREET  
CARSON CITY, NEVADA 89701-3713  
OFFICE: (775) 684-5670  
FAX No.: (775) 684-5685



1 STATE OF NEVADA WAY  
LAS VEGAS, NEVADA 89119-4339  
OFFICE: (702) 486-2500  
FAX No.: (702) 486-2505

## Office of the Governor

September 26, 2024

Senate Majority Leader Nicole Cannizzaro  
Chair, Legislative Commission  
Nevada Legislative Building 401 South Carson Street  
Carson City, NV 89701-4747

Senate Majority Leader Cannizzaro,

Following recent reports of significant financial issues within Clark County School District (CCSD), my office has been evaluating all avenues to investigate CCSD's budget and financial operations.

In our conversations, we have discussed [Assembly Bill 517](#) from the 2023 Legislative Session, which required the Audit Division of the Legislative Counsel Bureau to conduct an audit of certain school districts. It is our understanding that this audit is ongoing, but that investigations into CCSD's potential budget shortfall are outside of its current scope. However, it is also our understanding that the Legislative Commission may be capable of amending the scope of the ongoing audit.

We are concerned with reports that CCSD's current budget issues will potentially result in the release or elimination of teachers and other staff positions. Given last session's unprecedented increase in funding for education, such a scenario would be unacceptable.

As we continue to consider actions to address CCSD's immediate budget issues, I'm officially requesting the Legislative Commission consider amending the scope of the ongoing audit to include an investigation of the recently identified potential budget shortfalls, so that we can identify ways to address these issues in the long-term.

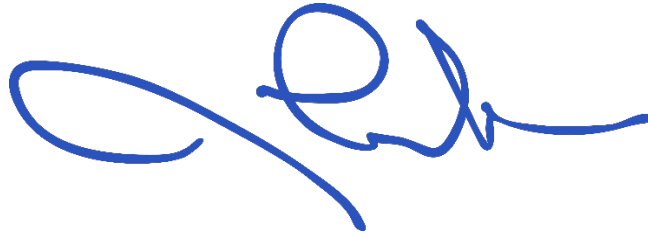
Specifically, I'm asking that the audit consider: the processes in which CCSD allocates funding to individual schools; what happened with the process to cause the current issues; what actions CCSD can undertake to avoid similar circumstances in the future; and what, if anything, should the Legislature and the Executive Branch consider to prevent this from happening in the future.

CCSD has financial obligations to its local school precincts and restrictions on its budget that are unique amongst Nevada school districts. Any attempts to address the shortfall that conflict with

the provisions of Chapter 388G of the Nevada Revised Statutes, including but not limited to a failure to transfer 85 percent of its unrestricted funds to Local School Precincts as required by NRS 388G.660 or accessing a Local School Precinct's year end carry forward balance in violation of NRS 388G.650 are prohibited and should be clearly noted.

At your earliest convenience, please confirm that the budget issues at CCSD will be included in the current audit. Should you have any questions or concerns, please do not hesitate to contact my office or me directly.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Lombardo". The signature is fluid and cursive, with a large initial "J" and a distinct "L" at the end.

Governor Joe Lombardo