
SENATE BILL NO. 5—COMMITTEE OF THE WHOLE

JUNE 25, 2003

Referred to Committee of the Whole

SUMMARY—Apportions State Distributive School Account in State General Fund for 2003-2005 biennium (BDR 34-8)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation included in Executive Budget.

~

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

AN ACT relating to public schools; requiring the Department of Education to prescribe a minimum amount of money that each school district must expend each year for textbooks, instructional supplies and instructional hardware; requiring that a certain amount of money must be withheld from the basic support allocation to a school district if the school district does not expend the required amount; revising provisions governing the purchase of retirement credit for certain teachers; requiring the boards of trustees of school districts to purchase retirement credit for certain school psychologists under certain circumstances; apportioning the State Distributive School Account in the State General Fund for the 2003-2005 biennium; authorizing certain expenditures; providing for a final adjustment following the close of a fiscal year; making various other changes concerning the administration of money for public schools; making an appropriation; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:



1 **Section 1.** Chapter 387 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *On or before July 1 of each year, the Department, in*
4 *consultation with the Budget Division of the Department of*
5 *Administration and the Fiscal Analysis Division of the Legislative*
6 *Counsel Bureau, shall develop or revise, as applicable, a formula*
7 *for determining the minimum amount of money that each school*
8 *district is required to expend each fiscal year for textbooks,*
9 *instructional supplies and instructional hardware. The formula*
10 *must be used only to develop expenditure requirements and must*
11 *not be used to alter the distribution of money for basic support to*
12 *school districts.*

13 2. *Upon approval of the formula pursuant to subsection 1, the*
14 *Department shall provide written notice to each school district*
15 *within the first 30 days of each fiscal year that sets forth the*
16 *required minimum combined amount of money that the school*
17 *district must expend for textbooks, instructional supplies and*
18 *instructional hardware for that fiscal year.*

19 3. *On or before January 1 of each year, the Department shall*
20 *determine whether each school district has expended, during the*
21 *immediately preceding fiscal year, the required minimum amount*
22 *of money set forth in the notice provided pursuant to subsection 2.*
23 *In making this determination, the Department shall use the report*
24 *submitted by the school district pursuant to NRS 387.303.*

25 4. *Except as otherwise provided in subsection 5, if the*
26 *Department determines that a school district has not expended the*
27 *required minimum amount of money set forth in the notice*
28 *provided pursuant to subsection 2, a reduction must be made from*
29 *the basic support allocation otherwise payable to that school*
30 *district in an amount that is equal to the difference between the*
31 *actual combined expenditure for textbooks, instructional supplies*
32 *and instructional hardware and the minimum required combined*
33 *expenditure set forth in the notice provided pursuant to subsection*
34 2. *A reduction in the amount of the basic support allocation*
35 *pursuant to this subsection:*

36 (a) *Does not reduce the amount that the school district is*
37 *required to expend on textbooks, instructional supplies and*
38 *instructional hardware in the current fiscal year; and*

39 (b) *Must not exceed the amount of basic support that was*
40 *provided to the school district for the fiscal year in which the*
41 *minimum expenditure amount was not satisfied.*

42 5. *If the actual enrollment of pupils in a school district is less*
43 *than the enrollment included in the projections used in the school*
44 *district's biennial budget submitted pursuant to NRS 387.303, the*
45 *required expenditure for textbooks, instructional supplies and*



1 *instructional hardware pursuant to this section must be reduced*
2 *proportionately.*

3 **Sec. 2.** NRS 387.205 is hereby amended to read as follows:

4 387.205 1. Subject to the limitations set forth in NRS
5 387.207 ~~[]~~ *and section 1 of this act*, money on deposit in the county
6 school district fund or in a separate account, if the board of trustees
7 of a school district has elected to establish such an account pursuant
8 to the provisions of NRS 354.603, must be used for:

9 (a) Maintenance and operation of the public schools controlled
10 by the county school district.

11 (b) Payment of premiums for Nevada industrial insurance.

12 (c) Rent of schoolhouses.

13 (d) Construction, furnishing or rental of teacherages, when
14 approved by the Superintendent of Public Instruction.

15 (e) Transportation of pupils, including the purchase of new
16 buses.

17 (f) Programs of nutrition, if such expenditures do not curtail the
18 established school program or make it necessary to shorten the
19 school term, and each pupil furnished lunch whose parent or
20 guardian is financially able so to do pays at least the actual cost of
21 the lunch.

22 (g) Membership fees, dues and contributions to an
23 interscholastic activities association.

24 (h) Repayment of a loan made from the State Permanent School
25 Fund pursuant to NRS 387.526.

26 2. Subject to the limitations set forth in NRS 387.207 ~~[]~~ *and*
27 *section 1 of this act*, money on deposit in the county school district
28 fund, or in a separate account, if the board of trustees of a school
29 district has elected to establish such an account pursuant to the
30 provisions of NRS 354.603, when available, may be used for:

31 (a) Purchase of sites for school facilities.

32 (b) Purchase of buildings for school use.

33 (c) Repair and construction of buildings for school use.

34 **Sec. 3.** NRS 387.207 is hereby amended to read as follows:

35 387.207 1. Except as otherwise provided in this section, in
36 each school year a school district shall spend for ~~[textbooks,]~~ library
37 books and ~~[supplies and materials relating to instruction, including,~~
38 ~~without limitation,]~~ software for computers ~~[]~~ an amount of money,
39 expressed as an amount per pupil, that is at least equal to the
40 average of the total amount of money that was expended per year by
41 the school district for those items in the immediately preceding 3
42 years.

43 2. Except as otherwise provided in this section, in each school
44 year a school district shall spend for the purchase of equipment
45 relating to instruction, including, without limitation, equipment for



1 telecommunications and for the purchase of equipment relating to
2 the transportation of pupils, an amount of money, expressed as an
3 amount per pupil, that is at least equal to the average of the total
4 amount of money that was expended per year by the school district
5 for those items in the immediately preceding 3 years.

6 3. Except as otherwise provided in this section, in each school
7 year a school district shall spend for the maintenance and repair of
8 equipment, vehicles, and buildings and facilities an amount of
9 money, expressed as an amount per pupil, that is at least equal to the
10 average of the total amount of money that was expended per year by
11 the school district for those items in the immediately preceding 3
12 years, excluding any amount of money derived from the proceeds of
13 bonds.

14 4. A school district may satisfy the expenditures required by
15 subsections 1, 2 and 3 if the school district spends an aggregate
16 amount of money for all the items identified in those subsections
17 that is at least equal to the average of the total amount of money
18 expended by the school district per year for all those items in the
19 immediately preceding 3 years.

20 5. A school district is not required to satisfy the expenditures
21 required by this section for a school year in which:

22 (a) The total number of pupils who are enrolled in public
23 schools within the school district has declined from the immediately
24 preceding school year; or

25 (b) The total revenue available in the general fund of the school
26 district has declined from the immediately preceding school year.

27 **Sec. 4.** NRS 391.165 is hereby amended to read as follows:

28 391.165 1. Except as otherwise provided in subsection 3 ~~for~~
29 ~~this section~~ and except as otherwise required as a result of NRS
30 286.537, the board of trustees of a school district shall pay the cost
31 for a licensed teacher to purchase one-fifth of a year of service
32 pursuant to subsection 2 of NRS 286.300 if:

33 (a) The teacher is a member of the Public Employees'
34 Retirement System and has at least 5 years of service;

35 (b) The teacher has been employed as a licensed teacher in this
36 state for at least 5 consecutive school years, regardless of whether
37 the employment was with one or more school districts in this state;

38 (c) Each evaluation of the teacher conducted pursuant to NRS
39 391.3125 is at least satisfactory for the years of employment
40 required by paragraph (b); and

41 (d) In addition to the years of employment required by
42 paragraph (b), the teacher has been employed as a licensed teacher
43 for ~~{1 school year}~~ **2 school years** at a school within the school
44 district which, ~~{for that school year, carries}~~ **during his employment**
45 **at the school:**



1 (1) *Carried* the designation of demonstrating need for
2 improvement ~~[pursuant to NRS 385.367.]~~; or

3 (2) *At least 65 percent of the pupils who are enrolled in the*
4 *school are children who are at risk.*

5 *The provisions of this paragraph do not require consecutive years*
6 *of employment or employment at the same school within the*
7 *school district.*

8 2. Except as otherwise provided in subsection 3, the board of
9 trustees of a school district shall pay the cost for a licensed teacher
10 to purchase one-fifth of a year of service for each year that a teacher
11 ~~[is employed as a teacher at a school within the school district that is~~
12 ~~described in paragraph (d)]~~ *satisfies the requirements* of
13 subsection 1.

14 3. In no event may the years of service purchased by a licensed
15 teacher as a result of subsection 2 of NRS 286.300 exceed 5 years.

16 4. The board of trustees of a school district shall not:

17 (a) Assign or reassign a licensed teacher to circumvent the
18 requirements of this section.

19 (b) Include ~~[]~~ as part of a teacher's salary ~~[]~~ the costs of paying
20 the teacher to purchase service pursuant to this section.

21 5. As used in this section ~~[, "service"]~~:

22 (a) *A child is "at risk" if he is eligible for free or reduced-price*
23 *lunches pursuant to 42 U.S.C. §§ 1751 et. seq.*

24 (b) *"Service"* has the meaning ascribed to it in NRS 286.078.

25 **Sec. 5.** NRS 391.165 is hereby amended to read as follows:

26 391.165 1. Except as otherwise provided in subsection 3 of
27 this section and except as otherwise required as a result of NRS
28 286.537, the board of trustees of a school district shall pay the cost
29 for a licensed teacher *or licensed school psychologist* to purchase
30 one-fifth of a year of service pursuant to subsection 2 of NRS
31 286.300 if:

32 (a) The teacher *or school psychologist* is a member of the Public
33 Employees' Retirement System and has at least 5 years of service;

34 (b) The teacher *or school psychologist* has been employed as a
35 licensed teacher *or licensed school psychologist* in this state for at
36 least 5 consecutive school years, regardless of whether the
37 employment was with one or more school districts in this state;

38 (c) Each evaluation of the teacher *or school psychologist*
39 conducted pursuant to NRS 391.3125 is at least satisfactory for the
40 years of employment required by paragraph (b); and

41 (d) In addition to the years of employment required by
42 paragraph (b) ~~[, the]~~:

43 (1) *The* teacher has been employed as a licensed teacher for
44 2 school years at a school within the school district which, during
45 his employment at the school:



1 ~~[(1)]~~ (I) Carried the designation of demonstrating need for
2 improvement; or

3 ~~[(2)]~~ (II) At least 65 percent of the pupils who are enrolled
4 in the school are children who are at risk ~~[(1)]~~;

5 (2) *The teacher holds an endorsement in the field of*
6 *mathematics, science, special education or English as a second*
7 *language and has been employed for at least 1 school year to teach*
8 *in the subject area for which he holds an endorsement; or*

9 (3) *The school psychologist has been employed as a*
10 *licensed school psychologist for at least 1 school year.*

11 The provisions of this paragraph do not require consecutive years of
12 employment or employment at the same school within the school
13 district.

14 2. Except as otherwise provided in subsection 3, the board of
15 trustees of a school district shall pay the cost for a licensed teacher
16 *or school psychologist* to purchase one-fifth of a year of service for
17 each year that a teacher *or school psychologist* satisfies the
18 requirements of subsection 1. *If, in 1 school year, a teacher*
19 *satisfies the criteria set forth in both subparagraphs (1) and (2) of*
20 *paragraph (d) of subsection 1, the school district in which the*
21 *teacher is employed is not required to pay for more than one-fifth*
22 *of a year of service pursuant to subsection 2 of NRS 286.300 for*
23 *that school year.*

24 3. In no event may the years of service purchased by a licensed
25 teacher *or school psychologist* as a result of subsection 2 of NRS
26 286.300 exceed 5 years.

27 4. The board of trustees of a school district shall not:

28 (a) Assign or reassign a licensed teacher *or school psychologist*
29 to circumvent the requirements of this section.

30 (b) Include ~~[(1)]~~ as part of a teacher's *or school psychologist's*
31 salary ~~[(1)]~~ the costs of paying the teacher *or school psychologist* to
32 purchase service pursuant to this section.

33 5. As used in this section:

34 (a) A child is "at risk" if he is eligible for free or reduced-price
35 lunches pursuant to 42 U.S.C. §§ 1751 et. seq.

36 (b) "Service has the meaning ascribed to it in NRS 286.078.

37 **Sec. 6.** The basic support guarantee for school districts for
38 operating purposes for the 2003-2004 Fiscal Year is an estimated
39 weighted average of \$4,295 per pupil. For each respective school
40 district, the basic support guarantee per pupil for the 2003-2004
41 Fiscal Year is:

42
43 Carson City..... \$4,923
44 Churchill County..... \$5,418
45 Clark County \$4,127



1	Douglas County.....	\$4,541
2	Elko County	\$5,307
3	Esmeralda County	\$9,169
4	Eureka County.....	\$3,495
5	Humboldt County	\$5,362
6	Lander County.....	\$4,836
7	Lincoln County.....	\$7,943
8	Lyon County.....	\$5,553
9	Mineral County	\$6,012
10	Nye County	\$5,561
11	Pershing County	\$6,385
12	Storey County.....	\$7,082
13	Washoe County	\$4,161
14	White Pine County	\$6,164

15 **Sec. 7.** 1. The basic support guarantee for school districts for
16 operating purposes for the 2004-2005 Fiscal Year is an estimated
17 weighted average of \$4,424 per pupil.

18 2. On or before April 1, 2004, the Department of Taxation shall
19 provide a certified estimate of the assessed valuation for each school
20 district for the 2004-2005 Fiscal Year. The assessed valuation for
21 each school district must be that which is taxable for purposes of
22 providing revenue to school districts, including any assessed
23 valuation attributable to the net proceeds of minerals derived from
24 within the boundaries of the district.

25 3. Pursuant to NRS 362.115, on or before April 25 of each
26 year, the Department of Taxation shall provide an estimate of the
27 net proceeds of minerals based upon statements required of mine
28 operators.

29 4. For purposes of establishing the basic support guarantee, the
30 estimated basic support guarantees for each school district for the
31 2004-2005 Fiscal Year for operating purposes are:

32			
33		Basic	Estimated
34		Support	Basic
35		Guarantee	Support
36		Before	Guarantee
37	<u>School District</u>	<u>Adjustment</u>	<u>as Adjusted</u>
38	Carson City	\$4,462	\$5,105
39	Churchill County	\$5,094	\$5,608
40	Clark County	\$3,328	\$4,249
41	Douglas County	\$3,196	\$4,647
42	Elko County	\$5,004	\$5,512
43	Esmeralda County	\$6,596	\$9,583
44	Eureka County	\$(5,236)	\$4,068
45	Humboldt County	\$5,006	\$5,648



1	Lander County	\$3,741	\$1,328	\$5,069
2	Lincoln County	\$7,519	\$664	\$8,183
3	Lyon County	\$5,149	\$593	\$5,742
4	Mineral County	\$5,792	\$473	\$6,265
5	Nye County	\$4,888	\$877	\$5,765
6	Pershing County	\$5,714	\$949	\$6,663
7	Storey County	\$5,559	\$1,848	\$7,407
8	Washoe County	\$3,393	\$908	\$4,301
9	White Pine County	\$5,915	\$482	\$6,397

10

11 5. The ad valorem adjustment may be made only to take into
12 account the difference in the assessed valuation and the estimated
13 enrollment of the school district between the amount estimated as of
14 April 1, 2003, and the amount estimated as of April 1, 2004, for the
15 2004-2005 Fiscal Year. Estimates of net proceeds of minerals
16 received from the Department of Taxation on or before April 25
17 pursuant to subsection 3 must be taken into consideration in
18 determining the adjustment.

19 6. Upon receipt of the certified estimates of assessed valuations
20 as of April 1, 2004, from the Department of Taxation, the
21 Department of Education shall recalculate the amount of ad valorem
22 adjustment and the tentative basic support guarantee for operating
23 purposes for the 2004-2005 Fiscal Year by April 15, 2004. The final
24 basic support guarantee for each school district for the 2004-2005
25 Fiscal Year is the amount, which is recalculated for the 2004-2005
26 Fiscal Year pursuant to this section, taking into consideration
27 estimates of net proceeds of minerals received from the Department
28 of Taxation on or before April 25, 2004. The basic support
29 guarantee recalculated pursuant to this section must be calculated
30 before May 31, 2004.

31 **Sec. 8.** 1. The basic support guarantee for each special
32 education program unit that is maintained and operated for at least 9
33 months of a school year is \$31,811 in the 2003-2004 Fiscal Year
34 and \$32,447 in the 2004-2005 Fiscal Year, except as limited by
35 subsection 2.

36 2. The maximum number of units and amount of basic support
37 for special education program units within each of the school
38 districts, before any reallocation pursuant to NRS 387.1221, for the
39 Fiscal Years 2003-2004 and 2004-2005 are:

40

<u>Allocation of Special Education Units</u>					
<u>2003-2004</u>			<u>2004-2005</u>		
<u>DISTRICT</u>	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>	
44 Carson City	82	\$2,608,502	84	\$2,725,548	
45 Churchill County	45	\$1,431,495	46	\$1,492,562	



1	Clark County	1,594	\$50,706,734	1,661	\$53,894,467
2	Douglas County	64	\$2,035,904	65	\$2,109,055
3	Elko County	80	\$2,544,880	80	\$2,595,760
4	Esmeralda County	2	\$63,622	2	\$64,894
5	Eureka County	4	\$127,244	4	\$129,788
6	Humboldt County	30	\$954,330	30	\$973,410
7	Lander County	12	\$381,732	12	\$389,364
8	Lincoln County	17	\$540,787	17	\$551,599
9	Lyon County	56	\$1,781,416	57	\$1,849,479
10	Mineral County	12	\$381,732	12	\$389,364
11	Nye County	47	\$1,495,117	50	\$1,622,350
12	Pershing County	14	\$445,354	14	\$454,258
13	Storey County	8	\$254,488	8	\$259,576
14	Washoe County	491	\$15,619,201	510	\$16,547,970
15	White Pine County	17	\$540,787	16	\$519,152
16	Subtotal	<u>2,575</u>	<u>\$81,913,325</u>	<u>2,668</u>	<u>\$86,568,596</u>
17	Reserved by State				
18	Board of Education	<u>40</u>	<u>\$1,272,440</u>	<u>40</u>	<u>\$1,297,880</u>
19	TOTAL	<u>2,615</u>	<u>\$83,185,765</u>	<u>2,708</u>	<u>\$87,866,476</u>

20
21 3. The State Board of Education shall reserve 40 special
22 education program units in each fiscal year of the 2003-2005
23 biennium, to be allocated to school districts by the State Board of
24 Education to meet additional needs that cannot be met by the
25 allocations provided in subsection 2 to school districts for that fiscal
26 year. In addition, charter schools in this state are authorized to apply
27 directly to the Department of Education for the reserved special
28 education program units, which may be allocated upon approval of
29 the State Board of Education.

30 4. Notwithstanding the provisions of subsections 2 and 3, the
31 State Board of Education is authorized to spend from the State
32 Distributive School Account up to \$181,067 in the Fiscal Year
33 2003-2004 for 5.69 special education program units and \$190,877 in
34 the Fiscal Year 2004-2005 for 5.88 special education program units
35 for instructional programs incorporating educational technology for
36 gifted and talented pupils. Any school district may submit a written
37 application to the Department of Education requesting one or more
38 of the units for gifted and talented pupils. For each fiscal year of the
39 2003-2005 biennium, the Department will award the units for gifted
40 and talented pupils based on a review of applications received from
41 school districts.

42 **Sec. 9.** 1. There is hereby appropriated from the State
43 General Fund to the State Distributive School Account in the State
44 General Fund created pursuant to NRS 387.030:



1 For the 2003-2004 Fiscal Year..... \$637,789,627
2 For the 2004-2005 Fiscal Year..... \$767,086,697

3 2. The money appropriated by subsection 1 must be:

4 (a) Expended in accordance with NRS 353.150 to 353.245,
5 inclusive, concerning the allotment, transfer, work program and
6 budget; and

7 (b) Work-programmed for the 2 separate Fiscal Years 2003-
8 2004 and 2004-2005, as required by NRS 353.215. Work programs
9 may be revised with the approval of the Governor upon the
10 recommendation of the Chief of the Budget Division of the
11 Department of Administration.

12 3. Transfers to and from allotments must be allowed and made
13 in accordance with NRS 353.215 to 353.225, inclusive, after
14 separate considerations of the merits of each request.

15 4. The sums appropriated by subsection 1 are available for
16 either fiscal year or may be transferred to Fiscal Year 2002-2003.
17 Money may be transferred from one fiscal year to another with the
18 approval of the Governor upon the recommendation of the Chief of
19 the Budget Division of the Department of Administration. If funds
20 appropriated by subsection 1 are transferred to Fiscal Year 2002-
21 2003, any remaining funds in the State Distributive School Account
22 after all obligations have been met that are not subject to reversion
23 to the State General Fund must be transferred back to Fiscal Year
24 2003-2004. Any amount transferred back to Fiscal Year 2003-2004
25 must not exceed the amount originally transferred to Fiscal Year
26 2002-2003.

27 5. Any remaining balance of the appropriation made by
28 subsection 1 for the 2003-2004 Fiscal Year must be transferred and
29 added to the money appropriated for the 2004-2005 Fiscal Year and
30 may be expended as that money is expended.

31 6. Any remaining balance of the appropriation made by
32 subsection 1 for the 2004-2005 Fiscal Year, including any money
33 added thereto pursuant to the provisions of subsections 3 and 5,
34 must not be committed for expenditure after June 30, 2005, and
35 reverts to the State General Fund as soon as all payments of money
36 committed have been made.

37 **Sec. 10.** 1. Expenditure of \$208,890,478 by the Department
38 of Education from money in the State Distributive School Account
39 that was not appropriated from the State General Fund is hereby
40 authorized during the fiscal year beginning July 1, 2003.

41 2. Expenditure of \$147,771,085 by the Department of
42 Education from money in the State Distributive School Account that
43 was not appropriated from the State General Fund is hereby
44 authorized during the fiscal year beginning July 1, 2004.



1 3. For purposes of accounting and reporting, the sums
2 authorized for expenditure by subsections 1 and 2 are considered to
3 be expended before any appropriation is made to the State
4 Distributive School Account from the State General Fund.

5 4. The money authorized to be expended by subsections 1 and
6 2 must be expended in accordance with NRS 353.150 to 353.245,
7 inclusive, concerning the allotment, transfer, work program and
8 budget. Transfers to and from allotments must be allowed and made
9 in accordance with NRS 353.215 to 353.225, inclusive, after
10 separate consideration of the merits of each request.

11 5. The Chief of the Budget Division of the Department of
12 Administration may, with the approval of the Governor, authorize
13 the augmentation of the amounts authorized for expenditure by the
14 Department of Education, in subsections 1 and 2, for the purpose of
15 meeting obligations of the State incurred under chapter 387 of NRS
16 with amounts from any other state agency, from any agency of local
17 government, from any agency of the Federal Government or from
18 any other source that he determines is in excess of the amount taken
19 into consideration by this act. The Chief of the Budget Division of
20 the Department of Administration shall reduce any authorization
21 whenever he determines that money to be received will be less than
22 the amount authorized in subsections 1 and 2.

23 **Sec. 11.** During each of the Fiscal Years 2003-2004 and 2004-
24 2005, whenever the State Controller finds that current claims against
25 the State Distributive School Account in the State General Fund
26 exceed the amount available in the Account to pay those claims, he
27 may advance temporarily from the State General Fund to the State
28 Distributive School Account the amount required to pay the claims,
29 but not more than the amount expected to be received in the current
30 fiscal year from any source authorized for the State Distributive
31 School Account. No amount may be transferred unless requested by
32 the Chief of the Budget Division of the Department of
33 Administration.

34 **Sec. 12.** The Department of Education is hereby authorized to
35 spend from the State Distributive School Account the sums of
36 \$16,926,569 for the 2003-2004 Fiscal Year and \$17,843,596 for the
37 2004-2005 Fiscal Year for the support of courses which are
38 approved by the Department of Education as meeting the course of
39 study for an adult standard high school diploma as approved by the
40 State Board of Education. In each fiscal year of the 2003-2005
41 biennium, the sum authorized must be allocated among the various
42 school districts in accordance with a plan or formula developed by
43 the Department of Education to ensure the money is distributed
44 equitably and in a manner that permits accounting for the
45 expenditures of school districts.



1 **Sec. 13.** The Department of Education is hereby authorized to
2 provide from the State Distributive School Account the sum of
3 \$50,000 to each of the 17 school districts in each fiscal year of the
4 2003-2005 biennium to support special counseling services for
5 elementary school pupils at risk of failure.

6 **Sec. 14.** The amounts of the guarantees set forth in sections 6
7 and 7 of this act may be reduced to effectuate a reserve required
8 pursuant to NRS 353.225.

9 **Sec. 15.** 1. The Department of Education shall transfer from
10 the State Distributive School Account to the school districts
11 specified in this section the following sums for Fiscal Years 2003-
12 2004 and 2004-2005 :

13			
14	<u>School District</u>	<u>2003-2004</u>	<u>2004-2005</u>
15	Clark County School District	\$4,532,532	\$4,552,361
16	Douglas County School District	\$1,146,374	\$1,175,848
17	Elko County School District	\$1,291,907	\$1,295,158
18	Washoe County School District	<u>\$1,847,128</u>	<u>\$1,913,468</u>
19		\$8,817,941	\$8,936,835
20			

21 2. A school district that receives an allocation pursuant to
22 subsection 1 shall:

23 (a) Use the money to maintain and continue the operation of a
24 regional training program for the professional development of
25 teachers and administrators established by the school district
26 pursuant to NRS 391.512; and

27 (b) Use the money to maintain and continue the operation of the
28 Nevada Early Literacy Intervention Program through the regional
29 training program established pursuant to paragraph (a).

30 3. Any remaining balance of the transfers made by subsection
31 1 for the 2003-2004 Fiscal Year must be added to the money
32 received by the school districts for the 2004-2005 Fiscal Year and
33 may be expended as that money is expended. Any remaining
34 balance of the transfers made by subsection 1 for the 2004-2005
35 Fiscal Year, including any money added from the transfer for the
36 previous fiscal year, must not be committed for expenditure after
37 June 30, 2005, and reverts to the State Distributive School Account
38 as soon as all payments of money committed have been made.

39 **Sec. 16.** 1. The Legislative Bureau of Educational
40 Accountability and Program Evaluation is hereby authorized to
41 receive from the State Distributive School Account to spend for an
42 evaluation of the regional training programs for the professional
43 development of teachers and administrators established pursuant to
44 NRS 391.512:



1 For the Fiscal Year 2003-2004 \$100,000
2 For the Fiscal Year 2004-2005 \$100,000

3 2. Any remaining balance of the sums authorized for
4 expenditure by subsection 1 for the 2003-2004 Fiscal Year must be
5 added to the money authorized for expenditure for the 2004-2005
6 Fiscal Year and may be expended as that money is expended. Any
7 remaining balance of the sums authorized for expenditure pursuant
8 to subsection 1 for the 2004-2005 Fiscal Year, including any money
9 added from the authorization for the previous fiscal year, must not
10 be committed for expenditure after June 30, 2005, and reverts to the
11 State Distributive School Account as soon as all payments of money
12 committed have been made.

13 **Sec. 17.** 1. The Department of Education shall transfer from
14 the State Distributive School Account to the Statewide Council for
15 the Coordination of the Regional Training Programs created by NRS
16 391.516 the sum of \$80,000 in each Fiscal Year 2003-2004 and
17 2004-2005 for additional training opportunities for educational
18 administrators in Nevada.

19 2. The Statewide Council shall use the money:

20 (a) To support the goals of Nevada Project LEAD (Leadership
21 in Educational Administration Development), as established through
22 the Department of Educational Leadership in the College of
23 Education, located at the University of Nevada, Reno. In supporting
24 the goals of Nevada Project LEAD, the Statewide Council shall:

25 (1) Disseminate research-based knowledge related to
26 effective educational leadership behaviors and skills; and

27 (2) Develop, support and maintain on-going activities,
28 programs, training and networking opportunities.

29 (b) For purposes of providing additional training for educational
30 administrators, including, without limitation, paying:

31 (1) Travel expenses of administrators who attend the training
32 program;

33 (2) Travel and per-diem expenses for any consultants
34 contracted to provide additional training; and

35 (3) Any charges to obtain a conference room for the
36 provision of the additional training.

37 (c) To supplement and not replace the money that the school
38 district, Nevada Project LEAD or the regional training program
39 would otherwise expend for training for administrators as described
40 in this section.

41 3. Any remaining balance of the transfers made by subsection
42 1 for the 2003-2004 Fiscal Year must be added to the money
43 received by the Statewide Council for the 2004-2005 Fiscal Year
44 and may be expended as that money is expended. Any remaining
45 balance of the transfers made by subsection 1 for the 2004-2005



1 Fiscal Year, including any money added from the transfer for the
2 previous fiscal year, must not be committed for expenditure after
3 June 30, 2005, and reverts to the State Distributive School Account
4 as soon as all payments of money committed have been made.

5 **Sec. 18.** 1. The Department of Education shall transfer from
6 the State Distributive School Account the following sums for
7 remedial education programs for certain schools:

8 For the Fiscal Year 2003-2004..... \$5,179,109
9 For the Fiscal Year 2004-2005 \$5,013,874

10 The money allocated must be used to provide remedial education
11 programs that have been approved by the Department as being
12 effective in improving pupil achievement.

13 2. A school may submit an application to the Department of
14 Education on or before November 1 of each fiscal year for
15 transmission to the State Board of Examiners for an allocation from
16 the amount authorized by subsection 1 if the school:

17 (a) Receives a designation as demonstrating need for
18 improvement.

19 (b) Did not receive a designation as demonstrating need for
20 improvement, but the school failed to meet adequate yearly
21 progress; or

22 (c) Did not receive a designation as demonstrating need for
23 improvement, but more than 40 percent of the pupils enrolled in the
24 school received an average score below the 26th percentile on all
25 four subjects tested pursuant to NRS 389.015.

26 3. The Department of Education shall, in consultation with the
27 Budget Division of the Department of Administration and the
28 Legislative Bureau of Educational Accountability and Program
29 Evaluation, develop a form for such applications. The form must
30 include, without limitation, a notice that money received by a school
31 to implement or continue remedial education programs that have
32 been approved by the Department as being effective in improving
33 pupil achievement will be used to implement or continue the
34 programs in a manner that has been approved by the vendor of the
35 remedial program.

36 4. Upon receipt of an application submitted pursuant to
37 subsection 2, the Department of Education shall review the
38 application jointly with the Budget Division of the Department of
39 Administration and the Legislative Bureau of Educational
40 Accountability and Program Evaluation. The Department
41 of Education shall transmit the application to the State Board of
42 Examiners with the recommendation of the Department of
43 Education concerning the allocation of money based upon each
44 application so received. The State Board of Examiners, or the Clerk
45 of the Board if authorized by the Board to act on its behalf, shall



* S B 5 *

1 consider each such application and, if it finds that an allocation
2 should be made, recommend the amount of the allocation to the
3 Interim Finance Committee. The Interim Finance Committee shall
4 consider each such recommendation, but is not bound to follow the
5 recommendation of the State Board of Examiners when determining
6 the allocation to be received by a school. In determining the amount
7 of the allocation, the State Board of Examiners and the Interim
8 Finance Committee shall consider:

9 (a) The total number of pupils enrolled in the school who failed
10 to meet adequate yearly progress;

11 (b) The percentage of pupils enrolled in the school who failed to
12 meet adequate yearly progress;

13 (c) The total number of subgroups of pupils, as prescribed by the
14 No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq.,
15 enrolled in the school who failed to meet adequate yearly progress;
16 and

17 (d) The financial need of the particular school.

18 5. In addition to the considerations set forth in subsection 4, in
19 determining whether to approve an application for a school that has
20 received an allocation in the immediately preceding year and in
21 determining the amount of the allocation for such a school, the State
22 Board of Examiners and the Interim Finance Committee shall
23 consider whether the school has carried out the program of remedial
24 study for which it received an allocation in a manner that has been
25 approved by the vendor of the remedial program and whether the
26 program has been successful, as measured by the academic
27 achievement of the pupils enrolled in the school on the examinations
28 administered pursuant to NRS 389.015 or 389.550 and any
29 assessments related to the program of remedial study.

30 6. A school that receives an allocation of money pursuant to
31 this section shall use the money to:

32 (a) Pay the costs incurred by the school in providing the
33 program of remedial study required by NRS 385.389. The money
34 must first be applied to those pupils who failed to meet adequate
35 yearly progress.

36 (b) Pay for the salaries, training or other compensation of
37 teachers and other educational personnel to provide the program
38 of remedial study, instructional materials required for the program
39 of remedial study, equipment necessary to offer the program of
40 remedial study and all other additional operating costs attributable to
41 the program of remedial study, to the extent that the training,
42 materials and equipment are those that are approved by the vendor
43 of the remedial program.

44 (c) Supplement and not replace the money the school would
45 otherwise expend for programs of remedial study.



1 7. Before a school amends a plan for expenditure of an
2 allocation of money received pursuant to this section, the school
3 district in which the school is located must submit the proposed
4 amendment to the Department of Education to receive approval
5 from the Department of Education, the Budget Division of the
6 Department of Administration and the Legislative Bureau of
7 Educational Accountability and Program Evaluation, or the Interim
8 Finance Committee.

9 8. The sums authorized for expenditure in subsection 1 are
10 available for either fiscal year. Any remaining balance of those sums
11 must not be committed for expenditure after June 30, 2005, and
12 reverts to the State Distributive School Account as soon as all
13 payments of money committed have been made.

14 **Sec. 19.** 1. The Department of Education shall transfer from
15 the State Distributive School Account the following sums for
16 supplemental services or tutoring for pupils in non-Title I schools
17 that failed to meet adequate yearly progress on the examinations
18 administered pursuant to NRS 389.550:

19 For the Fiscal Year 2003-2004..... \$1,000,000
20 For the Fiscal Year 2004-2005 \$1,500,000

21 2. The supplemental services or tutoring for which money is
22 provided pursuant to this section must:

23 (a) Be conducted before or after school, on weekends, during the
24 summer or between sessions in schools with year-round school
25 calendars; and

26 (b) Be selected by the Department as an approved provider in
27 accordance with the No Child Left Behind Act of 2001, 20 U.S.C.
28 §§ 6301 et seq.

29 3. A school may submit an application to the Department of
30 Education on or before November 1 of each fiscal year for
31 transmission to the State Board of Examiners for an allocation from
32 the amount authorized by subsection 1 if the school:

33 (a) Receives a designation as demonstrating need for
34 improvement; and

35 (b) Is not receiving money from Title I, 20 U.S.C. §§ 6301 et
36 seq.

37 4. The Department of Education shall, in consultation with the
38 Budget Division of the Department of Administration and the
39 Legislative Bureau of Educational Accountability and Program
40 Evaluation, develop a form for such applications.

41 5. Upon receipt of an application submitted pursuant to
42 subsection 3, the Department of Education shall review the
43 application jointly with the Budget Division of the Department of
44 Administration and the Legislative Bureau of Educational
45 Accountability and Program Evaluation. The Department of



1 Education shall transmit the application to the State Board
2 of Examiners with the recommendation of the Department of
3 Education concerning the allocation of money based upon each
4 application so received. The State Board of Examiners, or the Clerk
5 of the Board if authorized by the Board to act on its behalf, shall
6 consider each such application and, if it finds that an allocation
7 should be made, recommend the amount of the allocation to the
8 Interim Finance Committee. The Interim Finance Committee shall
9 consider each such recommendation, but is not bound to follow the
10 recommendation of the State Board of Examiners when determining
11 the allocation to be received by a school district.

12 6. A school that receives an allocation of money pursuant to
13 this section shall use the money to:

14 (a) Provide supplemental services or tutoring that has been
15 selected and approved by the Department of Education.

16 (b) Pay the costs incurred by the school in providing the
17 supplemental services or tutoring. The money must be applied to
18 those pupils who failed to meet adequate yearly progress.

19 (c) Pay for the salaries, training or other compensation of
20 teachers and other educational personnel to provide the
21 supplemental services or tutoring, instructional materials required
22 for the program, equipment necessary to offer the program and all
23 other additional operating costs attributable to the program.

24 (d) Supplement and not replace the money the school district
25 would otherwise expend for supplemental services or tutoring.

26 7. Before a school amends a plan for expenditure of an
27 allocation of money received pursuant to this section, the school
28 district in which the school is located must submit the proposed
29 amendment to the Department of Education to receive approval
30 from the Department of Education, the Budget Division of the
31 Department of Administration and the Legislative Bureau of
32 Educational Accountability and Program Evaluation, or the Interim
33 Finance Committee.

34 8. The sums transferred pursuant to subsection 1 are available
35 for either fiscal year. Any remaining balance of those sums must not
36 be committed for expenditure after June 30, 2005, and reverts to the
37 State Distributive School Account as soon as all payments of money
38 committed have been made.

39 **Sec. 20.** 1. The Department of Education shall transfer from
40 the State Distributive School Account the following sums for early
41 childhood education:

42 For the Fiscal Year 2003-2004..... \$2,896,583
43 For the Fiscal Year 2004-2005..... \$2,896,583



1 2. Of the sums transferred pursuant to subsection 1, \$301,000
2 in each fiscal year of the 2003-2005 biennium must be used for the
3 Classroom on Wheels Program.

4 3. The remaining money transferred by subsection 1 must be
5 used by the Department of Education for competitive state grants to
6 school districts and community-based organizations for early
7 childhood education programs.

8 4. To receive a grant of money pursuant to subsections 2 and 3,
9 school districts, community-based organizations and the Classroom
10 on Wheels Program must submit a comprehensive plan to the
11 Department of Education that includes, without limitation:

12 (a) A detailed description of the proposed early childhood
13 education program;

14 (b) A description of the manner in which the money will be
15 used, which must supplement and not replace the money that would
16 otherwise be expended for early childhood education programs; and

17 (c) A plan for the longitudinal evaluation of the program to
18 determine the effectiveness of the program on the academic
19 achievement of children who participate in the program.

20 5. A school district, community-based organization or
21 Classroom on Wheels Program that receives a grant of money shall:

22 (a) Use the money to initiate or expand prekindergarten
23 education programs that meet the criteria set forth in the publication
24 of the Department of Education, entitled "August 2000 Public
25 Support for Prekindergarten Education For School Readiness in
26 Nevada."

27 (b) Use the money to supplement and not replace the money that
28 the school district, community-based organization or Classroom on
29 Wheels Program would otherwise expend for early childhood
30 education programs, as described in this section.

31 (c) Use the money to pay for the salaries and other items directly
32 related to the instruction of pupils in the classroom.

33 (d) Submit a longitudinal evaluation of the program in
34 accordance with the plan submitted pursuant to paragraph (c) of
35 subsection 4.

36 The money must not be used to remodel classrooms or facilities or
37 for playground equipment.

38 6. The Department of Education shall develop statewide
39 performance and outcome indicators to measure the effectiveness of
40 the early childhood education programs for which grants of money
41 were awarded pursuant to this section. The indicators must include,
42 without limitation:

43 (a) Longitudinal measures of the developmental progress of
44 children before and after their completion of the program;



1 (b) Longitudinal measures of parental involvement in the
2 program before and after completion of the program; and

3 (c) The percentage of participants who drop out of the program
4 before completion.

5 7. The Department of Education shall review the evaluations of
6 the early childhood education programs submitted by each school
7 district, community-based organization and the Classroom on
8 Wheels Program pursuant to paragraph (d) of subsection 5 and
9 prepare a compilation of the evaluations for inclusion in the report
10 submitted pursuant to subsection 8.

11 8. The Department of Education shall, on an annual basis,
12 provide a written report to the Governor, Legislative Committee on
13 Education and the Legislative Bureau of Educational Accountability
14 and Program Evaluation regarding the effectiveness of the early
15 childhood programs for which grants of money were received. The
16 report must include, without limitation:

17 (a) The number of grants awarded;

18 (b) An identification of each school district, community-based
19 organization and the Classroom on Wheels Program that received a
20 grant of money and the amount of each grant awarded;

21 (c) For each school district, community based-organization and
22 the Classroom on Wheels Program that received a grant of money:

23 (1) The number of children who received services through a
24 program funded by the grant for each year that the program received
25 funding from the State for early childhood programs; and

26 (2) The average per child expenditure for the program for
27 each year the program received funding from the State for early
28 childhood programs;

29 (d) A compilation of the evaluations reviewed pursuant to
30 subsection 7 that includes, without limitation:

31 (1) A longitudinal comparison of the data showing the
32 effectiveness of the different programs; and

33 (2) A description of the programs in this state that are the
34 most effective; and

35 (e) Any recommendations for legislation.

36 9. Any balance of the sums transferred pursuant to subsection 1
37 remaining at the end of the respective fiscal years must not be
38 committed for expenditure after June 30 of the respective fiscal
39 years and reverts to the State Distributive School Account as soon as
40 all payments of money committed have been made.

41 **Sec. 21.** 1. The Department of Education shall transfer from
42 the State Distributive School Account the following sums to
43 purchase one-fifth of a year of service for certain teachers in
44 accordance with NRS 391.165:



1 For the Fiscal Year 2003-2004..... \$2,689,206
2 For the Fiscal Year 2004-2005..... \$7,045,056

3 2. The Department of Education shall distribute the money
4 appropriated by subsection 1 to the school districts to assist the
5 school districts with paying for the retirement credit for certain
6 teachers in accordance with NRS 391.165. The amount of money
7 distributed to each school district must be proportionate to the total
8 costs of paying for the retirement credit pursuant to NRS 391.165
9 for each fiscal year. If insufficient money is available from the
10 appropriation to pay the total costs necessary to pay the retirement
11 credit for each fiscal year, the school district shall pay the difference
12 to comply with NRS 391.165.

13 3. Any balance of the sums appropriated by subsection 1
14 remaining at the end of the respective fiscal years must not be
15 committed for expenditure after June 30 of the respective fiscal
16 years and reverts to the State General Fund as soon as all payments
17 of money committed have been made.

18 **Sec. 22.** 1. The Department of Education shall transfer from
19 the State Distributive School Account the following sum to
20 purchase one-fifth of a year of service for certain licensed
21 educational personnel in accordance with NRS 391.165:

22 For the Fiscal Year 2004-2005..... \$5,732,643

23 2. The Department of Education shall distribute the money
24 appropriated by subsection 1 to the school districts to assist the
25 school districts with paying for the retirement credit for certain
26 licensed educational personnel in accordance with NRS 391.165.
27 The amount of money distributed to each school district must be
28 proportionate to the total costs of paying for the retirement credit
29 pursuant to NRS 391.165 for each fiscal year. If insufficient money
30 is available to pay the total costs necessary to pay the retirement
31 credit for each fiscal year, the school district shall pay the difference
32 to comply with NRS 391.165.

33 3. Any remaining balance of the appropriation made by
34 subsection 1 must not be committed for expenditure after June 30,
35 2005, and reverts to the State General Fund as soon as all payments
36 of money committed have been made.

37 **Sec. 23.** Of the amounts included in the basic support
38 guarantee amounts enumerated in sections 6 and 7 of this act,
39 \$64,425,447 for Fiscal Year 2003-2004 and \$66,721,434 for Fiscal
40 Year 2004-2005 must be expended for the purchase of textbooks,
41 instructional supplies and instructional hardware as prescribed in
42 section 1 of this act.

43 **Sec. 24.** All funding remaining in the Fund for School
44 Improvement at the close of Fiscal Year 2002-2003 shall be



1 transferred to the budget for the State Distributive School Account
2 and shall be authorized for expenditure in that account.

3 **Sec. 25.** The sums appropriated or authorized in sections 15 to
4 22, inclusive, of this act:

5 1. Must be accounted for separately from any other money
6 received by the school districts of this state and used only for the
7 purposes specified in the applicable section of this act.

8 2. May not be used to settle or arbitrate disputes between a
9 recognized organization representing employees of a school district
10 and the school district, or to settle any negotiations.

11 3. May not be used to adjust the district-wide schedules of
12 salaries and benefits of the employees of a school district.

13 **Sec. 26.** 1. The Department of Education shall transfer from
14 the State Distributive School Account the following sums for
15 special transportation costs to school districts:

16 For the 2003-2004 school year..... \$47,715
17 For the 2004-2005 school year..... \$47,715

18 2. Pursuant to NRS 392.015, the Department of Education shall
19 use the money transferred in subsection 1 to reimburse school
20 districts for the additional costs of transportation for any pupil to a
21 school outside the school district in which his residence is located.

22 **Sec. 27.** There is hereby appropriated from the State General
23 Fund to the State Distributive School Account created by NRS
24 387.030 in the State General Fund the sum of \$3,152,559 for an
25 unanticipated shortfall in money in Fiscal Year 2002-2003. This
26 appropriation is supplemental to that made by section 4 of chapter
27 565, Statutes of Nevada 2001, at page 2832 and to that made
28 pursuant to Assembly Bill 253 of the 72nd Legislative Session.

29 **Sec. 28.** Each school district shall expend the revenue made
30 available through this act, as well as other revenue from state, local
31 and federal sources, in a manner that is consistent with NRS
32 288.150 and that is designed to attain the goals of the Legislature
33 regarding educational reform in this state, especially with regard to
34 assisting pupils in need of remediation and pupils who are not
35 proficient in the English language. Materials and supplies for
36 classrooms are subject to negotiation by employers with recognized
37 employee organizations.

38 **Sec. 29.** 1. This section and sections 24, 27 and 28 of this act
39 become effective upon passage and approval.

40 2. Sections 1 to 4, inclusive, 6 to 23, inclusive, and 25 and 26
41 of this act become effective on July 1, 2003.

42 3. Section 5 of this act becomes effective on July 1, 2004.

