

SENATE BILL NO. 496—COMMITTEE ON FINANCE

(ON BEHALF OF GOVERNOR GUINN)

MARCH 19, 1999

Referred to Committee on Finance

SUMMARY—Creates millennium scholarship trust fund. (BDR 34-1685)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

~

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

AN ACT relating to education; creating the millennium scholarship trust fund; creating the millennium scholarship board to award scholarships from the trust fund to eligible students; 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 396 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 14, inclusive, of this act.
- 3 **Sec. 2.** *As used in sections 2 to 14, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3 to*
5 *7, inclusive, of this act have the meanings ascribed to them in those*
6 *sections.*
- 7 **Sec. 3.** *“Academic scholarship” means a scholarship that is awarded*
8 *from the trust fund to a student who:*
- 9 1. *Completed in high school the core curriculum prescribed by the*
10 *board for an academic scholarship; and*
- 11 2. *Is enrolled in a community college or university.*
- 12 **Sec. 4.** *“Board” means the millennium scholarship board created*
13 *pursuant to section 9 of this act.*
- 14 **Sec. 5.** *“Millennium scholarship” means an academic or vocational*
15 *scholarship that is awarded from the trust fund to a student.*
- 16 **Sec. 6.** *“Trust fund” means the millennium scholarship trust fund*
17 *created pursuant to section 8 of this act.*

1 **Sec. 7.** *“Vocational scholarship” means a scholarship that is*
2 *awarded from the trust fund to a student who:*

3 1. *Completed in high school the core curriculum prescribed by the*
4 *board for a vocational scholarship; and*

5 2. *Is enrolled in a community college.*

6 **Sec. 8.** 1. *The millennium scholarship trust fund is hereby created*
7 *in the state treasury to be administered by the state treasurer. The state*
8 *treasurer may accept gifts, grants, bequests and donations for deposit in*
9 *the trust fund.*

10 2. *The state treasurer shall deposit in the trust fund:*

11 (a) *Fifty percent of all money received by this state pursuant to any*
12 *settlement entered into by the State of Nevada and a manufacturer of*
13 *tobacco products;*

14 (b) *Fifty percent of all money recovered by the State of Nevada from a*
15 *judgment in a civil action against a manufacturer of tobacco products;*
16 *and*

17 (c) *Any gifts, grants, bequests or donations specifically designated for*
18 *the trust fund by the donor.*

19 3. *The state treasurer, in consultation with the board, shall invest*
20 *money in the trust fund as the money in other state funds is invested.*

21 4. *All interest and income earned on the money in the trust fund*
22 *must, after deducting any applicable charges, be credited to the trust*
23 *fund.*

24 5. *All claims against the trust fund must be paid as other claims*
25 *against the state are paid.*

26 6. *Not more than 2 percent of the amount of money in the trust fund*
27 *that is awarded in millennium scholarships each year may be used to pay*
28 *the costs of administering the trust fund and to pay the per diem*
29 *allowances and travel expenses of the members of the board pursuant to*
30 *section 9 of this act.*

31 7. *Money in the trust fund may be used only for the purposes set*
32 *forth in sections 2 to 14, inclusive, of this act.*

33 **Sec. 9.** 1. *The millennium scholarship board is hereby created.*
34 *The membership of the board consists of the governor or his designee,*
35 *the state treasurer or his designee and:*

36 (a) *One member appointed by the majority leader of the senate who is*
37 *not a legislator;*

38 (b) *One member appointed by the speaker of the assembly who is not*
39 *a legislator; and*

40 (c) *Three members of the board of regents, appointed by the governor.*
41 *The governor shall appoint members of the board of regents with due*
42 *regard to maintaining equitable representation for the entire state.*

2. Each member of the board serves at the pleasure of his appointing authority. A vacancy in the membership of the board must be filled for the remainder of the unexpired term in the same manner as the original appointment.

3. The members of the board serve without compensation, except that for each day or portion of a day during which a member of the board attends a meeting of the board or is otherwise engaged in the business of the board, he is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

4. The board may request assistance from the board of regents, the office of the chancellor and any branch or facility of the system as is necessary for the board to carry out its duties pursuant to sections 2 to 14, inclusive, of this act.

Sec. 10. 1. The board shall adopt regulations that set forth:

(a) The core curriculum that a student must complete in high school to be eligible for an academic scholarship and the core curriculum that a student must complete in high school to be eligible for a vocational scholarship. The regulations must set forth the conditions under which required completion of the core curriculum may be waived during the first 2 academic years after adoption of the regulations. The core curriculum must be established in consultation with the board of regents.

(b) The requirements for a student who:

(1) Received a vocational scholarship; and

(2) Completed a course of study recognized by the board at a community college, to be eligible for an academic scholarship upon transfer to a university. A student who received an academic scholarship and enrolled in a community college may continue to receive an academic scholarship upon transfer to a university if he otherwise satisfies the requirements for a millennium scholarship.

(c) For students who did not graduate from a public or private high school in this state, the minimum score on a standardized test that such students must receive to be eligible for millennium scholarships.

(d) The minimum number of credits that a student must maintain in each academic year to maintain eligibility for a millennium scholarship. The regulations must require a student to maintain at least 6 but not more than 12 semester credit hours in each of the fall and spring semesters.

(e) The criteria for determining whether a student who receives a millennium scholarship is making satisfactory academic progress toward obtaining a degree or certificate. If a student participates as a member of a varsity athletic team, he must also satisfy the standards established by the board of regents pursuant to NRS 396.585. The regulations must

1 *establish the maximum period that a student may take to obtain his*
2 *degree or certificate and continue to be eligible for a millennium*
3 *scholarship. The period must not exceed 8 years after a student obtained*
4 *a high school diploma or a certificate of educational equivalence for*
5 *achieving a passing score on the tests of general educational*
6 *development.*

7 *(f) The amount by which the distribution of a millennium scholarship*
8 *to a student must be set off against other financial aid received by the*
9 *student.*

10 *(g) The terms for repayment of a millennium scholarship for any*
11 *semester in which the student fails to maintain the minimum number of*
12 *semester credits required by the board, including, without limitation, that*
13 *the board may deny future installments of the millennium scholarship to*
14 *any student who fails to make adequate provision for repayment.*

15 *(h) The expenditures for which money from a millennium scholarship*
16 *may be used and any related limitations on the use of the money.*

17 *2. The board shall determine whether:*

18 *(a) Millennium scholarships may be awarded for summer semesters.*
19 *If the board authorizes scholarships for summer semesters, it shall apply*
20 *the same criteria for eligibility as is set forth in the regulations adopted*
21 *pursuant to subsection 1.*

22 *(b) Honors division classes must be given additional weight in*
23 *calculating a student's grade-point average to determine eligibility for a*
24 *millennium scholarship. If the board determines that additional weight*
25 *must be given, it shall include in the regulations adopted pursuant to*
26 *subsection 1 the formula for calculating a student's grade-point average*
27 *if the student completed honors division classes in high school.*

28 **Sec. 11. 1.** *Within the limits of money available in the trust fund,*
29 *the board shall award millennium scholarships to all eligible students*
30 *who apply.*

31 *2. A student may apply to the board for a millennium scholarship. In*
32 *addition to satisfying the criteria for eligibility set forth by the board*
33 *pursuant to section 10 of this act, to be eligible for a millennium*
34 *scholarship a student must:*

35 *(a) Except as otherwise provided in paragraph (b), graduate from a*
36 *public or private high school in this state after May 1, 2000, with at least*
37 *a 3.0 grade-point average overall and in the core curriculum, on a 4.0*
38 *grading scale, and otherwise meet the requirements for graduation from*
39 *high school in this state, including, without limitation, passing the*
40 *proficiency examination administered in grade 11 pursuant to NRS*
41 *389.015 or thereafter, if applicable;*

42 *(b) If a student has not completed the credits required for graduation*
43 *from high school in this state, the student must:*

1 (1) Receive at least the minimum score on a standardized test, as set
2 forth by the regulations of the board; or

3 (2) Complete at least 30 semester credits at a university or
4 community college with at least a 3.0 grade-point average overall, on a
5 4.0 grading scale;

6 (c) Reside in this state for at least 2 years before obtaining a high
7 school diploma or a certificate of educational equivalence for achieving
8 a passing score on the tests of general educational development; and

9 (d) Be enrolled in a community college or university of the system for
10 the minimum number of semester credits established by the board.

11 3. If a dispute exists concerning a student's eligibility, the board
12 shall determine whether the student is eligible for the millennium
13 scholarship. The board's determination is final and not subject to
14 judicial review.

15 4. Within the limits of money available in the trust fund, the board
16 shall award each eligible student who is enrolled in a:

17 (a) Community college, a scholarship of \$40 per credit for which the
18 student is enrolled.

19 (b) University, a scholarship of \$80 per credit for which the student is
20 enrolled.

21 The credits for which such a scholarship may be awarded are any credits
22 which will satisfy the requirements toward obtaining a degree or
23 certificate. No student may be awarded a scholarship for more than 125
24 total credits or for a total amount in excess of \$10,000.

25 5. The board shall certify a list of eligible students to the state
26 treasurer. The state treasurer shall disburse a millennium scholarship for
27 each semester on behalf of an eligible student directly to the community
28 college or university in which the student is enrolled, upon certification
29 from the community college or university of:

30 (a) The number of credits for which the student is enrolled, which
31 must meet or exceed the minimum number of credits required for
32 eligibility; and

33 (b) That the student is in good standing and making satisfactory
34 academic progress toward a degree or certificate.

35 The scholarship must be administered by the community college or
36 university as other similar scholarships are administered and may be
37 used for any expenditure authorized by the board.

38 **Sec. 12.** The board of regents shall develop a plan to direct a
39 significant portion of other available financial aid to culturally
40 disadvantaged or at-risk students, and students who graduated from high
41 school before May 1, 2000, who wish to attend college and have the
42 potential to be successful, but who do not otherwise meet the eligibility
43 requirements for millennium scholarships.

Sec. 13. 1. *On or before February 1 of each odd-numbered year, the board shall submit a written report to the director of the legislative counsel bureau for transmittal to the legislature.*

2. The report must contain the following information for the system and each university and community college within the system:

(a) The total number of students that received millennium scholarships;

(b) The number of students that received millennium scholarships in the current fiscal year;

(c) The median grade-point average of recipients upon entering college;

(d) *The median grade-point average of recipients in college;*

(e) *The number of recipients who have graduated from college;*

(f) The number of recipients who did not graduate from college and who are not currently enrolled in college; and

(g) An evaluation of the effect of the millennium scholarship program on the rates of college participation, the rates of the award of degrees or certificates and the success of students in college.

3. The state treasurer, in conjunction with the board, shall include a report on the financial status of the trust fund, including, without limitation, the most recent actuarial studies conducted pursuant to subsection 4.

4. The board shall contract with a certified actuary to perform an annual actuarial study. The money in the trust fund must be used to pay the costs of contracting with the actuary. The state treasurer shall make available for inspection all records necessary to perform the actuarial study.

Sec. 14. 1. The board of trustees of each school district and each public or private high school shall cooperate with the millennium scholarship board by providing reports of the projected numbers of students eligible for millennium scholarships and shall develop a program to certify whether graduating seniors meet applicable eligibility requirements.

2. The board shall work with the board of trustees of each school district, the department of education, and each participating community college or university, to create appropriate programs to inform students of the millennium scholarship program and the requirements for eligibility.

Sec. 15. On or before September 15, 1999, the governor, the majority leader of the senate and the speaker of the assembly shall make appointments to the millennium scholarship board in accordance with

section 9 of this act.

1 **Sec. 16.** For the first year of operation of the millennium scholarship
2 board, not more than \$100,000 may be used from the millennium
3 scholarship trust fund to pay the costs of administering the trust fund and to
4 pay the per diem allowances and travel expenses of the members of the
5 board.

6 **Sec. 17.** 1. This section and section 15 of this act become effective
7 on July 1, 1999.

8 2. Section 9 of this act becomes effective on July 1, 1999, for the
9 purpose of appointing members to the millennium scholarship board and on
10 October 1, 1999, for all other purposes.

11 3. Sections 1 to 8, inclusive, 10 to 14, inclusive, and 16 of this act
12 become effective on October 1, 1999.

~