

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.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~for 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; prescribing the membership and duties of the board; authorizing the board to form a nonprofit corporation for the issuance of bonds for the benefit of the trust fund; 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.*

1 **Sec. 6.** *“Trust fund” means the millennium scholarship trust fund*
2 *created pursuant to section 8 of this act.*

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

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

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

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

12 2. *Except as otherwise provided in section 8.5 of this act, the state*
13 *treasurer shall deposit in the trust fund:*

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

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

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

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

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

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

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

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

36 **Sec. 8.5.** 1. *The board may form a nonprofit corporation pursuant*
37 *to chapter 82 of NRS for the purpose of issuing bonds or other*
38 *obligations for the benefit of the trust fund. The board shall serve as the*
39 *board of directors of any such corporation created pursuant to this*
40 *section.*

41 2. *The corporation may issue obligations payable solely from the*
42 *revenue described in paragraphs (a) and (b) of subsection 2 of section 8*
43 *of this act. Any such obligations are solely the obligations of the*

1 corporation and are not obligations, special or general, of the state and
2 do not give rise to any claim against the state, the taxing power of the
3 state or any asset or income of the state except the revenue described in
4 paragraphs (a) and (b) of subsection 2 of section 8 of this act.

5 3. If obligations are issued by the corporation pursuant to this
6 section, the state treasurer shall transfer in each fiscal year sufficient
7 money from the revenue described in paragraphs (a) and (b) of
8 subsection 2 of section 8 of this act to the corporation to pay the principal
9 and interest on the obligations when due; but in no event shall the state
10 treasurer transfer to the corporation in any fiscal year more money than
11 he has received in that fiscal year from the sources of revenue described
12 in paragraphs (a) and (b) of subsection 2 of section 8 of this act.

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

16 (a) One member appointed by the majority leader of the senate who is
17 not a legislator;

18 (b) One member appointed by the speaker of the assembly who is not
19 a legislator; and

20 (c) Three members of the board of regents, appointed by the governor.
21 The governor shall appoint members of the board of regents with due
22 regard to maintaining equitable representation for the entire state.

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

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

32 4. The board may request assistance from the board of regents, the
33 office of the chancellor and any branch or facility of the system as is
34 necessary for the board to carry out its duties pursuant to sections 2 to
35 14, inclusive, of this act.

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

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

1 **(b) The requirements for a student who:**

2 **(1) Received a vocational scholarship; and**

3 **(2) Completed a course of study recognized by the board at a**
4 **community college,**

5 **to be eligible for an academic scholarship upon transfer to a university.**

6 **A student who received an academic scholarship and enrolled in a**
7 **community college may continue to receive an academic scholarship**
8 **upon transfer to a university if he otherwise satisfies the requirements for**
9 **a millennium scholarship.**

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

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

18 **(e) The criteria for determining whether a student who receives a**
19 **millennium scholarship is making satisfactory academic progress toward**
20 **obtaining a degree or certificate. The criteria must require a student to**
21 **maintain at least a 2.0 grade-point average on a 4.0 grading scale for his**
22 **first academic year and a 2.5 grade-point average on a 4.0 grading scale**
23 **thereafter. If a student participates as a member of a varsity athletic**
24 **team, he must also satisfy the standards established by the board of**
25 **regents pursuant to NRS 396.585. The regulations must establish the**
26 **maximum period that a student may take to obtain his degree or**
27 **certificate and continue to be eligible for a millennium scholarship. The**
28 **period must not exceed 8 years after a student obtained a high school**
29 **diploma or a certificate of educational equivalence for achieving a**
30 **passing score on the tests of general educational development.**

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

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

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

41 **2. The board shall determine whether:**

42 **(a) Millennium scholarships may be awarded for summer semesters.**

43 **If the board authorizes scholarships for summer semesters, it shall apply**

1 *the same criteria for eligibility as is set forth in the regulations adopted*
2 *pursuant to subsection 1.*

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

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

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

16 *(a) Except as otherwise provided in paragraph (b), graduate from a*
17 *public or private high school in this state after May 1, 2000, with at least*
18 *a 3.0 grade-point average overall and in the core curriculum, on a 4.0*
19 *grading scale, and otherwise meet the requirements for graduation from*
20 *high school in this state, including, without limitation, passing the*
21 *proficiency examination administered in grade 11 pursuant to NRS*
22 *389.015 or thereafter, if applicable;*

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

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

27 *(2) Complete at least 30 semester credits at a university or*
28 *community college with at least a 3.0 grade-point average overall, on a*
29 *4.0 grading scale;*

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

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

35 **3.** *If a dispute exists concerning a student's eligibility, the board*
36 *shall determine whether the student is eligible for the millennium*
37 *scholarship. The board's determination is final and not subject to*
38 *judicial review.*

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

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

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

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

7 5. The board shall certify a list of eligible students to the state
8 treasurer. The state treasurer shall disburse a millennium scholarship for
9 each semester on behalf of an eligible student directly to the community
10 college or university in which the student is enrolled, upon certification
11 from the community college or university of:

12 (a) The number of credits for which the student is enrolled, which
13 must meet or exceed the minimum number of credits required for
14 eligibility; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **Sec. 15.** On or before September 15, 1999, the governor, the majority
22 leader of the senate and the speaker of the assembly shall make
23 appointments to the millennium scholarship board in accordance with
24 section 9 of this act.

25 **Sec. 16.** For the first year of operation of the millennium scholarship
26 board, not more than \$100,000 may be used from the millennium
27 scholarship trust fund to pay the costs of administering the trust fund and to
28 pay the per diem allowances and travel expenses of the members of the
29 board.

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

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

35 **3.** Sections 1 to 8.5, inclusive, 10 to 14, inclusive, and 16 of this act
36 become effective on October 1, 1999.