

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; providing for the award of millennium scholarships by the board of regents of the University of Nevada; prescribing the conditions of eligibility for students to receive millennium scholarships; 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 9, inclusive, of this act.
- 3 **Sec. 2. 1. *The legislature hereby declares that its priorities in***
4 ***expending the proceeds to the State of Nevada from settlement***
5 ***agreements with and civil actions against manufacturers of tobacco***
6 ***products are:***
- 7 ***(a) To increase the number of Nevada students who attend and***
8 ***graduate from Nevada institutions of higher education; and***
9 ***(b) To assist Nevada residents in obtaining and maintaining good***
10 ***health.***
- 11 **2. *To further these priorities, the legislature hereby declares that it is***
12 ***in the best interest of the residents of the State of Nevada that all money***
13 ***received by the State of Nevada pursuant to any settlement entered into***
14 ***by the State of Nevada and a manufacturer of tobacco products and all***
15 ***money recovered by the State of Nevada from a judgment in a civil action***
16 ***against a manufacturer of tobacco products be dedicated solely toward***
17 ***the achievement of the following goals:***

1 (a) Increasing the number of residents of the State of Nevada who
2 enroll in and attend a university or community college of the University
3 and Community College System of Nevada;

4 (b) Reducing and preventing the use of tobacco products, alcohol and
5 illegal drugs, especially by children;

6 (c) Expanding the availability of health insurance and health care for
7 children and adults in this state, especially for children and for adults
8 with disabilities;

9 (d) Assisting senior citizens who have modest incomes in purchasing
10 prescription drugs and assisting those senior citizens in meeting their
11 needs related to health care, home care, respite care and their ability to
12 live independent of institutional care; and

13 (e) Promoting the general health of all residents of the State of
14 Nevada.

15 Sec. 3. As used in sections 3 to 9, inclusive, of this act, unless the
16 context otherwise requires, the words and terms defined in sections 4 and
17 5 of this act have the meanings ascribed to them in those sections.

18 Sec. 4. "Millennium scholarship" means a scholarship that is
19 awarded from the trust fund to a student.

20 Sec. 5. "Trust fund" means the millennium scholarship trust fund
21 created pursuant to section 6 of this act.

22 Sec. 6. 1. The millennium scholarship trust fund is hereby created
23 in the state treasury. The state treasurer may accept gifts, grants,
24 bequests and donations for deposit in the trust fund.

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

26 (a) Forty percent of all money received by the State of Nevada
27 pursuant to any settlement entered into by the State of Nevada and a
28 manufacturer of tobacco products;

29 (b) Forty percent of all money recovered by the State of Nevada from
30 a judgment in a civil action against a manufacturer of tobacco products;
31 and

32 (c) Any gifts, grants, bequests or donations specifically designated for
33 the trust fund by the donor.

34 3. The state treasurer shall administer the trust fund. As
35 administrator of the trust fund, the state treasurer:

36 (a) Shall maintain the financial records of the trust fund;

37 (b) Shall invest the money in the trust fund as the money in other state
38 funds is invested;

39 (c) Shall manage any account associated with the trust fund;

40 (d) Shall maintain any instruments that evidence investments made
41 with the money in the trust fund;

42 (e) May contract with vendors for any good or service that is
43 necessary to carry out the provisions of this section; and

1 (f) May perform any other duties necessary to administer the trust
2 fund.

3 4. All interest and income earned on the money in the trust fund
4 must, after deducting any applicable charges, be credited to the trust
5 fund. All claims against the trust fund must be paid as other claims
6 against the state are paid.

7 5. Not more than 2 percent of the amount of money in the trust fund
8 may be used to pay the costs of administering the trust fund.

9 6. The money in the fund remains in the fund and does not revert to
10 the state general fund at the end of any fiscal year.

11 7. Money in the trust fund may be used only for the purposes set
12 forth in sections 3 to 8, inclusive, of this act.

13 **Sec. 7. 1.** Except as otherwise provided in subsections 2 and 3, a
14 student may apply to the board of regents for a millennium scholarship if
15 he:

16 (a) Has been a resident of this state for at least 2 years before he
17 applies for the scholarship;

18 (b) Graduated from a public or private high school in this state:

19 (1) After May 1, 2000; and

20 (2) Not more than 8 years before he applies for the scholarship;

21 (c) Maintained at least a 3.0 grade-point average on a 4.0 grading
22 scale in high school in the core curriculum, as determined by the board
23 of regents pursuant to subsection 2; and

24 (d) Is enrolled in at least 12 semester credit hours in a university or at
25 least 6 semester credit hours in a community college.

26 2. The board of regents shall:

27 (a) Define the core curriculum that a student must complete in high
28 school to be eligible for a millennium scholarship.

29 (b) Develop a plan to ensure that needy students and students from
30 families that otherwise could not afford to send their children to college
31 receive millenium scholarships.

32 3. For students who did not graduate from a public or private high
33 school in this state and who have been residents of this state for at least 2
34 years, the board of regents shall establish:

35 (a) The minimum score on a standardized test that such students must
36 receive; or

37 (b) Other criteria that students must meet,
38 to be eligible for millennium scholarships.

39 4. In awarding scholarships, the board of regents shall enhance its
40 outreach to students who:

41 (a) Are pursuing a career in education or health care;

1 (b) Come from families who lack sufficient financial resources to pay
2 for the costs of sending their children to a university or community
3 college; or

4 (c) Substantially participated in an anti-smoking, anti-drug or anti-
5 alcohol program during high school.

6 **Sec. 8. 1.** Within the limits of money available in the trust fund, a
7 student who is eligible for a millennium scholarship is entitled to receive:

8 (a) If he is enrolled in a community college, \$40 per credit for which
9 the student is enrolled, or the amount of money that is necessary for the
10 student to pay the costs of attending the community college that are not
11 otherwise satisfied by other grants or scholarships, whichever is less.

12 (b) If he is enrolled in a university, \$80 per credit for which the
13 student is enrolled, or the amount of money that is necessary for the
14 student to pay the costs of attending the university that are not otherwise
15 satisfied by other grants or scholarships, whichever is less.

16 No student may be awarded a scholarship for a total amount in excess of
17 \$10,000.

18 2. A student who receives a millennium scholarship shall:

19 (a) Make satisfactory academic progress toward a recognized degree
20 or certificate, as determined by the board of regents pursuant to
21 subsection 6; and

22 (b) Maintain at least a 2.0 grade-point average on a 4.0 grading scale.

23 3. A millennium scholarship must be used only:

24 (a) For the payment of registration fees and laboratory fees and
25 expenses;

26 (b) To purchase required textbooks and course materials; and

27 (c) For other costs related to the attendance of the student at the
28 university or community college.

29 4. Except as otherwise provided in this subsection, if a student drops
30 out of school or fails to maintain at least a 2.0 grade-point average in
31 any semester, the student shall repay the millennium scholarship before
32 the student is eligible to receive an additional millennium scholarship or
33 otherwise receive money pursuant to sections 3 to 8, inclusive, of this act.
34 The board of regents shall establish criteria for a waiver from the
35 repayment required by this subsection, including, without limitation,
36 service in the military and conditions of hardship such as medical
37 necessity.

38 5. The board of regents shall certify a list of eligible students to the
39 state treasurer. The state treasurer shall disburse a millennium
40 scholarship for each semester on behalf of an eligible student directly to
41 the community college or university in which the student is enrolled,
42 upon certification from the community college or university of the
43 number of credits for which the student is enrolled, which must meet or

1 *exceed the minimum number of credits required for eligibility and*
2 *certification that the student is in good standing and making satisfactory*
3 *academic progress toward a recognized degree or certificate, as*
4 *determined by the board of regents pursuant to subsection 6. The*
5 *scholarship must be administered by the community college or university*
6 *as other similar scholarships are administered and may be used only for*
7 *the expenditures authorized pursuant to subsection 3.*

8 *6. The board of regents shall establish criteria for determining*
9 *whether a student is making satisfactory academic progress toward a*
10 *recognized degree or certificate for purposes of subsection 5.*

11 **Sec. 9.** *The board of regents shall develop a plan to direct a*
12 *significant portion of other available financial aid to culturally*
13 *disadvantaged or at-risk students, and students who graduated from high*
14 *school before May 1, 2000, who wish to attend college and have the*
15 *potential to be successful, but who do not otherwise meet the eligibility*
16 *requirements for millennium scholarships.*

17 **Sec. 10.** On or before February 1, 2003, the board of regents of the
18 University of Nevada shall submit a report to the director of the legislative
19 counsel bureau for transmittal to the 72nd session of the Nevada legislature
20 that includes:

21 1. An examination of the projected enrollment of students in the
22 University and Community College System of Nevada who will be eligible
23 for millennium scholarships;

24 2. An actuarial study to determine the approximate costs of continuing
25 the millennium scholarship program; and

26 3. A report setting forth any enhanced outreach efforts carried out
27 pursuant to subsection 4 of section 7 of this act.