EXEMPT

S.B. 585

SENATE BILL NO. 585–COMMITTEE ON FINANCE

JUNE 3, 2001

Referred to Committee on Finance

SUMMARY—Apportions state distributive school account in state general fund for 2001-2003 biennium. (BDR S-1575)

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; apportioning the state distributive school account in the state general fund for the 2001-2003 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:

Section 1. The basic support guarantee for school districts for operating purposes for the 2001-2002 fiscal year is an estimated weighted average of $3,897 per pupil. For each respective school district, the basic support guarantee per pupil for the 2001-2002 fiscal year is:

Carson City	$4,435
Churchill County	$4,894
Clark County	$3,731
Douglas County	$4,135
Elko County	$4,781
Esmeralda County	$7,861
Eureka County	$3,052
Humboldt County	$4,749
Lander County	$4,314
Lincoln County	$7,229
Lyon County	$5,025
Mineral County	$5,415
Nye County	$5,018
Pershing County	$5,706

Storey County $6,292
Washoe County $3,777
White Pine County $5,596

Sec. 2. 1. The basic support guarantee for school districts for operating purposes for the 2002-2003 fiscal year is an estimated weighted average of $3,991 per pupil.

2. On or before April 1, 2002, the Department of Taxation shall provide a certified estimate of the assessed valuation for each school district for the 2002-2003 fiscal year. The assessed valuation for each school district must be that which is taxable for purposes of providing revenue to school districts, including any assessed valuation attributable to the net proceeds of minerals derived from within the boundaries of the district.

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

4. For purposes of establishing the basic support guarantee, the estimated basic support guarantees for each school district for the 2002-2003 fiscal year for operating purposes are:

School District	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
Carson City	$3,904	$638	$4,542
Churchill County	$4,560	$457	$5,017
Clark County	$3,011	$807	$3,818
Douglas County	$2,936	$1,288	$4,224
Elko County	$4,388	$512	$4,900
Esmeralda County	$5,378	$2,648	$8,026
Eureka County	$(6,512)	$9,488	$2,976
Humboldt County	$4,007	$854	$4,861
Lander County	$2,881	$1,523	$4,404
Lincoln County	$6,922	$493	$7,415
Lyon County	$4,572	$577	$5,149
Mineral County	$5,043	$509	$5,552
Nye County	$4,309	$830	$5,139
Pershing County	$4,869	$973	$5,842
Storey County	$4,879	$1,555	$6,434
Washoe County	$3,007	$857	$3,864
White Pine County	$5,293	$445	$5,738

5. The ad valorem adjustment may be made only to take into account the difference in the assessed valuation and the estimated enrollment of the school district between the amount estimated as of April 1, 2001, and the amount estimated as of April 1, 2002, for the 2002-2003 fiscal year. Estimates of net proceeds of minerals received from the Department of

Taxation on or before April 25 pursuant to subsection 3 must be taken into consideration in determining the adjustment.

6. Upon receipt of the certified estimates of assessed valuations as of April 1, 2002, from the Department of Taxation, the Department of Education shall recalculate the amount of ad valorem adjustment and the tentative basic support guarantee for operating purposes for the 2002-2003 fiscal year by April 15, 2002. The final basic support guarantee for each school district for the 2002-2003 fiscal year is the amount, which is recalculated for the 2002-2003 fiscal year pursuant to this section, taking into consideration estimates of net proceeds of minerals received from the Department of Taxation on or before April 25, 2002. The basic support guarantee recalculated pursuant to this section must be calculated before May 31, 2002.

Sec. 3. 1. The basic support guarantee for each special education program unit that is maintained and operated for at least 9 months of a school year is $29,977 in the 2001-2002 fiscal year and $30,576 in the 2002-2003 fiscal year, except as limited by subsection 2.

2. The maximum number of units and amount of basic support for special education program units within each of the school districts, before any reallocation pursuant to NRS 387.1221, for the fiscal years 2001-2002 and 2002-2003 are:

	Allocation of Special Education Units			
	2001-2002		2002-2003	
DISTRICT	Units	Amount	Units	Amount
Carson City	78	$2,338,206	80	$2,446,080
Churchill County	43	$1,289,011	44	$1,345,344
Clark County	1,437	$43,076,949	1,519	$46,444,944
Douglas County	61	$1,828,597	62	$1,895,712
Elko County	80	$2,398,160	81	$2,476,656
Esmeralda County	3	$89,931	3	$91,728
Eureka County	4	$119,908	4	$122,304
Humboldt County	29	$869,333	29	$886,704
Lander County	14	$419,678	14	$428,064
Lincoln County	17	$509,609	17	$519,792
Lyon County	52	$1,558,804	54	$1,651,104
Mineral County	10	$299,770	11	$336,336
Nye County	42	$1,259,034	44	$1,345,344
Pershing County	14	$419,678	14	$428,064
Storey County	8	$239,816	8	$244,608
Washoe County	451	$13,519,627	471	$14,401,296
White Pine County	19	$569,563	19	$580,944
Subtotal	2,362	$70,805,674	2,474	$75,645,024
Reserved by State Board of Education	40	$1,199,080	40	$1,223,040
TOTAL	2,402	$72,004,754	2,514	$76,868,064

3. The State Board of Education shall reserve 40 special education program units in each fiscal year of the 2001-2003 biennium, to be

allocated to school districts by the State Board of Education to meet additional needs that cannot be met by the allocations provided in subsection 2 to school districts for that fiscal year. In addition, charter schools in this state are authorized to apply directly to the Department of Education for the reserved special education program units, which may allocated upon approval of the State Board of Education.

4. Notwithstanding the provisions of subsections 2 and 3, the State Board of Education is authorized to spend from the state distributive school account up to $157,168 in the fiscal year 2001-2002 for 5.24 special education program units and $167,321 in the fiscal year 2002-2003 for 5.47 special education program units for instructional programs incorporating educational technology for gifted and talented pupils. Any school district may submit a written application to the Department of Education requesting one or more of the units for gifted and talented pupils. For each fiscal year of the 2001-2003 biennium, the Department will award the units for gifted and talented pupils based on a review of applications received from school districts.

Sec. 4. 1. There is hereby appropriated from the state general fund to the state distributive school account in the state general fund created pursuant to NRS 387.030:

For the 2001-2002 fiscal year $496,299,288
For the 2002-2003 fiscal year $543,255,885

2. The money appropriated by subsection 1 must be:

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

(b) Work-programmed for the 2 separate fiscal years, 2001-2002 and 2002-2003, as required by NRS 353.215. Work programs may be revised with the approval of the Governor upon the recommendation of the Chief of the Budget Division of the Department of Administration.

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

4. The sums appropriated by subsection 1 are available for either fiscal year. Money may be transferred from one fiscal year to the other with the approval of the Governor upon the recommendation of the Chief of the Budget Division of the Department of Administration.

5. Any remaining balance of the appropriation made by subsection 1 for the 2001-2002 fiscal year must be transferred and added to the money appropriated for the 2002-2003 fiscal year and may be expended as that money is expended.

6. Any remaining balance of the appropriation made by subsection 1 for the 2002-2003 fiscal year, including any money added thereto pursuant to the provisions of subsections 3 and 5, must not be committed for expenditure after June 30, 2003, and reverts to the state general fund as soon as all payments of money committed have been made.

Sec. 5. 1. Expenditure of $146,822,050 by the Department of Education from money in the state distributive school account that was not appropriated from the state general fund is hereby authorized during the fiscal year beginning July 1, 2001.

2. Expenditure of $151,122,258 by the Department of Education from money in the state distributive school account that was not appropriated from the state general fund is hereby authorized during the fiscal year beginning July 1, 2002.

3. For purposes of accounting and reporting, the sums authorized for expenditure by subsections 1 and 2 are considered to be expended before any appropriation is made to the state distributive school account from the state general fund.

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

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

Sec. 6. During each of the fiscal years 2001-2002 and 2002-2003, whenever the State Controller finds that current claims against the state distributive school account in the state general fund exceed the amount available in the account to pay those claims, he may advance temporarily from the state general fund to the state distributive school account the amount required to pay the claims, but not more than the amount expected to be received in the current fiscal year from any source authorized for the state distributive school account. No amount may be transferred unless requested by the Chief of the Budget Division of the Department of Administration.

Sec. 7. The Department of Education is hereby authorized to spend from the state distributive school account the sums of $14,692,482 for the 2001-2002 fiscal year and $15,641,566 for the 2002-2003 fiscal year for the support of courses which are approved by the Department of Education as meeting the course of study for an adult standard high school diploma as approved by the State Board of Education. In each fiscal year of the 2001-2003 biennium, the sum authorized must be allocated among the various school districts in accordance with a plan or formula developed by the Department of Education to ensure the money is distributed equitably and in a manner that permits accounting for the expenditures of school districts.

Sec. 8. The Department of Education is hereby authorized to provide from the state distributive school account the sum of $50,000 to each of the 17 school districts in each fiscal year of the 2001-2003 biennium to support special counseling services for elementary school pupils at risk of failure.

Sec. 9. The amounts of the guarantees set forth in sections 1 and 2 of this act may be reduced to effectuate a reserve required pursuant to NRS 353.225.

Sec. 10. 1. The Department of Education shall transfer from the state distributive school account to the school districts specified in this section the following sums for fiscal years 2001-2002 and 2002-2003:

School District	2001-2002	2002-2003
Clark County School District	$2,130,044	$2,500,456
Douglas County School District	$740,885	$869,724
Elko County School District	$787,190	$924,082
Washoe County School District	$972,411	$1,141,513
	$4,630,530	$5,435,775

2. A school district that receives an allocation pursuant to subsection 1 shall use the money to maintain and continue the operation of a regional training program for the professional development of teachers and administrators initially established by the school district pursuant to section 16 of chapter 559, Statutes of Nevada 1999, at page 2930.

3. Any remaining balance of the transfers made by subsection 1 for the 2001-2002 fiscal year must be added to the money received by the school districts for the 2002-2003 fiscal year and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 1 for the 2001-2002 fiscal year, including any money added from the transfer for the previous fiscal year, must not be committed for expenditure after June 30, 2003, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 11. The Legislative Bureau of Educational Accountability and Program Evaluation is hereby authorized to receive from the state distributive school account to spend for an evaluation of the regional training programs for the professional development of teachers and administrators, initially established pursuant to section 16 of chapter 559, Statutes of Nevada 1999, at page 2930:

For the fiscal year 2001-2002.. $65,000
For the fiscal year 2002-2003.. $65,000

2. Any remaining balance of the sums authorized for expenditure by subsection 1 for the 2001-2002 fiscal year must be added to the money authorized for expenditure for the 2002-2003 fiscal year and may be expended as that money is expended. Any remaining balance of the sums authorized for expenditure pursuant to subsection 1 for the 2001-2002 fiscal year, including any money added from the authorization for the previous fiscal year, must not be committed for expenditure after June 30, 2003, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 12. 1. The Department of Education shall transfer from the state distributive school account to the school districts specified in this section the following sums for fiscal years 2001-2002 and 2002-2003:

School District	2001-2002	2002-2003
Clark County School District	$2,754,339	$2,754,339
Douglas County School District	$347,814	$347,814
Elko County School District	$432,612	$432,612
Washoe County School District	$900,235	$900,235
	$4,435,000	$4,435,000

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

(a) Shall use the money to establish a Nevada Early Literacy Intervention Program, through the regional training program initially established by the school district pursuant to section 16 of chapter 559, Statutes of Nevada 1999, at page 2930, for the purpose of providing training for teachers who teach kindergarten and grades 1, 2 and 3, on methods to teach fundamental reading skills, including, without limitation:

(1) Phonemic awareness;

(2) Phonics;

(3) Vocabulary;

(4) Fluency;

(5) Comprehension; and

(6) Motivation.

(b) Shall use the money for purposes of the Nevada Early Literacy Intervention Program, upon approval of the governing body of the regional training program, including, without limitation, paying:

(1) The salaries and travel expenses of staff and other personnel necessary to the operation of the Nevada Early Literacy Intervention Program;

(2) Related administrative expenses; and

(3) The costs incurred to acquire equipment and space to operate the Nevada Early Literacy Intervention Program.

(c) Shall use the money to pay for the travel expenses of teachers who attend the regional training program for purposes of the Nevada Early Literacy Intervention Program.

(d) May use the money to provide incentives for teachers to attend the regional training program for purposes of the Nevada Early Literacy Intervention Program, including, without limitation, the:

(1) Arrangement for credit toward renewal of a license or an endorsement for a license;

(2) Provision of books, supplies or instructional materials for the classroom; and

(3) Provision of stipends.

(e) Shall use the money to supplement and not replace the money that the school district or regional training program would otherwise expend for training for early literacy programs as described in this section.

3. The training required pursuant to paragraph (a) of subsection 2 must:

(a) Include appropriate procedures to ensure follow-up training for teachers who have received training through the Nevada Early Literacy Intervention Program.

(b) Incorporate training that addresses the educational needs of:

(1) Pupils with disabilities who participate in programs of special education; and

(2) Pupils whose primary language is not English.

4. The governing body of each regional training program shall:

(a) Prepare and maintain a list that identifies programs for the Nevada Early Literacy Intervention Program that successfully incorporate fundamental reading skills. The governing body shall provide a copy of the list on an annual basis to school districts for dissemination to teachers and administrators.

(b) Establish a method for the evaluation of the success of the Nevada Early Literacy Intervention Program.

(c) On or before July 1 of each year, submit an annual report to the Governor, State Board of Education, Council to Establish Academic Standards for Public Schools, Legislative Committee on Education and Legislative Bureau of Educational Accountability and Program Evaluation that includes:

(1) The type of training offered through the Nevada Early Literacy Intervention Program in the immediately preceding year;

(2) The number of teachers, by grade, who received training through the Nevada Early Literacy Intervention Program in the immediately preceding year; and

(3) An evaluation of the success of the Nevada Early Literacy Intervention Program in accordance with the method established pursuant to paragraph (b).

5. The board of trustees of each school district shall submit an annual report to the Governor, State Board of Education, Council to Establish Academic Standards for Public Schools, Legislative Committee on Education and Legislative Bureau of Educational Accountability and Program Evaluation that includes for the immediately preceding year:

(a) The number of teachers, by grade, employed by the school district who received training through the Nevada Early Literacy Intervention Program; and

(b) An evaluation of whether that training successfully incorporated the fundamental reading skills set forth in paragraph (a) of subsection 2.

6. Any remaining balance of the transfers made by subsection 1 for the 2001-2002 fiscal year must be added to the money received by the school districts for the 2002-2003 fiscal year and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 1 for the 2002-2003 fiscal year, including any money added from the transfer for the previous fiscal year, must not be committed for expenditure after June 30, 2003, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 13. 1. The Legislative Bureau of Educational Accountability and Program Evaluation is hereby authorized to receive from the state distributive school account to spend for an evaluation of the Nevada Early Literacy Intervention Program established pursuant to section 12 of this act:

For the fiscal year 2001-2002 .... $65,000
For the fiscal year 2002-2003 .... $65,000

2. The Legislative Bureau of Educational Accountability and Program Evaluation shall, after consulting with the Statewide Council for the Coordination of the Regional Training Programs, if applicable, use the money authorized by subsection 1 to hire a qualified, independent consultant to conduct an evaluation of the effectiveness of the Nevada Early Literacy Intervention Program.

3. The evaluation must include, without limitation, a review of the annual reports submitted by the governing body of each regional training program pursuant to subsection 4 of section 12 of this act and the annual reports submitted by the board of trustees of each school district pursuant to subsection 5 of section 12 of this act.

4. On or before February 1, 2003, the consultant shall submit a written report of the results of his evaluation to the Legislative Bureau of Educational Accountability and Program Evaluation. On or before February 19, 2003, the Legislative Bureau of Educational Accountability and Program Evaluation shall submit a copy of the written evaluation, including any recommendations for legislation, to the Director of the Legislative Counsel Bureau for transmission to the 72nd session of the Nevada Legislature.

5. Any remaining balance of the sums authorized for expenditure by subsection 1 for the 2001-2002 fiscal year must be added to the money authorized for the 2002-2003 fiscal year and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 1 for the 2001-2002 fiscal year, including any money added from the authorization for the previous fiscal year, must not be committed for expenditure after June 30, 2003, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 14. 1. The Department of Education shall transfer from the state distributive school account the following sums for remedial education programs for schools that have been designated as demonstrating need for improvement and certain schools that have been designated as demonstrating adequate achievement:

For the fiscal year 2001-2002.. $5,750,000
For the fiscal year 2002-2003.. $5,750,000

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

2. A school may submit an application to the Department of Education for transmission to the State Board of Examiners for an allocation from the amount authorized by subsection 1 if the school:

(a) Receives a designation as demonstrating need for improvement pursuant to NRS 385.367.

(b) Did not receive a designation because the school had too few pupils enrolled in a grade level that is tested pursuant to NRS 389.015, but the test scores of the pupils indicate that the school would have received a designation as demonstrating need for improvement.

(c) Receives a designation as demonstrating adequate achievement, but more than 40 percent of the pupils enrolled in the school received an average score below the 26th percentile on one or more of the four subjects tested pursuant to NRS 389.015.

(d) Was designated as demonstrating need for improvement pursuant to NRS 385.367 in the immediately preceding school year.

3. The Department of Education shall, in consultation with the Budget Division of the Department of Administration and the Legislative Bureau of Educational Accountability and Program Evaluation, develop a form for such applications. The form must include, without limitation, a notice that:

(a) Money received by a school to implement or continue remedial education programs that have been approved by the Department as being effective in improving pupil achievement will be used to implement or continue the programs in a manner that has been approved by the vendor of the remedial program; and

(b) If money is authorized for programs of remedial study for the 2003-2005 biennium by the 72nd session of the Nevada Legislature, a school that:

(1) Receives a designation as demonstrating adequate achievement;

(2) Has received an allocation for programs of remedial study for the immediately preceding 2 years; and

(3) Applies for an allocation for a third consecutive year,

may be required to match the allocation equally with other money available to the school.

4. Upon receipt of an application submitted pursuant to subsection 2, the Department of Education shall review the application jointly with the Budget Division of the Department of Administration and the Legislative Bureau of Educational Accountability and Program Evaluation. The Department of Education shall transmit the application to the State Board of Examiners with the recommendation of the Department of Education concerning the allocation of money based upon each application so received. The State Board of Examiners, or the Clerk of the Board if authorized by the Board to act on its behalf, shall consider each such application and, if it finds that an allocation should be made, recommend the amount of the allocation to the Interim Finance Committee. The Interim Finance Committee shall consider each such recommendation, but is not bound to follow the recommendation of the State Board of Examiners when determining the allocation to be received by a school. In determining the amount of the allocation, the State Board of Examiners and the Interim Finance Committee shall consider:

(a) The total number of pupils enrolled in the school who failed to demonstrate at least adequate achievement on the examinations administered pursuant to NRS 389.015;

(b) The number of subjects tested pursuant to NRS 389.015 on which more than 40 percent of the pupils enrolled in the school received an average score below the 26th percentile; and

(c) The financial need of the particular school.

6. In addition to the considerations set forth in subsection 5, in determining whether to approve an application for a school that has received an allocation in the immediately preceding year and in determining the amount of the allocation for such a school, the State Board

of Examiners and the Interim Finance Committee shall consider whether the school has carried out the program of remedial study for which it received an allocation in a manner that has been approved by the vendor of the remedial program and whether the program has been successful, as measured by the academic achievement of the pupils enrolled in the school on the examinations administered pursuant to NRS 389.015 and any assessments related to the program of remedial study.

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

(a) Pay the costs incurred by the school in providing the program of remedial study required by NRS 385.389. The money must first be applied to those pupils who the school determines are performing at a level that poses the highest risk of failure.

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

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

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

9. The sums authorized for expenditure in subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2003, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 15. 1. The Department of Education shall transfer from the state distributive school account the following sums for programs of remedial education or tutoring for pupils who need additional instructional time to pass or to reach a level considered proficient:

For the fiscal year 2001-2002 .... $1,000,000
For the fiscal year 2002-2003 .... $1,000,000

The programs for which money is provided pursuant to this section must be conducted before or after school, on weekends, during the summer or between sessions in schools with year-round school calendars.

2. To receive an allocation from the amounts transferred pursuant to subsection 1, a school district must submit an application to the Department of Education containing a written plan for providing a program of remedial education or tutoring. The written plan must include:

(a) The estimated number of pupils that will participate in the program;

(b) The curriculum that will be taught;

(c) A schedule of the course work or tutoring to be conducted under the program;

(d) A plan for evaluating the effectiveness of the program; and

(e) A budget for the program.

3. Upon receipt of an application submitted pursuant to subsection 2, the Department of Education shall review the application jointly with the Budget Division of the Department of Administration and the Legislative Bureau of Educational Accountability and Program Evaluation. The Department of Education shall transmit the application to the State Board of Examiners with the recommendation of the Department of Education concerning the allocation of money based upon each application so received. The State Board of Examiners, or the Clerk of the Board if authorized by the Board to act on its behalf, shall consider each such application and, if it finds that an allocation should be made, recommend the amount of the allocation to the Interim Finance Committee. The Interim Finance Committee shall consider each such recommendation, but is not bound to follow the recommendation of the State Board of Examiners when determining the allocation to be received by a school district.

4. A school district that receives an allocation of money pursuant to this section shall use the money to:

(a) Provide a program of remedial education or tutoring that has been approved by the Department of Education as being effective in improving pupil achievement.

(b) Pay the costs incurred by the school district in providing the program of remedial education or tutoring. The money must first be applied to those pupils who the school district determines are performing at a level which poses the highest risk of failure.

(c) Pay for the salaries, training or other compensation of teachers and other educational personnel to provide the program of remedial education or tutoring, instructional materials required for the program, equipment necessary to offer the program and all other additional operating costs attributable to the program.

(d) Supplement and not replace the money the school district would otherwise expend for programs of remedial education or tutoring.

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

6. The sums transferred pursuant to subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2003, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 16. 1. The Department of Education is hereby authorized to transfer from the state distributive school account the sum of $500,000 for the fiscal year 2001-2002 for the school to careers program created pursuant to NRS 388.367 and 388.368.

2. The Department of Education shall use the money authorized by subsection 1 for allocation to school districts, charter schools, and universities and community colleges within the University and Community College System of Nevada in accordance with NRS 388.368.

3. Any balance of the sum authorized for expenditure by subsection 1 must not be committed for expenditure after June 30, 2002, and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 17. 1. The Department of Education shall transfer from the state distributive school account the following sums for early childhood education:

For the fiscal year 2001-2002 .... $3,500,000
For the fiscal year 2002-2003 .... $3,500,000

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

3. To receive a grant of money pursuant to subsection 2, school districts and community-based organizations must submit a comprehensive plan to the Department of Education that includes, without limitation:

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

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

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

4. A school district or community-based organization that receives a grant of money shall:

(a) Use the money to initiate or expand pre-kindergarten education programs that meet the criteria set forth in the publication of the Department of Education, entitled "August 2000 Public Support for Pre-kindergarten Education For School Readiness in Nevada."

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

(c) Submit an evaluation of the program in accordance with the plan submitted pursuant to paragraph (c) of subsection 3.

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

(a) Measures of the developmental progress of children before and after their completion of the program;

(b) Measures of parental involvement in the program before and after completion of the program; and

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

6. The Department of Education shall review the evaluations of the early childhood education programs submitted by each school district and community-based organization pursuant to paragraph (c) of subsection 4 and prepare a compilation of the evaluations for inclusion in the report submitted pursuant to subsection 7.

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

(a) The number of grants awarded;

(b) An identification of each school district and community-based organization that received a grant of money and the amount of each grant awarded;

(c) For each school district and community based-organization that received a grant of money:

(1) The number of children who received services through a program funded by the grant; and

(2) The average per child expenditure for the program;

(d) A compilation of the evaluations reviewed pursuant to subsection 6 that includes, without limitation:

(1) A summary of the data showing the effectiveness of the different programs; and

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

(e) Any recommendations for legislation.

8. Any balance of the sums transferred pursuant to subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years and reverts to the state distributive school account as soon as all payments of money committed have been made.

Sec. 18. The sums appropriated or authorized in sections 10 to 17, inclusive, of this act:

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

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

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

Sec. 19. 1. The Department of Education shall transfer from the state distributive school account the following sums for special transportation costs to school districts:

For the 2001-2002 school year 44,675
For the 2002-2003 school year $44,675

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

Sec. 20. As initially established by section 27 of chapter 559, Statutes of Nevada 1999, at page 2943, estate tax receipts must be deposited into the fund for school improvement and an amount not to exceed $13,891,737 in fiscal year 1999-2000 and $16,767,624 in fiscal year 2000-2001 must be transferred from the fund for school improvement to the state distributive school account.

Sec. 21. Each school district shall expend the revenue made available through this act, as well as other revenue from state, local and federal sources, in a manner that is designed to attain the goals of the Legislature regarding educational reform in this state, especially with regard to assisting pupils in need of remediation and pupils who are not proficient in the English language.

Sec. 22. 1. This section and section 20 of this act become effective upon passage and approval.

2. Sections 1 to 19, inclusive, and 21 of this act become effective on July 1, 2001.