

ASSEMBLY BILL NO. 560—COMMITTEE ON WAYS AND MEANS

APRIL 28, 2005

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing millennium scholarships. (BDR 34-1424)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Contains Appropriation not included in Executive Budget.

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

AN ACT relating to millennium scholarships; revising the provisions governing the administration of the Millennium Scholarship Program and the Millennium Scholarship Trust Fund; revising the provisions governing eligibility for millennium scholarships; providing for the annual transfer of money from the Abandoned Property Trust Fund to the Millennium Scholarship Trust Fund; 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. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Millennium Scholarship Program is hereby created, to be administered by the Department of Administration. The Department of Administration shall administer the Program in accordance with NRS 396.911 to 396.938, inclusive.

2. The Department of Administration may contract with vendors for any goods or services that are necessary to carry out the provisions of this section.

3. The State Treasurer shall disburse, upon the request of the Department of Administration, not more than 2 percent of the money in the Trust Fund for use by the Department of Administration in administering the Program.



* A B 5 6 0 R 1 *

1 **Sec. 2.** NRS 396.914 is hereby amended to read as follows:
2 396.914 As used in NRS 396.911 to 396.938, inclusive, *and*
3 *section 1 of this act*, unless the context otherwise requires, the
4 words and terms defined in NRS 396.916, 396.918 and 396.922
5 have the meanings ascribed to them in those sections.

6 **Sec. 3.** NRS 396.926 is hereby amended to read as follows:
7 396.926 1. The Millennium Scholarship Trust Fund is hereby
8 created in the State Treasury. The State Treasurer may accept gifts,
9 grants, bequests and donations for deposit in the Trust Fund.

10 2. The State Treasurer shall deposit in the Trust Fund:

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

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

17 (c) Any gifts, grants, bequests or donations specifically
18 designated for the Trust Fund by the donor.

19 3. ~~{The} Except as otherwise provided in this section, the~~ State
20 Treasurer : ~~{shall administer the Trust Fund. As administrator of the~~
21 ~~Trust Fund, the State Treasurer, except as otherwise provided in this~~
22 ~~section;}~~

23 (a) Shall maintain the financial records of the Trust Fund;

24 (b) Shall invest the money in the Trust Fund as the money in
25 other state funds is invested;

26 (c) Shall manage any account associated with the Trust Fund;
27 *and*

28 (d) Shall maintain any instruments that evidence investments
29 made with the money in the Trust Fund . ~~{;~~

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

32 ~~—(f) May perform any other duties necessary to administer the~~
33 ~~Trust Fund.}~~

34 4. In addition to the investments authorized pursuant to
35 paragraph (b) of subsection 3, the State Treasurer may, except as
36 otherwise provided in subsection 5, invest the money in the Trust
37 Fund in:

38 (a) Common or preferred stock of a corporation created by or
39 existing under the laws of the United States or of a state, district or
40 territory of the United States, if:

41 (1) The stock of the corporation is:

42 (I) Listed on a national stock exchange; or

43 (II) Traded in the over-the-counter market, if the price
44 quotations for the over-the-counter stock are quoted by the National



1 Association of Securities Dealers Automated Quotations System
2 (NASDAQ);

3 (2) The outstanding shares of the corporation have a total
4 market value of not less than \$50,000,000;

5 (3) The maximum investment in stock is not greater than 25
6 percent of the book value of the total investments of the Trust Fund;

7 (4) Except for investments made pursuant to paragraph (c),
8 the amount of an investment in a single corporation is not greater
9 than 3 percent of the book value of the assets of the Trust Fund; and

10 (5) Except for investments made pursuant to paragraph (c),
11 the total amount of shares owned by the Trust Fund is not greater
12 than 5 percent of the outstanding stock of a single corporation.

13 (b) A pooled or commingled real estate fund or a real estate
14 security that is managed by a corporate trustee or by an investment
15 advisory firm that is registered with the Securities and Exchange
16 Commission, either of which may be retained by the State Treasurer
17 as an investment manager. The shares and the pooled or
18 commingled fund must be held in trust. The total book value of an
19 investment made under this paragraph must not at any time be
20 greater than 5 percent of the total book value of all investments of
21 the Trust Fund.

22 (c) Mutual funds or common trust funds that consist of any
23 combination of the investments authorized pursuant to paragraph (b)
24 of subsection 3 and paragraphs (a) and (b) of this subsection.

25 5. The State Treasurer shall not invest any money in the Trust
26 Fund pursuant to subsection 4 unless the State Treasurer obtains a
27 judicial determination that the proposed investment or category of
28 investments will not violate the provisions of Section 9 of Article 8
29 of the Constitution of the State of Nevada. The State Treasurer shall
30 contract for the services of independent contractors to manage any
31 investments of the State Treasurer made pursuant to subsection 4.
32 The State Treasurer shall establish such criteria for the qualifications
33 of such an independent contractor as are appropriate to ensure that
34 each independent contractor has expertise in the management of
35 such investments.

36 6. All interest and income earned on the money in the Trust
37 Fund must, after deducting any applicable charges, be credited to
38 the Trust Fund. All claims against the Trust Fund must be paid as
39 other claims against the State are paid.

40 7. ~~[Not more than 2 percent of the amount of money in the~~
41 ~~Trust Fund may be used to pay the costs of administering the Trust~~
42 ~~Fund.~~

43 ~~—8.]~~ The money in the Trust Fund remains in the Fund and does
44 not revert to the State General Fund at the end of any fiscal year.



~~9-1~~ 8. Money in the Trust Fund may be used only for the purposes set forth in NRS 396.914 to 396.934, inclusive ~~H~~, and *section 1 of this act.*

Sec. 4. NRS 396.930 is hereby amended to read as follows:

396.930 1. Except as otherwise provided in subsections 2 and 3, a student may apply to the Board of Regents for a millennium scholarship if he:

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

(b) Except as otherwise provided in paragraph (c), graduated from a public or private high school in this State:

(1) After May 1, 2000, but not later than May 1, 2003; or

(2) After May 1, 2003, and, except as otherwise provided in paragraph (c) of subsection 2, not more than 6 years before he applies for the scholarship;

(c) Does not satisfy the requirements of paragraph (b) and:

(1) Was enrolled as a pupil in a public or private high school in this State with a class of pupils who were regularly scheduled to graduate after May 1, 2000;

(2) Received his high school diploma within 4 years after he was regularly scheduled to graduate; and

(3) Applies for the scholarship not more than 6 years after he was regularly scheduled to graduate from high school;

(d) Maintained in high school in the courses designated by the Board of Regents pursuant to paragraph (b) of subsection 2, at least:

(1) A ~~3.0~~ 3.00 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2003 or 2004;

(2) A ~~3.1~~ 3.10 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2005 or 2006; or

(3) A 3.25 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2007 or a later graduating class; and

(e) Is enrolled in at least:

(1) Six semester credit hours in a community college within the System; or

(2) Twelve semester credit hours in another eligible institution.

2. The Board of Regents:

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

(b) Shall designate the courses in which a student must earn the minimum grade point averages set forth in paragraph (d) of subsection 1.

(c) May establish criteria with respect to students who have been on active duty serving in the Armed Forces of the United States to



1 exempt such ~~[student]~~ *students* from the 6-year limitation on
2 applications that is set forth in subparagraph (2) of paragraph (b) of
3 subsection 1.

4 *(d) Shall establish criteria with respect to students who have a*
5 *documented physical or mental disability or who were previously*
6 *subject to an individualized education program under the*
7 *Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et*
8 *seq., or a plan under Title V of the Rehabilitation Act of 1973, 29*
9 *U.S.C. §§ 791 et seq. The criteria must provide an exemption for*
10 *those students from:*

11 *(1) The 6-year limitation on applications that is set forth in*
12 *subparagraph (2) of paragraph (b) of subsection 1 and*
13 *subparagraph (3) of paragraph (c) of subsection 1 and any*
14 *limitation applicable to students who are eligible pursuant to*
15 *subparagraph (1) of paragraph (b) of subsection 1.*

16 *(2) The minimum number of credits prescribed in*
17 *paragraph (e) of subsection 1.*

18 3. Except as otherwise provided in paragraph (c) of subsection
19 1, for students who did not graduate from a public or private high
20 school in this State and who have been residents of this State for at
21 least 2 years, the Board of Regents shall establish:

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

24 (b) Other criteria that students must meet,
25 ➤ to be eligible for millennium scholarships.

26 4. In awarding scholarships, the Board of Regents shall
27 enhance its outreach to students who:

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

29 (b) Come from families who lack sufficient financial resources
30 to pay for the costs of sending their children to an eligible
31 institution; or

32 (c) Substantially participated in an antismoking, antidrug or
33 antialcohol program during high school.

34 **Sec. 5.** NRS 396.934 is hereby amended to read as follows:

35 396.934 1. ~~[Within]~~ *Except as otherwise provided in*
36 *subsection 2, within* the limits of money available in the Trust
37 Fund, a student who is eligible for a millennium scholarship is
38 entitled to receive:

39 (a) If he is enrolled in a community college within the System,
40 *including, without limitation, a summer academic term,* \$40 per
41 credit for each lower division course and \$60 per credit for each
42 upper division course in which the student is enrolled, or the amount
43 of money that is necessary for the student to pay the costs of
44 attending the community college that are not otherwise satisfied by
45 other grants or scholarships, whichever is less. The Board of



1 Regents shall provide for the designation of upper and lower
2 division courses for the purposes of this paragraph.

3 (b) If he is enrolled in a state college within the System,
4 *including, without limitation, a summer academic term*, \$60 per
5 credit for which the student is enrolled, or the amount of money that
6 is necessary for the student to pay the costs of attending the state
7 college that are not otherwise satisfied by other grants or
8 scholarships, whichever is less.

9 (c) If he is enrolled in another eligible institution, *including,*
10 *without limitation, a summer academic term*, \$80 per credit for
11 which the student is enrolled, or the amount of money that is
12 necessary for the student to pay the costs of attending the university
13 that are not otherwise satisfied by other grants or scholarships,
14 whichever is less.

15 2. No student may be awarded a *millennium* scholarship ~~{for}~~ :

16 (a) *To pay for remedial courses.*

17 (b) *For* a total amount in excess of \$10,000.

18 ~~{2-}~~ 3. A student who receives a millennium scholarship shall:

19 (a) Make satisfactory academic progress toward a recognized
20 degree or certificate, as determined by the Board of Regents
21 pursuant to subsection ~~{5-}~~ 7; and

22 (b) If the student graduated from high school after May 1, 2003,
23 maintain at least a ~~{2-6}~~ 2.60 grade point average on a 4.0 grading
24 scale.

25 ~~{3-}~~ 4. *If a student does not satisfy the requirements of*
26 *subsection 3 during one semester of enrollment, excluding a*
27 *summer academic term, he is not eligible for the millennium*
28 *scholarship for the succeeding semester of enrollment. If such a*
29 *student:*

30 (a) *Subsequently satisfies the requirements of subsection 3 in a*
31 *semester in which he is not eligible for the scholarship, he is*
32 *eligible for the scholarship for his next semester of enrollment.*

33 (b) *Fails a second time to satisfy the requirements of*
34 *subsection 3 during any subsequent semester, excluding a summer*
35 *academic term, he is no longer eligible for a millennium*
36 *scholarship.*

37 5. A millennium scholarship must be used only:

38 (a) For the payment of registration fees and laboratory fees and
39 expenses;

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

41 (c) For other costs related to the attendance of the student at the
42 eligible institution.

43 ~~{4-}~~ 6. The Board of Regents shall certify a list of eligible
44 students to the State Treasurer. The State Treasurer shall disburse a
45 millennium scholarship for each semester on behalf of an eligible



1 student directly to the eligible institution in which the student is
2 enrolled, upon certification from the eligible institution of the
3 number of credits for which the student is enrolled, which must
4 meet or exceed the minimum number of credits required for
5 eligibility and certification that the student is in good standing and
6 making satisfactory academic progress toward a recognized degree
7 or certificate, as determined by the Board of Regents pursuant to
8 subsection ~~[5.]~~ 7. The scholarship must be administered by the
9 eligible institution as other similar scholarships are administered and
10 may be used only for the expenditures authorized pursuant to
11 subsection ~~[3.]~~ 5.

12 ~~[5.]~~ 7. The Board of Regents shall establish criteria for
13 determining whether a student is making satisfactory academic
14 progress toward a recognized degree or certificate for purposes of
15 subsection ~~[4.]~~ 6.

16 **Sec. 6.** NRS 120A.370 is hereby amended to read as follows:

17 120A.370 1. There is hereby created in the State Treasury the
18 Abandoned Property Trust Fund.

19 2. All money received by the Administrator under this chapter,
20 including the proceeds from the sale of abandoned property, must be
21 deposited by the Administrator in the State Treasury for credit to the
22 Abandoned Property Trust Fund.

23 3. Before making a deposit, the Administrator shall record the
24 name and last known address of each person appearing from the
25 holders' reports to be entitled to the abandoned property and of
26 the name and last known address of each insured person or
27 annuitant, and with respect to each policy or contract listed in the
28 report of an insurance company, its number, the name of the
29 company and the amount due. The record must be available for
30 public inspection at all reasonable business hours.

31 4. The Administrator may pay from money available in the
32 Abandoned Property Trust Fund:

33 (a) Any costs in connection with the sale of abandoned property.

34 (b) Any costs of mailing and publication in connection with any
35 abandoned property.

36 (c) Reasonable service charges.

37 (d) Any costs incurred in examining the records of a holder and
38 in collecting the abandoned property.

39 (e) Any valid claims filed pursuant to this chapter.

40 5. At the end of each fiscal year, the amount of the balance in
41 the Fund in excess of \$100,500 must be transferred . *The first*
42 *\$7,600,000 each year must be transferred to the Millennium*
43 *Scholarship Trust Fund created by NRS 396.926. The remainder*
44 *must be transferred* to the State General Fund, but remains subject



1 to the valid claims of holders pursuant to NRS 120A.340 or owners
2 pursuant to NRS 120A.380.

3 6. If there is an insufficient amount of money in the
4 Abandoned Property Trust Fund to pay any cost or charge pursuant
5 to subsection 4, the State Board of Examiners may, upon the
6 application of the Administrator, authorize a temporary transfer
7 from the State General Fund to the Abandoned Property Trust Fund
8 of an amount necessary to pay those costs or charges. The
9 Administrator shall repay the amount of the transfer as soon as
10 sufficient money is available in the Abandoned Property Trust Fund.

11 **Sec. 7.** There is hereby appropriated from the State General
12 Fund to the Millennium Scholarship Trust Fund created by NRS
13 396.926, the sum of \$35,000,000.

14 **Sec. 8.** 1. This section and sections 4 to 7, inclusive, of this
15 act become effective upon passage and approval.

16 2. Sections 1, 2 and 3 of this act become effective on July 1,
17 2006.

