

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.** NRS 396.918 is hereby amended to read as follows:  
396.918 “Millennium scholarship” means a ~~[scholarship]~~  
*Governor Guinn Millennium Scholarship* that is awarded from the Trust Fund to a student.

**Sec. 2.** NRS 396.926 is hereby amended to read as follows:  
396.926 1. *The Governor Guinn Millennium Scholarship Program is hereby created for the distribution of the Governor Guinn Millennium Scholarships in accordance with NRS 396.911 to 396.938, inclusive.* The Millennium Scholarship Trust Fund is hereby created in the State Treasury. The State Treasurer may accept gifts, grants, bequests and donations for deposit in the Trust Fund.

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



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

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

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

9 3. The State Treasurer shall administer the Trust Fund. As  
10 administrator of the Trust Fund, the State Treasurer, except as  
11 otherwise provided in this section:

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

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

15 (c) Shall manage any account associated with the Trust Fund;

16 (d) Shall maintain any instruments that evidence investments  
17 made with the money in the Trust Fund;

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

20 (f) May perform any other duties necessary to administer the  
21 Trust Fund.

22 4. In addition to the investments authorized pursuant to  
23 paragraph (b) of subsection 3, the State Treasurer may, except as  
24 otherwise provided in subsection 5, invest the money in the Trust  
25 Fund in:

26 (a) Common or preferred stock of a corporation created by or  
27 existing under the laws of the United States or of a state, district or  
28 territory of the United States, if:

29 (1) The stock of the corporation is:

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

31 (II) Traded in the over-the-counter market, if the price  
32 quotations for the over-the-counter stock are quoted by the National  
33 Association of Securities Dealers Automated Quotations System  
34 (NASDAQ);

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

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

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

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



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

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

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

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

7. Not more than ~~[2]~~ 3 percent of the ~~[amount of money]~~ *anticipated annual revenue to the State of Nevada from the settlement agreements with and civil actions against manufacturers of tobacco products anticipated for deposit* in the Trust Fund may be used to pay the costs of administering the Trust Fund.

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

9. Money in the Trust Fund may be used only for the purposes set forth in NRS 396.914 to 396.934, inclusive.

**Sec. 3.** 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]~~ 3 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 (1) After May 1, 2000, but not later than May 1, 2003; or  
2 (2) After May 1, 2003, and, except as otherwise provided in  
3 paragraph (c) of subsection 2, not more than 6 years before he  
4 applies for the scholarship;

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

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

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

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

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

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

17 (2) A ~~{3.4}~~ 3.10 grade point average on a 4.0 grading scale, if  
18 he was a member of the graduating class of 2005 or 2006; or

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

22 (e) Is enrolled in at least:

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

25 (2) Twelve semester credit hours in another eligible  
26 institution ~~{;}~~; and

27 *(f) Has submitted a Free Application for Federal Student Aid*  
28 *(FAFSA) and the entity reviewing the application has determined*  
29 *that the application is complete.*

30 2. The Board of Regents:

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

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

36 (c) May establish criteria with respect to students who have been  
37 on active duty serving in the Armed Forces of the United States to  
38 exempt such ~~{student}~~ students from the 6-year limitation on  
39 applications that is set forth in subparagraph (2) of paragraph (b) of  
40 subsection 1.

41 *(d) Shall establish criteria with respect to students who have a*  
42 *documented physical or mental disability or who were previously*  
43 *subject to an individualized education program under the*  
44 *Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et*  
45 *seq., or a plan under Title V of the Rehabilitation Act of 1973, 29*



1 *U.S.C. §§ 791 et seq. The criteria must provide an exemption for*  
2 *those students from:*

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

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

10 3. Except as otherwise provided in paragraph (c) of subsection  
11 1, for students who did not graduate from a public or private high  
12 school in this State and who have been residents of this State for at  
13 least ~~2~~ 3 years, the Board of Regents shall establish:

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

16 (b) Other criteria that students must meet,  
17 ➔ to be eligible for millennium scholarships.

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

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

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

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

26 **Sec. 4.** NRS 396.934 is hereby amended to read as follows:

27 396.934 1. ~~[Within]~~ *Except as otherwise provided in this*  
28 *section, within* the limits of money available in the Trust Fund, a  
29 student who is eligible for a millennium scholarship is entitled to  
30 receive:

31 (a) ~~[H]~~ *Subject to the limitation set forth in this paragraph, if*  
32 *he is enrolled in a community college within the System, including,*  
33 *without limitation, a summer academic term, \$40 per credit for*  
34 *each lower division course and \$60 per credit for each upper*  
35 *division course in which the student is enrolled, or the amount of*  
36 *money that is necessary for the student to pay the costs of attending*  
37 *the community college that are not otherwise satisfied by other*  
38 *grants or scholarships, whichever is less. The Board of Regents shall*  
39 *provide for the designation of upper and lower division courses for*  
40 *the purposes of this paragraph. In no event may a student who is*  
41 *eligible for a millennium scholarship pursuant to this paragraph*  
42 *receive more than:*

43 *(1) If he is enrolled in at least 6 credits but less than 12*  
44 *credits in a semester, the cost of 6 semester credits for that*  
45 *semester.*



(2) *If he is enrolled in at least 12 credits in a semester, the cost of 12 semester credits for that semester.*

(b) ~~HH~~ *Subject to the limitation set forth in this paragraph, if he is enrolled in a state college within the System, including, without limitation, a summer academic term, \$60 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the state college that are not otherwise satisfied by other grants or scholarships, whichever is less. In no event may a student who is eligible for a millennium scholarship receive more than the cost of 12 semester credits per semester pursuant to this paragraph.*

(c) ~~HH~~ *Subject to the limitation set forth in this paragraph, if he is enrolled in another eligible institution, including, without limitation, a summer academic term, \$80 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the university that are not otherwise satisfied by other grants or scholarships, whichever is less. In no event may a student who is eligible for a millennium scholarship receive more than the cost of 12 semester credits per semester pursuant to this paragraph.*

2. No student may be awarded a millennium scholarship ~~for~~ :

(a) *To pay for remedial courses.*

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

~~F-1~~ 3. A student who receives a millennium scholarship shall:

(a) Make satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection ~~F-1~~ 7; and

(b) If the student graduated from high school after May 1, 2003, maintain ~~at~~ :

(1) *At least a ~~F-2-6~~ 2.60 grade point average on a 4.0 grading scale ~~F-~~*

~~3-1~~ *for each semester during the first year of enrollment in the Governor Guinn Millennium Scholarship Program.*

(2) *At least a 2.75 grade point average on a 4.0 grading scale for each semester during the second year of enrollment in the Governor Guinn Millennium Scholarship Program.*

(3) *At least a 3.0 grade point average on a 4.0 grading scale for each semester during the third year of enrollment in the Governor Guinn Millennium Scholarship Program and for each semester during each year of enrollment thereafter.*

4. *If a student does not satisfy the requirements of subsection 3 during one semester of enrollment, excluding a summer academic term, he is not eligible for the millennium scholarship for the succeeding semester of enrollment. If such a student:*



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

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

8       **5.** A millennium scholarship must be used only:

9       (a) For the payment of registration fees and laboratory fees and  
10 expenses;

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

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

14       ~~[4-]~~ **6.** The Board of Regents shall certify a list of eligible  
15 students to the State Treasurer. The State Treasurer shall disburse a  
16 millennium scholarship for each semester on behalf of an eligible  
17 student directly to the eligible institution in which the student is  
18 enrolled, upon certification from the eligible institution of the  
19 number of credits for which the student is enrolled, which must  
20 meet or exceed the minimum number of credits required for  
21 eligibility and certification that the student is in good standing and  
22 making satisfactory academic progress toward a recognized degree  
23 or certificate, as determined by the Board of Regents pursuant to  
24 subsection ~~[5-]~~ **7.** The scholarship must be administered by the  
25 eligible institution as other similar scholarships are administered and  
26 may be used only for the expenditures authorized pursuant to  
27 subsection ~~[3-]~~ **5.**

28       ~~[5-]~~ **7.** The Board of Regents shall establish criteria for  
29 determining whether a student is making satisfactory academic  
30 progress toward a recognized degree or certificate for purposes of  
31 subsection ~~[4-]~~ **6.**

32       **8.** *The Board of Regents shall establish procedures to ensure*  
33 *that all money from a millennium scholarship awarded to a*  
34 *student that is refunded in whole or in part for any reason is*  
35 *refunded to the Trust Fund and not the student.*

36       **Sec. 5.** NRS 120A.370 is hereby amended to read as follows:

37       120A.370 1. There is hereby created in the State Treasury the  
38 Abandoned Property Trust Fund.

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

43       3. Before making a deposit, the Administrator shall record the  
44 name and last known address of each person appearing from the  
45 holders' reports to be entitled to the abandoned property and of



1 the name and last known address of each insured person or  
2 annuitant, and with respect to each policy or contract listed in the  
3 report of an insurance company, its number, the name of the  
4 company and the amount due. The record must be available for  
5 public inspection at all reasonable business hours.

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

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

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

11 (c) Reasonable service charges.

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

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

15 5. At the end of each fiscal year, the amount of the balance in  
16 the Fund in excess of \$100,500 must be transferred . *The first*  
17 *\$7,600,000 each year must be transferred to the Millennium*  
18 *Scholarship Trust Fund created by NRS 396.926. The remainder*  
19 *must be transferred* to the State General Fund, but remains subject  
20 to the valid claims of holders pursuant to NRS 120A.340 or owners  
21 pursuant to NRS 120A.380.

22 6. If there is an insufficient amount of money in the  
23 Abandoned Property Trust Fund to pay any cost or charge pursuant  
24 to subsection 4, the State Board of Examiners may, upon the  
25 application of the Administrator, authorize a temporary transfer  
26 from the State General Fund to the Abandoned Property Trust Fund  
27 of an amount necessary to pay those costs or charges. The  
28 Administrator shall repay the amount of the transfer as soon as  
29 sufficient money is available in the Abandoned Property Trust Fund.

30 **Sec. 6.** There is hereby appropriated from the State General  
31 Fund to the Millennium Scholarship Trust Fund created by NRS  
32 396.926, the sum of \$35,000,000.

33 **Sec. 7.** The provisions of section 4 of this act requiring  
34 students to maintain a prescribed grade point average for each  
35 semester depending upon the year of enrollment in the Governor  
36 Guinn Millennium Scholarship Program apply to all students who  
37 graduated after May 1, 2003, including, without limitation, students  
38 who are currently enrolled in an eligible institution and are receiving  
39 a millennium scholarship.

40 **Sec. 7.5.** The criteria established by the Board of Regents  
41 pursuant to section 4 of this act with respect to students who have a  
42 documented physical or mental disability apply to all students who  
43 satisfy the criteria including, without limitation, students who are  
44 currently enrolled in an eligible institution and are receiving a





- 1 millennium scholarship, regardless of the year of enrollment in the
- 2 Governor Guinn Millennium Scholarship program.
- 3 **Sec. 8.** 1. This section and sections 1 to 4, inclusive, 6, 7 and
- 4 7.5 of this act become effective upon passage and approval.
- 5 2. Section 5 of this act becomes effective on July 1, 2005.







