

SENATE BILL NO. 525—COMMITTEE ON FINANCE

JUNE 5, 2005

Referred to Committee on Finance

SUMMARY—Apportions State Distributive School Account in State General Fund for 2005-2007 biennium. (BDR S-1491)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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 2005-2007 biennium; authorizing certain expenditures; making appropriations; 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. 1. Except as otherwise provided in subsections 5 and 6, the basic support guarantee for school districts for operating purposes for the 2005-2006 Fiscal Year is an estimated weighted average of \$4,486 per pupil.

2. For purposes of establishing the basic support guarantee, the estimated basic support guarantees per pupil for each school district for the 2005-2006 Fiscal Year for operating purposes are:

	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
<u>School District</u>			
Carson City	\$4,419	\$718	\$5,137
Churchill	\$5,079	\$572	\$5,651
Clark	\$3,343	\$960	\$4,303



1	Douglas	\$3,017	\$1,588	\$4,605
2	Elko	\$5,089	\$516	\$5,605
3	Esmeralda	\$6,450	\$3,278	\$9,728
4	Eureka	(\$3,204)	\$10,116	\$6,912
5	Humboldt	\$4,876	\$772	\$5,648
6	Lander	\$3,491	\$1,520	\$5,011
7	Lincoln	\$7,870	\$555	\$8,425
8	Lyon	\$5,168	\$631	\$5,799
9	Mineral	\$5,393	\$732	\$6,125
10	Nye	\$4,929	\$882	\$5,811
11	Pershing	\$5,792	\$1,027	\$6,819
12	Storey	\$5,263	\$2,066	\$7,329
13	Washoe	\$3,505	\$900	\$4,405
14	White Pine	\$6,056	\$456	\$6,512

15

16 3. For purposes of the 2005-2006 Fiscal Year apportionment
17 due August 1, 2005, in accordance with NRS 387.124, the
18 Superintendent of Public Instruction shall determine the amount to
19 be apportioned to each school district based on the Basic Support
20 Guarantee as Adjusted set forth in subsection 2. For purposes of
21 subsequent Fiscal Year 2005-2006 apportionments pursuant to NRS
22 387.124, the Superintendent of Public Instruction shall recalculate
23 the basic support guarantee for each school district pursuant to
24 subsections 5 and 6 and shall adjust the subsequent Fiscal Year
25 2005-2006 apportionments accordingly, so that the total
26 apportionments for the 2005-2006 Fiscal Year are based on the
27 basic support guarantee for each school district as recalculated
28 pursuant to subsections 5 and 6.

29 4. On or before October 1, 2005, the Director of the
30 Department of Taxation shall provide to the Superintendent of
31 Public Instruction the certified total of that portion of the tax bills
32 sent to all owners and mortgage holders pursuant to subsection 3 of
33 NRS 361.480 representing the amount of ad valorem taxes to be
34 received by each school district for Fiscal Year 2005-2006 pursuant
35 to the levy imposed under subsection 1 of NRS 387.195 and
36 credited to the county's school district fund pursuant to subsection 4
37 of NRS 387.195. In determining the certified total, the Director of
38 the Department of Taxation shall take into account all relevant
39 information including, without limitation, the assessed valuation of
40 each parcel and taxing district and any partial abatements
41 appertaining to the parcels in the district pursuant to Assembly Bill
42 No. 489 of this Legislative Session affecting the amount of ad
43 valorem taxes to be received by each school district.

44 5. On or before October 15, 2005, the Superintendent of Public
45 Instruction shall recalculate the ad valorem adjustment and the basic



support guarantee amount for each school district for the 2005-2006 Fiscal Year based on the certified total of ad valorem taxes provided by the Director of the Department of Taxation pursuant to subsection 4. The basic support guarantee amounts so recalculated for Fiscal Year 2005-2006 shall be used for the apportionments pursuant to NRS 387.124 due on or after November 1, 2005.

6. The ad valorem adjustment used in the recalculation required under subsection 5 shall provide for any shortfall between the June 6, 2005, ad valorem estimate for the 2005-2006 Fiscal Year of \$570,732,190 and the certified total provided pursuant to subsection 4.

Sec. 2. 1. Except as otherwise provided in subsections 5 and 6, the basic support guarantee for school districts for operating purposes for the 2006-2007 Fiscal Year is an estimated weighted average of \$4,696 per pupil.

2. On or before April 1, 2006, the Director of the Department of Taxation shall provide to the Superintendent of Public Instruction the certified total of the amount of ad valorem taxes to be received by each school district for Fiscal Year 2006-2007 pursuant to the levy imposed under subsection 1 of NRS 387.195 and credited to the county's school district fund pursuant to subsection 4 of NRS 387.195. In determining the certified total, the Director of the Department of Taxation shall take into account all relevant information including, without limitation, the assessed valuation of each parcel and taxing district and any partial abatements appertaining to the parcels in the district pursuant to Assembly Bill No. 489 of this Legislative Session affecting the amount of ad valorem taxes to be received by each school 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 the statements required of mine operators.

4. For purposes of establishing the basic support guarantee, the estimated basic support guarantees per pupil for each school district for the 2006-2007 Fiscal Year for operating purposes are:

	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
<u>School District</u>			
Carson City	\$4,566	\$776	\$5,342
Churchill	\$5,226	\$639	\$5,865
Clark	\$3,513	\$994	\$4,507
Douglas	\$2,997	\$1,738	\$4,735



1	Elko	\$5,364	\$516	\$5,880
2	Esmeralda	\$6,918	\$3,337	\$10,255
3	Eureka	\$881	\$8,457	\$9,338
4	Humboldt	\$5,190	\$760	\$5,950
5	Lander	\$3,585	\$1,620	\$5,205
6	Lincoln	\$8,266	\$559	\$8,825
7	Lyon	\$5,352	\$684	\$6,036
8	Mineral	\$5,069	\$1,049	\$6,118
9	Nye	\$5,229	\$883	\$6,112
10	Pershing	\$6,046	\$1,077	\$7,123
11	Storey	\$5,318	\$2,250	\$7,568
12	Washoe	\$3,728	\$909	\$4,637
13	White Pine	\$6,314	\$484	\$6,798

14

15 5. Upon receipt of the certified total of ad valorem taxes to be
16 received by each school district for Fiscal Year 2006-2007 pursuant
17 to subsection 2, the Superintendent of Public Instruction shall
18 recalculate the ad valorem adjustment and the tentative basic
19 support guarantee for operating purposes for each school district for
20 the 2006-2007 Fiscal Year based on the certified total of ad valorem
21 taxes provided by the Director of the Department of Taxation
22 pursuant to subsection 2. The final basic support guarantee for each
23 school district for the 2006-2007 Fiscal Year is the amount, which is
24 recalculated for the 2006-2007 Fiscal Year pursuant to this section,
25 taking into consideration estimates of net proceeds of minerals
26 received from the Department of Taxation on or before April, 25,
27 2006. The basic support guarantee recalculated pursuant to this
28 section must be calculated before May 31, 2006.

29 6. The ad valorem adjustment used in the recalculation
30 required under subsection 5 shall provide for any shortfall between
31 the June 6, 2005, ad valorem estimate for the 2006-2007 Fiscal Year
32 of \$614,597,171 and the certified total provided pursuant to
33 subsection 2.

34 **Sec. 3.** 1. The basic support guarantee for each special
35 education program unit that is maintained and operated for at least 9
36 months of a school year is \$34,433 in the 2005-2006 Fiscal Year
37 and \$35,122 in the 2006-2007 Fiscal Year, except as limited by
38 subsection 2.

39 2. The maximum number of units and amount of basic support
40 for special education program units within each of the school
41 districts, before any reallocation pursuant to NRS 387.1221, for the
42 Fiscal Years 2005-2006 and 2006-2007 are:



<u>Allocation of Special Education Units</u>				
		2005-2006		2006-2007
<u>DISTRICT</u>	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
Carson City	82	\$2,823,506	82	\$2,880,004
Churchill County	48	\$1,652,784	48	\$1,685,856
Clark County	1,760	\$60,602,080	1,855	\$65,151,310
Douglas County	67	\$2,307,011	68	\$2,388,296
Elko County	81	\$2,789,073	81	\$2,844,882
Esmeralda County	1	\$34,433	1	\$35,122
Eureka County	3	\$103,299	3	\$105,366
Humboldt County	30	\$1,032,990	30	\$1,053,660
Lander County	13	\$447,629	13	\$456,586
Lincoln County	17	\$585,361	17	\$597,074
Lyon County	59	\$2,031,547	60	\$2,107,320
Mineral County	12	\$413,196	12	\$421,464
Nye County	54	\$1,859,382	56	\$1,966,832
Pershing County	15	\$516,495	16	\$561,952
Storey County	8	\$275,464	8	\$280,976
Washoe County	530	\$18,249,490	548	\$19,246,856
White Pine County	15	\$516,495	15	\$526,830
Subtotal	2,795	\$96,240,235	2,913	\$102,310,386
Reserved by State				
Board of Education	40	\$1,377,320	40	\$1,404,880
TOTAL	2,835	\$97,617,555	2,953	\$103,715,266

3. The State Board of Education shall reserve 40 special education program units in each fiscal year of the 2005-2007 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 be 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 \$203,808 in the Fiscal Year 2005-2006 for 5.92 special education program units and \$216,132 in the Fiscal Year 2006-2007 for 6.15 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 2005-2007 biennium, the Department will award the units for gifted



1 and talented pupils based on a review of applications received from
2 school districts.

3 **Sec. 4.** 1. There is hereby appropriated from the State
4 General Fund to the State Distributive School Account in the State
5 General Fund created pursuant to NRS 387.030:

6 For the 2005-2006 Fiscal Year..... \$724,135,261

7 For the 2006-2007 Fiscal Year..... \$825,642,294

8 2. The money appropriated by subsection 1 must be:

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

12 (b) Work-programmed for the 2 separate Fiscal Years 2005-
13 2006 and 2006-2007, as required by NRS 353.215. Work programs
14 may be revised with the approval of the Governor upon the
15 recommendation of the Chief of the Budget Division of the
16 Department of Administration.

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

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

25 5. Any remaining balance of the appropriation made by
26 subsection 1 for the 2005-2006 Fiscal Year must be transferred and
27 added to the money appropriated for the 2006-2007 Fiscal Year and
28 may be expended as that money is expended.

29 6. Any remaining balance of the appropriation made by
30 subsection 1 for the 2006-2007 Fiscal Year, including any money
31 added thereto pursuant to the provisions of subsections 3 and 5,
32 must not be committed for expenditure after June 30, 2007, and
33 must be reverted to the State General Fund on or before
34 September 21, 2007.

35 **Sec. 5.** 1. Expenditure of \$132,567,820 by the Department of
36 Education from money in the State Distributive School Account that
37 was not appropriated from the State General Fund is hereby
38 authorized during the fiscal year beginning July 1, 2005.

39 2. Expenditure of \$137,324,114 by the Department of
40 Education from money in the State Distributive School Account that
41 was not appropriated from the State General Fund is hereby
42 authorized during the fiscal year beginning July 1, 2006.

43 3. For purposes of accounting and reporting, the sums
44 authorized for expenditure by subsections 1 and 2 are considered to



1 be expended before any appropriation is made to the State
2 Distributive School Account from the State General Fund.

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

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

21 **Sec. 6.** During each of the Fiscal Years 2005-2006 and 2006-
22 2007, whenever the State Controller finds that current claims against
23 the State Distributive School Account in the State General Fund
24 exceed the amount available in the Account to pay those claims, he
25 may advance temporarily from the State General Fund to the State
26 Distributive School Account the amount required to pay the claims,
27 but not more than the amount expected to be received in the current
28 fiscal year from any source authorized for the State Distributive
29 School Account. No amount may be transferred unless requested by
30 the Chief of the Budget Division of the Department of
31 Administration.

32 **Sec. 7.** The Department of Education is hereby authorized to
33 spend from the State Distributive School Account the sums of
34 \$18,435,662 for the 2005-2006 Fiscal Year and \$21,484,388 for the
35 2006-2007 Fiscal Year for the support of courses which are
36 approved by the Department of Education as meeting the course of
37 study for an adult standard high school diploma as approved by the
38 State Board of Education. In each fiscal year of the 2005-2007
39 biennium, the sum authorized must be allocated among the various
40 school districts in accordance with a plan or formula developed by
41 the Department of Education to ensure that the money is distributed
42 equitably and in a manner that permits accounting for the
43 expenditures of school districts.

44 **Sec. 8.** The Department of Education is hereby authorized to
45 provide from the State Distributive School Account the sum of



1 \$50,000 to each of the 17 school districts in each fiscal year of the
2 2005-2007 biennium to support special counseling services for
3 elementary school pupils at risk of failure.

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

7 **Sec. 10.** 1. The Department of Education shall transfer from
8 the State Distributive School Account to the school districts
9 specified in this section the following sums for Fiscal Years 2005-
10 2006 and 2006-2007:

<u>School District</u>	<u>2005-2006</u>	<u>2006-2007</u>
Clark County School District	\$5,200,095	\$5,304,097
Douglas County School District	\$1,630,772	\$1,659,976
Elko County School District	\$1,321,114	\$1,296,536
Washoe County School District	\$1,980,440	\$2,049,755
TOTAL:	\$10,132,421	\$10,310,364

11
12
13
14
15
16
17
18
19 2. A school district that receives an allocation pursuant to
20 subsection 1 shall serve as fiscal agent for the respective regional
21 training program for the professional development of teachers and
22 administrators. As fiscal agent, each school district is responsible for
23 payment, collection and holding of all money received from this
24 State for the maintenance and support of the regional training
25 program and Nevada Early Literacy Intervention Program
26 established and operated by the applicable governing body.

27 3. The Elko County School District is authorized to expend up
28 to \$55,896 of the appropriation for Fiscal Year 2005-2006 to
29 purchase not more than four vehicles for the operation of the
30 Northeastern Nevada Regional Training Program.

31 4. Any remaining balance of the transfers made by subsection
32 1 for the 2005-2006 Fiscal Year must be added to the money
33 received by the school districts for the 2006-2007 Fiscal Year and
34 may be expended as that money is expended. Any remaining
35 balance of the transfers made by subsection 1 for the 2006-2007
36 Fiscal Year, including any money added from the transfer for the
37 previous fiscal year, must not be committed for expenditure after
38 June 30, 2007, and must be reverted to the State Distributive School
39 Account on or before September 21, 2007.

40 **Sec. 11.** 1. The Legislative Bureau of Educational
41 Accountability and Program Evaluation is hereby authorized to
42 receive from the State Distributive School Account to spend for an
43 evaluation of the regional training programs for the professional
44 development of teachers and administrators established pursuant to
45 NRS 391.512:



1 For the Fiscal Year 2005-2006..... \$100,000
2 For the Fiscal Year 2006-2007..... \$100,000

3 2. Any remaining balance of the sums authorized for
4 expenditure by subsection 1 for the 2005-2006 Fiscal Year must be
5 added to the money authorized for expenditure for the 2006-2007
6 Fiscal Year and may be expended as that money is expended. Any
7 remaining balance of the sums authorized for expenditure pursuant
8 to subsection 1 for the 2006-2007 Fiscal Year, including any money
9 added from the authorization for the previous fiscal year, must not
10 be committed for expenditure after June 30, 2007, and must be
11 reverted to the State Distributive School Account on or before
12 September 21, 2007.

13 **Sec. 12.** 1. The Department of Education shall transfer from
14 the State Distributive School Account to the Statewide Council for
15 the Coordination of the Regional Training Programs created by NRS
16 391.516 the sum of \$100,000 in each Fiscal Year 2005-2006 and
17 2006-2007 for additional training opportunities for educational
18 administrators in Nevada.

19 2. The Statewide Council shall use the money:

20 (a) To disseminate research-based knowledge related to
21 effective educational leadership behaviors and skills.

22 (b) To develop, support and maintain on-going activities,
23 programs, training and networking opportunities.

24 (c) For purposes of providing additional training for educational
25 administrators, including, without limitation, to pay:

26 (1) Travel expenses of administrators who attend the training
27 program;

28 (2) Travel and per-diem expenses for any consultants
29 contracted to provide additional training; and

30 (3) Any charges to obtain a conference room for the
31 provision of the additional training.

32 (d) To supplement and not replace the money that the school
33 district or the regional training program would otherwise expend for
34 the training of administrators as described in this section.

35 3. Any remaining balance of the transfers made by subsection
36 1 for the 2005-2006 Fiscal Year must be added to the money
37 received by the Statewide Council for the 2006-2007 Fiscal Year
38 and may be expended as that money is expended. Any remaining
39 balance of the transfers made by subsection 1 for the 2006-2007
40 Fiscal Year, including any money added from the transfer for the
41 previous fiscal year, must not be committed for expenditure after
42 June 30, 2007, and must be reverted to the State Distributive School
43 Account on or before September 21, 2007.



Sec. 13. 1. The Department of Education shall transfer from the State Distributive School Account the following sums for remedial education programs for certain schools:

For the Fiscal Year 2005-2006..... \$6,818,788

For the Fiscal Year 2006-2007..... \$7,089,336

2. The sums transferred by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2007, and must be reverted to the State Distributive School Account on or before September 21, 2007.

Sec. 14. 1. The Department of Education shall transfer from the State Distributive School Account the following sums for early childhood education:

For the Fiscal Year 2005-2006..... \$3,032,172

For the Fiscal Year 2006-2007..... \$3,152,479

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 the longitudinal 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 prekindergarten educational programs that meet the criteria set forth in the publication of the Department of Education, entitled "August 2000 Public Support for Prekindergarten 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 educational programs, as described in this section.

(c) Use the money to pay for the salaries and other items directly related to the instruction of pupils in the classroom.



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

➡ The money must not be used to remodel classrooms or facilities or for playground equipment.

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. In developing the indicators, the Department shall establish minimum performance levels and increase the expected performance rates on a yearly basis, based upon the performance results of the participants. The indicators must include, without limitation:

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

(b) Longitudinal 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 (d) 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 for each year that the program received funding from the State for early childhood programs; and

(2) The average per child expenditure for the program for each year the program received funding from the State for early childhood educational programs;

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



(1) A longitudinal comparison 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;

(e) Based upon the performance of children in the program on established performance and outcome indicators, a description of revised performance and outcome indicators, including any revised minimum performance levels and performance rates; and

(f) Any recommendations for legislation.

8. The sums transferred by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2007, and must be reverted to the State Distributive School Account on or before September 21, 2007.

Sec. 15. 1. The Department of Education shall transfer from the State Distributive School Account the following sums to purchase one-fifth of a year of service for certain teachers in accordance with subparagraph (1) of paragraph (d) of subsection 1 of NRS 391.165:

For the Fiscal Year 2005-2006..... \$16,138,996

For the Fiscal Year 2006-2007..... \$18,433,608

2. The Department of Education shall distribute the money appropriated by subsection 1 to the school districts to assist the school districts with paying for the retirement credit for certain teachers in accordance with subparagraph (1) of paragraph (d) of subsection 1 of NRS 391.165. The amount of money distributed to each school district must be proportionate to the total costs of paying for the retirement credit pursuant to subparagraph (1) of paragraph (d) of subsection 1 of NRS 391.165 for each fiscal year. If insufficient money is available from the appropriation to pay the total costs necessary to pay the retirement credit for each fiscal year, the school district shall pay the difference to comply with NRS 391.165.

3. The sums transferred by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2007, and must be reverted to the State Distributive School Account on or before September 21, 2007.

Sec. 16. 1. The Department of Education shall transfer from the State Distributive School Account the following sums to purchase one-fifth of a year of service for certain licensed educational personnel in accordance with subparagraphs (2) and (3) of paragraph (d) of subsection 1 of NRS 391.165:

For the Fiscal Year 2005-2006..... \$9,369,907

For the Fiscal Year 2006-2007..... \$9,763,443



2. The Department of Education shall distribute the money appropriated by subsection 1 to the school districts to assist the school districts with paying for the retirement credit for certain licensed educational personnel in accordance with subparagraphs (2) and (3) of paragraph (d) of subsection 1 of NRS 391.165. The amount of money distributed to each school district must be proportionate to the total costs of paying for the retirement credit pursuant to subparagraphs (2) and (3) of paragraph (d) of subsection 1 of NRS 391.165 for each fiscal year. If insufficient money is available to pay the total costs necessary to pay the retirement credit for each fiscal year, the school district shall pay the difference to comply with NRS 391.165.

3. The sums transferred by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2007, and must be reverted to the State Distributive School Account on or before September 21, 2007.

Sec. 17. Of the amounts included in the basic support guarantee amounts enumerated in sections 1 and 2 of this act, \$88,274,315 for Fiscal Year 2005-2006 and \$93,423,414 for Fiscal Year 2006-2007 must be expended for the purchase of textbooks, instructional supplies and instructional hardware as prescribed in section NRS 387.206.

Sec. 18. The sums appropriated or authorized in sections 10 to 16, 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 2005-2006 school year..... \$81,663

For the 2006-2007 school year..... \$81,663

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 any pupil to a school outside the school district in which his residence is located.

Sec. 20. NRS 387.1235 is hereby amended to read as follows:

387.1235 1. Except as otherwise provided in subsection 2, local funds available are the sum of:



(a) The amount ~~[computed by multiplying 0.0025 times the assessed valuation]~~ of *one-third of the tax collected pursuant to subsection 1 of NRS 387.195 for* the school district as certified by the Department of Taxation for the concurrent school year; and

(b) The proceeds of the local school support tax imposed by chapter 374 of NRS, excluding any amounts required to be remitted pursuant to NRS 360.850. The Department of Taxation shall furnish an estimate of these proceeds to the Superintendent of Public Instruction on or before July 15 for the fiscal year then begun, and the Superintendent shall adjust the final apportionment of the current school year to reflect any difference between the estimate and actual receipts.

2. The amount computed under subsection 1 that is attributable to any assessed valuation attributable to the net proceeds of minerals must be held in reserve and may not be considered as local funds available until the succeeding fiscal year.

Sec. 21. 1. The Department of Education shall transfer from the State Distributive School Account the following sums for providing health insurance subsidies to retired school district employees pursuant to paragraph (b) of subsection 4 of NRS 287.023.

For the Fiscal Year 2005-2006..... \$8,391,659

For the Fiscal Year 2006-2007..... \$9,171,421

2. The Department of Education shall, from the money transferred pursuant to subsection 1, make an allocation to each school district in the proportion of its obligation to the total obligation for all school districts.

Sec. 22. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$4,000,000 to provide allocations to school districts that incur unexpected expenses related to providing health insurance for their employees during the 2005-2007 biennium. No additional appropriation will be made for this purpose. The money appropriated pursuant to this subsection must not be used to negotiate the salaries of educational personnel.

2. The State Board of Examiners shall adopt policies, procedures and criteria for the review of requests for allocations pursuant to this section. Upon the adoption of such policies, procedures and criteria, the State Board of Examiners shall transmit a copy of the policies, procedures and criteria to the Interim Finance Committee for approval. Upon approval of the policies, procedures and criteria, the Interim Finance Committee shall transmit a copy of the policies, procedures and criteria to the Department of Education. The policies, procedures and criteria adopted by the State Board of



1 Examiners may not be used until they are approved by the Interim
2 Finance Committee.

3 3. If a school district finds that it has unexpected expenses
4 related to providing health insurance to its employees during the
5 2005-2007 biennium, the school district may submit a request to the
6 Department of Education for an allocation from the appropriation
7 made by subsection 1.

8 4. The Department of Education, the Budget Division of the
9 Department of Administration and the Fiscal Analysis Division of
10 the Legislative Counsel Bureau shall jointly review a request
11 submitted pursuant to subsection 3, using the policies, procedures
12 and criteria approved by the Interim Finance Committee pursuant to
13 subsection 2. Upon completion of the review, a recommendation for
14 or against an allocation to the requesting school district must be
15 submitted by the Department of Education to the State Board of
16 Examiners.

17 5. The State Board of Examiners shall consider each request
18 and recommend the amount of the allocation, if any, to the Interim
19 Finance Committee.

20 6. The Interim Finance Committee is not required to approve
21 the entire amount of an allocation recommended pursuant to
22 subsection 5 or to allocate the entire amount appropriated by
23 subsection 1.

24 7. Any remaining balance of the sum appropriated by
25 subsection 1 must not be allocated by the Interim Finance
26 Committee after June 30, 2007, and must be reverted to the State
27 General Fund on or before September 21, 2007.

28 **Sec. 23.** Each school district shall expend the revenue made
29 available through this act, as well as other revenue from state, local
30 and federal sources, in a manner that is consistent with NRS
31 288.150 and that is designed to attain the goals of the Legislature
32 regarding educational reform in this State, especially with regard to
33 assisting pupils in need of remediation and pupils who are not
34 proficient in the English language. Materials and supplies for
35 classrooms are subject to negotiation by employers with recognized
36 employee organizations.

37 **Sec. 24.** This act becomes effective on July 1, 2005.



