

CHAPTER.....

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:

<u>School District</u>	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
Carson City	\$4,419	\$718	\$5,137
Churchill	\$5,079	\$572	\$5,651
Clark	\$3,343	\$960	\$4,303
Douglas	\$3,017	\$1,588	\$4,605
Elko	\$5,089	\$516	\$5,605
Esmeralda	\$6,450	\$3,278	\$9,728
Eureka	(\$3,204)	\$10,116	\$6,912
Humboldt	\$4,876	\$772	\$5,648
Lander	\$3,491	\$1,520	\$5,011
Lincoln	\$7,870	\$555	\$8,425
Lyon	\$5,168	\$631	\$5,799
Mineral	\$5,393	\$732	\$6,125
Nye	\$4,929	\$882	\$5,811
Pershing	\$5,792	\$1,027	\$6,819
Storey	\$5,263	\$2,066	\$7,329
Washoe	\$3,505	\$900	\$4,405
White Pine	\$6,056	\$456	\$6,512

3. For purposes of the 2005-2006 Fiscal Year apportionment due August 1, 2005, in accordance with NRS 387.124, the Superintendent of Public Instruction shall determine the amount to be apportioned to each school district based on the Basic Support

Guarantee as Adjusted set forth in subsection 2. For purposes of subsequent Fiscal Year 2005-2006 apportionments pursuant to NRS 387.124, the Superintendent of Public Instruction shall recalculate the basic support guarantee for each school district pursuant to subsections 5 and 6 and shall adjust the subsequent Fiscal Year 2005-2006 apportionments accordingly, so that the total apportionments for the 2005-2006 Fiscal Year are based on the basic support guarantee for each school district as recalculated pursuant to subsections 5 and 6.

4. On or before October 1, 2005, the Director of the Department of Taxation shall provide to the Superintendent of Public Instruction the certified total of that portion of the tax bills sent to all owners and mortgage holders pursuant to subsection 3 of NRS 361.480 representing the amount of ad valorem taxes to be received by each school district for Fiscal Year 2005-2006 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.

5. On or before October 15, 2005, the Superintendent of Public 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:

<u>School District</u>	<u>Basic Support Guarantee Before Adjustment</u>	<u>Estimated Ad Valorem Adjustment</u>	<u>Estimated Basic Support Guarantee as Adjusted</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
Elko	\$5,364	\$516	\$5,880
Esmeralda	\$6,918	\$3,337	\$10,255
Eureka	\$881	\$8,457	\$9,338
Humboldt	\$5,190	\$760	\$5,950
Lander	\$3,585	\$1,620	\$5,205
Lincoln	\$8,266	\$559	\$8,825
Lyon	\$5,352	\$684	\$6,036
Mineral	\$5,069	\$1,049	\$6,118
Nye	\$5,229	\$883	\$6,112
Pershing	\$6,046	\$1,077	\$7,123
Storey	\$5,318	\$2,250	\$7,568
Washoe	\$3,728	\$909	\$4,637
White Pine	\$6,314	\$484	\$6,798

5. Upon receipt of the certified total of ad valorem taxes to be received by each school district for Fiscal Year 2006-2007 pursuant to subsection 2, the Superintendent of Public Instruction shall recalculate the ad valorem adjustment and the tentative basic support guarantee for operating purposes for each school district for the 2006-2007 Fiscal Year based on the certified total of ad valorem taxes provided by the Director of the Department of Taxation

pursuant to subsection 2. The final basic support guarantee for each school district for the 2006-2007 Fiscal Year is the amount, which is recalculated for the 2006-2007 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, 2006. The basic support guarantee recalculated pursuant to this section must be calculated before May 31, 2006.

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 2006-2007 Fiscal Year of \$614,597,171 and the certified total provided pursuant to subsection 2.

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 \$34,433 in the 2005-2006 Fiscal Year and \$35,122 in the 2006-2007 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 2005-2006 and 2006-2007 are:

<u>Allocation of Special Education Units</u>				
<u>DISTRICT</u>	<u>2005-2006</u>		<u>2006-2007</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 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 2005-2006 Fiscal Year.....	\$724,135,261
For the 2006-2007 Fiscal Year.....	\$825,642,294

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 2005-2006 and 2006-2007, 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 allotments from 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 and 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 2005-2006 Fiscal Year must be transferred and

added to the money appropriated for the 2006-2007 Fiscal Year and may be expended as that money is expended.

6. Any remaining balance of the appropriation made by subsection 1 for the 2006-2007 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, 2007, and must be reverted to the State General Fund on or before September 21, 2007.

Sec. 5. 1. Expenditure of \$132,567,820 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, 2005.

2. Expenditure of \$137,324,114 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, 2006.

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 allotments from 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 2005-2006 and 2006-2007, 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 \$18,435,662 for the 2005-2006 Fiscal Year and \$21,484,388 for the 2006-2007 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 2005-2007 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 that 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 2005-2007 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 2005-2006 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

2. A school district that receives an allocation pursuant to subsection 1 shall serve as fiscal agent for the respective regional training program for the professional development of teachers and administrators. As fiscal agent, each school district is responsible for payment, collection and holding of all money received from this State for the maintenance and support of the regional training program and Nevada Early Literacy Intervention Program established and operated by the applicable governing body.

3. The Elko County School District is authorized to expend up to \$55,896 of the appropriation for Fiscal Year 2005-2006 to

purchase not more than four vehicles for the operation of the Northeastern Nevada Regional Training Program.

4. Any remaining balance of the transfers made by subsection 1 for the 2005-2006 Fiscal Year must be added to the money received by the school districts for the 2006-2007 Fiscal Year and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 1 for the 2006-2007 Fiscal Year, including any money added from the transfer for the previous fiscal year, 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. 11. 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 regional training programs for the professional development of teachers and administrators established pursuant to NRS 391.512:

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

2. Any remaining balance of the sums authorized for expenditure by subsection 1 for the 2005-2006 Fiscal Year must be added to the money authorized for expenditure for the 2006-2007 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 2006-2007 Fiscal Year, including any money added from the authorization for the previous fiscal year, 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. 12. 1. The Department of Education shall transfer from the State Distributive School Account to the Statewide Council for the Coordination of the Regional Training Programs created by NRS 391.516 the sum of \$100,000 in each Fiscal Year 2005-2006 and 2006-2007 for additional training opportunities for educational administrators in Nevada.

2. The Statewide Council shall use the money:

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

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

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

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

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

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

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

3. Any remaining balance of the transfers made by subsection 1 for the 2005-2006 Fiscal Year must be added to the money received by the Statewide Council for the 2006-2007 Fiscal Year and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 1 for the 2006-2007 Fiscal Year, including any money added from the transfer for the previous fiscal year, 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. 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 Examiners may not be used until they are approved by the Interim Finance Committee.

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

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

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

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

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

Sec. 23. 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 consistent with NRS 288.150 and 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. Materials and supplies for

classrooms are subject to negotiation by employers with recognized employee organizations.

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

