

SENATE BILL NO. 416—SENATOR LEE

MARCH 19, 2007

Referred to Committee on Finance

SUMMARY—Creates the Fund to Stabilize the Operation of Public Schools. (BDR 34-1304)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 education; creating the Fund to Stabilize the Operation of Public Schools; prescribing the circumstances under which money in the Fund may be appropriated and allocated to the school districts and charter schools; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 This bill creates the Fund to Stabilize the Operation of Public Schools as a
2 special revenue fund. Twenty percent of the surplus in the State Distributive School
3 Account must be deposited in the Fund to Stabilize the Operation of Public
4 Schools. Money in the Fund to Stabilize the Operation of Public Schools must be
5 used only for the support of the county school districts and charter schools in this
6 State under prescribed circumstances.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 387 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 6, inclusive, of this
3 act.

- 4 **Sec. 2.** *As used in sections 2 to 6, inclusive, of this act, unless*
5 *the context otherwise requires, the words and terms defined in*
6 *sections 3 and 4 of this act have the meanings ascribed to them in*
7 *those sections.*

- 8 **Sec. 3.** *“Fund” means the Fund to Stabilize the Operation of*
9 *Public Schools created by section 5 of this act.*



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1 **Sec. 4.** *"Surplus" means any unexpended balance of the*
2 *appropriations made from the State General Fund to the State*
3 *Distributive School Account or any unexpended balance of the*
4 *authorized expenditures from the State Distributive School*
5 *Account that would otherwise revert by operation of law to the*
6 *State General Fund after the end of the biennium for which the*
7 *appropriations are made or the expenditures are authorized.*

8 **Sec. 5.** 1. *The Fund to Stabilize the Operation of Public*
9 *Schools is hereby created as a special revenue fund. Except as*
10 *otherwise provided in subsection 2, the State Controller shall, on*
11 *or before September 15 of each odd-numbered year, deposit to the*
12 *credit of the Fund 20 percent of the surplus in the State*
13 *Distributive School Account.*

14 2. *The balance in the Fund must not exceed 20 percent of the*
15 *total amount of the appropriations and authorized expenditures*
16 *from the State General Fund for the system of public education*
17 *for the fiscal year in which the surplus is deposited in the Fund.*

18 3. *Except as otherwise provided in section 6 of this act,*
19 *money in the Fund may be appropriated only for the support of*
20 *the county school districts and charter schools in this State and*
21 *only:*

22 (a) *If the total actual revenue of the State falls short by 5*
23 *percent or more of the total anticipated revenue for the biennium*
24 *in which the appropriation is made;*

25 (b) *If the total actual revenue of the county school districts and*
26 *charter schools from sources other than apportionments made*
27 *pursuant to NRS 387.124 falls short by 5 percent or more of their*
28 *total anticipated revenue for the biennium in which the*
29 *appropriation is made; or*

30 (c) *If the Legislature and the Governor declare that a fiscal*
31 *emergency exists.*

32 **Sec. 6.** 1. *The board of trustees of a school district or the*
33 *governing body of a charter school may apply, on a form*
34 *prescribed by the Superintendent of Public Instruction, for an*
35 *allocation from the Fund to pay the costs of maintaining school*
36 *buildings or other property of the school district or charter school.*
37 *The application must be submitted to the State Board. An*
38 *application may be submitted regardless of whether a fiscal*
39 *emergency has been declared pursuant to section 5 of this act.*

40 2. *The total amount of the allocations that may be made*
41 *pursuant to this section in a fiscal year must not exceed 20 percent*
42 *of the balance in the Fund.*

43 3. *The State Board shall consider each request submitted and*
44 *may require additional information from the applicant as the State*
45 *Board determines appropriate for consideration of the application.*



1 ***4. If the State Board determines that an allocation should be***
2 ***made from the Fund, the State Board shall forward the***
3 ***application and the amount recommended for the allocation to***
4 ***the Interim Finance Committee for evaluation and action by the***
5 ***Interim Finance Committee.***

6 ***5. If the Interim Finance Committee determines, after its***
7 ***evaluation, that an allocation should be made, the Committee***
8 ***shall:***

9 ***(a) By resolution, set forth the amount of the allocation and***
10 ***the purpose of the allocation; and***

11 ***(b) Direct the State Controller to transfer the amount of the***
12 ***allocation to the appropriate fund or account of the school district***
13 ***or charter school.***

14 ***6. The State Controller shall comply with the direction of the***
15 ***Interim Finance Committee pursuant to subsection 5.***

16 **Sec. 7.** NRS 387.030 is hereby amended to read as follows:

17 387.030 **1.** All money derived from interest on the State
18 Permanent School Fund, together with all money derived from other
19 sources provided by law, must:

20 ~~1-1~~ **(a)** Be placed in the State Distributive School Account
21 which is hereby created in the State General Fund; and

22 ~~1-2~~ **(b)** Except as otherwise provided in NRS 387.528, be
23 apportioned among the several school districts and charter schools
24 of this State at the times and in the manner provided by law.

25 ***2. Twenty percent of the surplus in the State Distributive***
26 ***School Account does not revert to the State General Fund and***
27 ***must be deposited in the Fund to Stabilize the Operation of Public***
28 ***Schools in accordance with section 5 of this act. As used in this***
29 ***subsection, "surplus" has the meaning ascribed to it in section 4***
30 ***of this act.***

31 **Sec. 8.** This act becomes effective on July 1, 2009.

