Amendment No. 1097

Assembly	y Amendment	to Assembly Bill No. 565 Fi	irst Reprint (1	BDR 34-1371)			
Proposed by: Assembly Committee on Ways and Means							
Amends:	Summary: No	Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes					

Adoption of this amendment will REMOVE all appropriations from A.B. 565.

ASSEMBLY	ACTI	ION	Initial and Date	SENATE ACTIO	N Initial and Date
Adopted		Lost		Adopted	Lost
Concurred In		Not		Concurred In	Not
Receded		Not	1	Receded	Not

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) red strikethrough is deleted language in the original bill; (4) purple double strikethrough is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) green bold is newly added transitory language.

KCR Date: 6/1/2007

A.B. No. 565—Revises provisions governing educational finance. (BDR 34-1371)

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ASSEMBLY BILL No. 565-COMMITTEE ON EDUCATION

MARCH 26, 2007

Referred to Concurrent Committees on Education and Ways and Means

SUMMARY—Revises provisions governing educational finance. (BDR 34-1371)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Contains Appropriation not included in

Executive Budget.

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

AN ACT relating to education; [revising provisions governing the required minimum expenditures of school districts for certain items;] revising the requirements for the biennial budgetary request for the State Distributive School Account; creating the Grant Fund for Incentives for Licensed Educational Personnel; [making appropriations;] repealing the provision requiring the purchase of retirement service for certain teachers and school psychologists; providing for the transfer of certain money to the Grant Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Estiming law requires each school district to cipend a required minimum amount of money each fiscal year, as determined by the Department of Education, for textbooks, instructional supplies and instructional hardware. (NRS 387.206) Section 1 of this bill addalibrary books, software for computers and equipment relating to instruction to the list of required annual expenditures.]

Existing law requires the board of trustees of each school district to submit to the Superintendent of Public Instruction and to the Department of Taxation a written report of the annual budget of the school district. The Superintendent of Public Instruction is required to compile the reports of the annual budgets and submit the written compilation to the Department of Administration and to the Fiscal Analysis Division of the Legislative Counsel Bureau. (NRS 387.303) Section 3 of this bill requires the Superintendent of Public Instruction to include certain information in the biennial budget request for the State Distributive School Account for submission to the Department of Administration based upon the annual budgets submitted by the school districts.

Section 4 of this bill creates the Grant Fund for Incentives for Licensed Educational Personnel and requires the board of trustees of each school district to establish a program of incentive pay for licensed educational personnel.

Under existing law, the board of trustees of each school district that employs a speech pathologist who is licensed and certified by certain boards and associations is required to add 5 percent to the salary of the speech pathologist. (NRS 391.160) Section 5 of this bill makes an appropriation to assist the school districts with paying the 5 percent increase.

Section 6 of this bill makes an appropriation for distribution as grants to school districts that establish a pilot program for programs of alternative education for disruptive pupils.]

Under existing law, the board of trustees of a school district is required to purchase one-fifth of a year of retirement service for certain teachers and school psychologists. (NRS 391.165) Section 8 of this bill repeals that section of NRS. Section 9 of this bill authorizes teachers and school psychologists who are currently receiving the retirement service to elect to continue in that program for a certain period. Section 10 of this bill provides that certain money specifically designated by the Legislature from the State Distributive School Account for the 2007-2009 biennium to assist the school districts with the purchase of retirement service must be transferred to the Grant Fund for Incentives for Licensed Educational Personnel.

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

Section 1. [NRS 387.206 is hereby amended to read as follows:

- 387.206 1. On or before July 1 of each year, the Department, in consultation with the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, shall develop or revise, as applicable, a formula for determining the minimum amount of money that each school district is required to expend each fiscal year for textbooks, instructional supplies , [and] instructional hardware [.], library books, software for computers and equipment relating to instruction, including, without limitation, equipment for telecommunications. The formula must be used only to develop expenditure requirements and must not be used to alter the [distribution of money for] basic support [to school districts.] amount per pupil established by the Legislature for a fiscal year.
- 2. Upon approval of the formula pursuant to subsection 1, the Department shall provide written notice to each school district within the first [30] 10 days of each fiscal year that sets forth the required minimum combined amount of money that the school district must expend for [textbooks, instructional supplies and instructional hardware for] the purposes set forth in subsection 1 in that fiscal year.
- 3. On or before January 1 of each year, the Department shall determine whether each school district has expended, during the immediately preceding fiscal year, the required minimum amount of money set forth in the notice provided pursuant to subsection 2. In making this determination, the Department shall use the report submitted by the school district pursuant to NRS 387.303.
- 4. Except as otherwise provided in subsection 5, if the Department determines that a school district has not expended the required minimum amount of money set forth in the notice provided pursuant to subsection 2, a reduction must be made from the basic support allocation otherwise payable to that school district in an amount that is equal to the difference between the actual combined expenditure for textbooks, instructional supplies, [and] instructional hardware, library books, software for computers and equipment relating to instruction, including, without limitation, equipment for telecommunications and the minimum required combined expenditure set forth in the notice provided pursuant to subsection:

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- (a) Does not reduce the amount that the school district is required to expend on textbooks, instructional supplies, [and] instructional hardware, library books, software for computers and equipment relating to instruction, including, without limitation, equipment for telecommunications in the current fiscal year; and
- (b) Must not exceed the amount of basic support that was provided to the school district for the fiscal year in which the minimum expenditure amount was not satisfied.
- 5. If the actual enrollment of pupils in a school district is less than the enrollment included in the projections used in the school district's biennial budget submitted pursuant to NRS 387.303, the required expenditure for textbooks, instructional supplies, [and] instructional hardware, library books, software for computers and equipment relating to instruction, including, without limitation, equipment for telecommunications pursuant to this section must be reduced proportionately.
- 6. As used in this section, "library books" includes, without limitation, instructional materials for libraries.] (Deleted by amendment.)
- Sec. 2. [NRS 387.207 is hereby amended to read as follows: 387.207 1. [Except as otherwise provided in this section, in each school year a school district shall spend for library books and software for computers an amount of money, expressed as an amount per pupil, that is at least equal to the average of the total amount of money that was expended per year by the school district for those items in the immediately preceding 3 years.
- 2. Except as otherwise provided in this section, in each school year a school district shall spend for the purchase of equipment relating to instruction, including, without limitation, equipment for telecommunications and for the purchase of equipment relating to the transportation of pupils, an amount of money, expressed as an amount per pupil, that is at least equal to the average of the total amount of money that was expended per year by the school district for those items in the
- immediately preceding 3 years.

 3.] Except as otherwise provided in this section, in each school year a school

 (a) The resistances and repair of conjument, vehicles, [and] district shall spend for the maintenance and repair of equipment, vehicles, [and] buildings and facilities and for the purchase of equipment relating to the transportation of pupils an amount of money, expressed as an amount per pupil, that is at least equal to the average of the total amount of money that was expended per year by the school district for those items in the immediately preceding 3 excluding any amount of money derived from the proceeds of bonds.
- [4.] 2. A school district may satisfy the expenditures required by [subsections 1, 2 and 3] subsection I if the school district spends an aggregate amount of money for all the items identified in [those subsections] that subsection which is at least equal to the average of the total amount of money expended by the school district per year for all those items in the immediately preceding 3 years.
- 5.1-3. A school district is not required to satisfy the expenditures required by this section for a school year in which:
- (a) The total number of pupils who are enrolled in public schools within the school district has declined from the immediately preceding school year; or
- (b) The total revenue available in the general fund of the school district has declined from the immediately preceding school year.] (Deleted by amendment.)
 - **Sec. 3.** NRS 387.303 is hereby amended to read as follows:
- 387.303 1. Not later than November 10 of each year, the board of trustees of each school district shall submit to the Superintendent of Public Instruction and the Department of Taxation a report which includes the following information:
- (a) For each fund within the school district, including, without limitation, the school district's general fund and any special revenue fund which receives state

money, the total number and salaries of licensed and nonlicensed persons whose salaries are paid from the fund and who are employed by the school district in full-time positions or in part-time positions added together to represent full-time positions. Information must be provided for the current school year based upon the school district's final budget, including any amendments and augmentations thereto, and for the preceding school year. An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(b) The count of pupils computed pursuant to paragraph (a) of subsection 1 of

(c) The school district's actual expenditures in the fiscal year immediately preceding the report.

(d) The school district's proposed expenditures for the current fiscal year.

- (e) The schedule of salaries for licensed employees in the current school year and a statement of whether the negotiations regarding salaries for the current school year have been completed. If the negotiations have not been completed at the time the schedule of salaries is submitted, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations or the determination of an arbitrator concerning the negotiations that includes the schedule of salaries agreed to or required by the arbitrator.
- (f) The number of teachers who received an increase in salary pursuant to subsection 2 of NRS 391.160 for the current and preceding fiscal years. If the board of trustees is required to pay an increase in salary retroactively pursuant to subsection 2 of NRS 391.160, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction not later than February 15 of the year in which the retroactive payment was made that includes the number of teachers to whom an increase in salary was paid retroactively.

(g) The number of employees eligible for health insurance within the school district for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(h) The rates for fringe benefits, excluding health insurance, paid by the school district for its licensed employees in the preceding and current fiscal years.

(i) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay and the number of employees receiving that pay in the preceding and current fiscal years.

(j) The expenditures from the account created pursuant to subsection 3 of NRS 179.1187. The report must indicate the total amount received by the district in the preceding fiscal year, and the specific amount spent on books and computer hardware and software for each grade level in the district.

2. On or before November 25 of each year, the Superintendent of Public Instruction shall submit to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, in a format approved by the Director of the Department of Administration, a compilation of the reports made by each school district pursuant to subsection 1.

3. In preparing the agency biennial budget request for the State Distributive School Account for submission to the Department of Administration, the Superintendent of Public Instruction shall:

(a) Compile the information from the most recent [report] compilation of reports submitted pursuant to subsection 2;

(b) Increase the line items of expenditure or revenue based on merit salary finereases, increases and cost of living adjustments or inflation, as deemed credible and reliable based upon published indexes and research relevant to the specific line item of expenditure or revenue;

(c) Adjust expenditures and revenues pursuant to paragraph (b) for any year remaining before the biennium for which the budget is being prepared and for the 2 years of the biennium covered by the biennial budget request to project the cost of expenditures or the receipt of revenues for the specific line items; (d) Consider the cost of enhancements to existing programs or the projected

cost of proposed new educational programs, regardless of whether those enhancements or new programs are included in the per pupil basic support guarantee for inclusion in the biennial budget request to the Department of

Administration; and

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(e) Obtain approval from the State Board for any inflationary increase, enhancement to an existing program or addition of a new program included in the agency biennial budget request.

4. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues [and expenditures] of the school districts with the apportionment received by those districts from the State Distributive School Account for the preceding year.

5. The request prepared pursuant to subsection 3 must:
(a) Be presented by the Superintendent of Public Instruction to such standing committees of the Legislature as the Superintendent determines appropriate for the purpose of developing educational programs and providing appropriations for those programs; and

(b) Provide for a direct comparison of appropriations to the proposed budget

of the Governor submitted pursuant to subsection 4 of NRS 353.230.

Sec. 4. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

There is hereby created a Grant Fund for Incentives for Licensed Educational Personnel to be administered by the Department. The Department may accept gifts and grants from any source for deposit in the Grant Fund.

The board of trustees of each school district shall establish a program of incentive pay for licensed educational personnel which must be negotiated pursuant to chapter 288 of NRS and must be designed to attract and retain educational personnel. The program may include, without limitation, the attraction and retention of:

(a) [Teachers who teach] Licensed educational personnel in schools with a

specified percentage of pupils who are at risk;

(b) Teachers who hold an endorsement in the field of mathematics, science, special education, English as a second language or other area of need within the school district [++], as determined by the Superintendent of Public Instruction; and

(c) School psychologists.

3. A program of incentive pay established by a school district must specify the type of financial incentives offered to the licensed educational personnel.

4. If the board of trustees of a school district wishes to receive a grant of money from the Grant Fund, the board of trustees shall submit to the Department an application on a form prescribed by the Department. The application must include a description of the program of incentive pay established by the school district.

Within the limits of money available in the Grant Fund, the Department shall provide grants of money to each school district that submits an application pursuant to subsection 4 based upon the amount of money that is necessary to carry out each program. If an insufficient amount of money is available to pay for each program submitted to the Department, the amount of money available must be distributed pro rata based upon the number of licensed employees who

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- are estimated to be eligible to participate in the program in each school district who submitted an application. 6. The board of trustees of each school district that receives a grant of money pursuant to this section shall evaluate the effectiveness of the program for
- which the grant was awarded. The evaluation must include, without limitation, an evaluation of whether the program is effective in recruiting and retaining licensed educational personnel. On or before December 1 of each year, the board of trustees shall submit a report of its evaluation to the:
 - (a) Governor;
 - (b) State Board;
- (c) If the report is submitted in an even-numbered year, Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature; and
- (d) If the report is submitted in an odd-numbered year, Legislative Committee on Education.
- Sec. 5. [1. There is hereby appropriated from the State General Fund to the Department of Education for a 5-percent increase to the salary of certain speech pathologists:

For the Fiscal Year 2007-2008 \$597,268 For the Fiscal Year 2008-2009 \$706,444

- The Department shall distribute the money appropriated to the school districts to assist the school districts with paying the 5-percent increase to the salary of certain speech pathologists pursuant to subsection 3 of NRS 391.160. If the money from the appropriation is insufficient to pay the total costs of the increase. the school district shall pay the difference.
- 3. The sums appropriated by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.] (Deleted by amendment.)
- Sec. 6. [1. There is hereby appropriated from the State General Fund to the Department of Education for pilot programs for alternative programs of education for disruptive pupils established pursuant to this section:

For the Fiscal Year 2007-2008 \$500,000 For the Fiscal Year 2008-2009 \$500,000

- The Superintendent of Public Instruction shall prescribe:
- (a) The form for an application to establish a pilot program for an alternative program of education for disruptive pupils; and
- (b) Criteria for the selection of schools to establish such a pilot program.
- A public school in this State may submit an application to the Department to establish a pilot program pursuant to this section. Such an application must include an estimate of the costs of establishing a program. If a school is selected to establish a pilot program, the school will receive a grant of money from the appropriation made by subsection 1 to carry out a program in an amount based upon the estimated costs of establishing the program.
- 4. A pilot program established pursuant to this section must:
 - (a) Comply with NRS 392.4642 to 392.4648, inclusive:
 - (b) Be provided in a setting outside the regular classroom of the pupil;

(c) Ensure that pupils who are participating in the program are separated from 1 pupils who are not participating in the program; 2 3 4 (d) Provide supervision of and counseling to pupils who participate in the program; 5 (e) Provide and emphasize instruction in English language arts, mathematics, 6 7 science and history, as appropriate to the grade level of the pupils participating in 8 (f) Provide and emphasize training in self-discipline; 9 (g) Provide for a transitional stage between in-school or in-home suspension 10 and regular school activities; and (h) Include an evaluation phase based on the collection of data to measure the 11 12 effectiveness of the program. 13 A pilot program established pursuant to this section may: (a) Be located on the grounds of the school or at another location. 14 15 (b) Include programs that: (1) Use innovative instructional, counseling or disciplinary concepts. 16 (2) Encourage the effective involvement of the parents and legal guardians 17 18 of pupils who are participating in the program. 19 (c) Provide instructional and other services to pupils through the existing staff at a public school or from other personnel, or any combination thereof. 20 6. On or before October 1, 2008, the schools that establish a pilot program 21 22 pursuant to this section shall submit a report to the Department for the period ending September 1, 2008, that includes: 23 24 (a) The manner in which the pilot program was carried out; 25 (b) The number of pupils who participated in the program; 26 (e) The expenditures made by the school for the program; — (d) The number of disciplinary referrals, suspensions and expulsions that occurred at the school before and after the establishment of the program; and 27 28 29 (e) An analysis of the academic achievement and performance of the pupils 30 before and after the pupils participated in the program. 31 7. The Department shall evaluate the effectiveness of the pilot programs 32 established pursuant to this section based on the reports submitted by the schools 33 pursuant to subsection 6. In addition, the Department shall solicit and analyze data from schools that did not establish pilot programs pursuant to this section but have 34 35 established alternative programs of education for disruptive pupils. The Department 36 may spend not more than \$10,000 of the amount appropriated by subsection 1 during the Fiscal Years 2007-2009 to hire a contractor to assist with the evaluation. 37 38 8. On or before December 1, 2008, the Department shall submit a report of its 39 findings to the Legislative Committee on Education. On or before February 1, 2009, the Department shall submit a final report 40 of its findings to the Director of the Legislative Counsel Bureau for transmission to 41 42 the 75th Session of the Nevada Legislature. 10. The sums appropriated by subsection 1 are available for either fiscal year. 43 44 Any remaining balance of those sums must not be committed for expenditure after 45 June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any 46 manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was 47 48 appropriated or the entity to which the money was subsequently granted or 49

transferred, and must be reverted to the State General Fund on or before September

18, 2009.] (Deleted by amendment.)

50 51 Sec. 7. NRS 286.3005 is hereby amended to read as follows:

286.3005 A state agency may purchase credit for service on behalf of a member only as provided in NRS 286.3007. Except as otherwise required as a result of NRS 286.537_, [or 391.165], any other public employer may pay any portion of the cost to purchase credit for service under NRS 286.300, but is not required to do so. No credit may be validated unless the cost of purchasing credit has been paid.

Sec. 8. NRS 391.165 is hereby repealed.

- Sec. 9. 1. If a teacher or school psychologist entered into a contract or other agreement of employment with a school district before July 1, 2007, the board of trustees of the school district shall purchase one-fifth of a year of service for that employee pursuant to subsection 2 of NRS 286.300 if the employee qualified under the provisions of NRS 391.165. On or before August 1, 2007, the board of trustees of each school district shall notify each such employee that he may elect to participate in the program of incentive pay for licensed educational personnel established pursuant to section 4 of this act if he otherwise qualifies for participation in the program in lieu of the purchase of retirement service on behalf of the employee pursuant to NRS 391.165.
- 2. On or before October 1, 2007, each employee who was given notice pursuant to subsection 1 shall notify the school district whether he will participate in the program of incentive pay for licensed educational personnel in lieu of the purchase of retirement service on behalf of the employee pursuant to NRS 391.165, as that section existed on June 30, 2007.
- 3. If an employee elects to continue to receive the one-fifth of a year of service, the employee's participation in that program ceases when the employee has received, after his election, one full year of retirement service credit pursuant to that program. An employee's election to continue to receive the one-fifth of a year of service does not preclude the employee from participating in the program of incentive pay for licensed educational personnel established pursuant to section 4 of this act by the school district which employs him:
- (a) After the employee's participation in the purchase of the retirement service credit program ceases; and
- (b) If the employee is otherwise eligible to participate in the program established by the school district pursuant to section 4 of this act.
- Sec. 10. Notwithstanding any other provision of law to the contrary, the money that is specifically designated for expenditure from the State Distributive School Account by the Legislature for the 2007-2009 biennium pursuant to section 14 of Assembly Bill No. 627 of this Session, if enacted, to assist school districts with the purchase of service on behalf of employees of the school district pursuant to NRS 391.165, as that section existed on June 30, 2007, must be transferred to the Grant Fund for Incentives for Licensed Educational Personnel created by section 4 of this act.

[Sec. 7.] Sec. 11. This act becomes effective on July 1, 2007.

TEXT OF REPEALED SECTION

391.165 Purchase of retirement credit for certain teachers and school psychologists.

- 1. Except as otherwise provided in subsection 3 and except as otherwise required as a result of NRS 286.537, the board of trustees of a school district shall pay the cost for a licensed teacher or licensed school psychologist to purchase one-fifth of a year of service pursuant to subsection 2 of NRS 286.300 if
- (a) The teacher or school psychologist is a member of the Public Employees' Retirement System and has at least 5 years of service;
- (b) The teacher or school psychologist has been employed as a licensed teacher or licensed school psychologist in this State for at least 5 consecutive school years, regardless of whether the employment was with one or more school districts in this State;
- (c) Each evaluation of the teacher or school psychologist conducted pursuant to NRS 391.3125 is at least satisfactory for the years of employment required by paragraph (b); and
 - (d) In addition to the years of employment required by paragraph (b):
- (1) The teacher has been employed as a licensed teacher for 2 school years at a school within the school district during his employment at the school:
- $\ensuremath{(I)}$ Which carried the designation of demonstrating need for improvement; or
- (II) At which at least 65 percent of the pupils who are enrolled in the school are children who are at risk:
- (2) The teacher holds an endorsement in the field of mathematics, science, special education or English as a second language and has been employed for at least 1 school year to teach in the subject area for which he holds an endorsement; or
- (3) The school psychologist has been employed as a licensed school psychologist for at least 1 school year.
- The provisions of this paragraph do not require consecutive years of employment or employment at the same school within the school district.
- 2. Except as otherwise provided in subsection 3, the board of trustees of a school district shall pay the cost for a licensed teacher or school psychologist to purchase one-fifth of a year of service for each year that a teacher or school psychologist satisfies the requirements of subsection 1. If, in 1 school year, a teacher satisfies the criteria set forth in both subparagraphs (1) and (2) of paragraph (d) of subsection 1, the school district in which the teacher is employed is not required to pay for more than one-fifth of a year of service pursuant to subsection 2 of NRS 286.300 for that school year.
- 3. In no event may the years of service purchased by a licensed teacher or school psychologist as a result of subsection 2 of NRS 286.300 exceed 5 years.
 - 4. The board of trustees of a school district shall not:
- (a) Assign or reassign a licensed teacher or school psychologist to circumvent the requirements of this section.

- (b) Include as part of a teacher's or school psychologist's salary the costs of paying the teacher or school psychologist to purchase service pursuant to this section.
 - 5. As used in this section:
- (a) A child is "at risk" if he is eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.
 - (b) "Service" has the meaning ascribed to it in NRS 286.078.