

ASSEMBLY BILL NO. 558—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Establishes the categorical block grant program for K-12 public education. (BDR 34-1159)

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

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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; revising provisions governing the duties of the Commission on Educational Excellence; revising provisions governing the Account for Programs for Innovation and the Prevention of Remediation; establishing the categorical block grant program for K-12 public education; authorizing the boards of trustees of school districts to apply to the Department of Education for a block grant to implement certain programs in public schools; revising provisions governing the requirements for the reduction of pupil-teacher ratios in certain grades; removing the Grant Fund for Incentives for Licensed Educational Personnel; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law creates the Commission on Educational Excellence and requires
- 2 the Commission to: (1) develop a program of educational excellence; and (2)
- 3 allocate money to public schools for programs to improve the achievement of
- 4 pupils or for innovative programs, or both. Existing law also creates the Account
- 5 for Programs for Innovation and the Prevention of Remediation from which grants
- 6 of money are made by the Commission to public schools. (NRS 385.3781-385.379)
- 7 **Section 2** of this bill removes the provisions which require the Commission to
- 8 award grants of money from the Account. **Section 3** of this bill revises provisions
- 9 governing the uses of money in the Account and the reversion of money remaining
- 10 in the Account at the end of a biennium.
- 11 **Section 4** of this bill establishes the categorical block grant program for K-12
- 12 public education pursuant to which grants of money are made from the Account to



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school districts by the Department of Education for certain programs. **Section 4** also authorizes the board of trustees of a school district to apply to the Department for a block grant and sets forth the types of programs for which such a block grant may be used by the school district.

Existing law requires prescribed ratios of pupils per licensed teacher in kindergarten and grades 1, 2 and 3. (NRS 388.700) Under existing law, a school district in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties) may, in lieu of complying with the prescribed ratios, develop an alternative plan to reduce the district's pupil-teacher ratios for specified grade levels in elementary schools. (NRS 388.720) **Sections 7-9** of this bill require a school district to comply with the prescribed pupil-teacher ratios only if the school district receives a categorical block grant pursuant to **section 4** of this bill in part for the purposes of complying with the class-size reduction program.

Existing law 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 teachers, school psychologists, school librarians, school counselors and certain administrators. (NRS 391.166) **Section 10** of this bill removes the provisions creating the Grant Fund and authorizes the boards of trustees of school districts to use a categorical block grant or a portion thereof to establish a program of incentive pay.

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

Section 1. NRS 385.3784 is hereby amended to read as follows:

385.3784 1. The Commission on Educational Excellence, consisting of nine members is hereby created. The Superintendent of Public Instruction shall serve as an ex officio voting member of the Commission. The Governor shall appoint the following members to the Commission:

(a) Three teachers, two of whom have experience in providing instruction at public elementary schools and who have been successful in school improvement efforts and one of whom has experience in providing instruction at secondary schools and who has been successful in school improvement efforts;

(b) Two principals, one of whom has experience in administering successful school improvement efforts at an elementary school and one of whom has experience in administering successful school improvement efforts at a secondary school;

(c) Two school district administrators, one of whom is employed by a school district in a county whose population is less than 100,000 and one of whom is employed by a school district in a county whose population is 100,000 or more; and

(d) One parent or legal guardian of a pupil enrolled in a public school in this State. The parent must not be employed by the board



1 of trustees of a school district or the governing body of a charter
2 school.

3 ➡ One or more of the members appointed pursuant to this
4 subsection may be retired from employment, but those retired
5 members that are appointed must have been employed with a public
6 school in this State in the immediately preceding 5 years.

7 2. The Governor may solicit recommendations for
8 appointments pursuant to this section from the Nevada State
9 Education Association, the Nevada Association of School
10 Administrators, a statewide organization for parents of pupils, the
11 Statewide Council for the Coordination of the Regional Training
12 Programs and other organizations and entities related to education in
13 this State. The Governor may consider the recommendations
14 submitted and may make appointments from those
15 recommendations. The Governor shall appoint a Chair from among
16 the members appointed by the Governor.

17 3. After the initial terms, the term of each appointed member of
18 the Commission is 2 years, commencing on January 1 of the year in
19 which the member is appointed and expiring on December 31 of the
20 immediately following year. A member shall continue to serve on
21 the Commission until his or her successor is appointed. Upon the
22 expiration of a term of a member, the member may be reappointed if
23 he or she still possesses any requisite qualifications for appointment.
24 There is no limit on the number of terms that a member may serve.

25 4. The Commission shall hold at least four regular meetings
26 each year and may hold special meetings at the call of the Chair.

27 5. Members of the Commission serve without compensation,
28 except that for each day or portion of a day during which a member
29 of the Commission attends a meeting of the Commission or is
30 otherwise engaged in the business of the Commission, the member
31 is entitled to receive the per diem allowance and travel expenses
32 provided for state officers and employees generally. ~~Except as~~
33 ~~limited by paragraph (a) of subsection 3 of NRS 385.379, the~~ *The*
34 per diem allowances and travel expenses must be paid from the
35 Account and accounted for separately in that Account. In addition,
36 money in the Account may be used to pay compensation necessary
37 for the employment of substitute teachers who are hired on those
38 days when a member of the Commission attends a meeting of the
39 Commission or is otherwise engaged in the business of the
40 Commission.

41 6. The Department shall provide:

- 42 (a) Administrative support;
- 43 (b) Equipment; and
- 44 (c) Office space,

45 ➡ as is necessary for the Commission to carry out its duties.



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7. The Legislative Counsel Bureau:

(a) Must be provided with adequate notice of each meeting of the Commission; and

(b) Shall provide, as requested by the Committee, technical expertise and assistance to the Commission.

Sec. 2. NRS 385.3785 is hereby amended to read as follows:

385.3785 ~~1-1~~ The Commission shall:

~~1. Establish a program of educational excellence designed exclusively for pupils enrolled in kindergarten through grade 6 in~~ public schools in this State based upon:

~~(1)~~ (a) The plan to improve the achievement of pupils prepared by the State Board pursuant to NRS 385.34691;

~~(2)~~ (b) The plan to improve the achievement of pupils prepared by the board of trustees of each school district pursuant to NRS 385.348;

~~(3)~~ (c) The plan to improve the achievement of pupils prepared by the principal of each school pursuant to NRS 385.357, which may include a program of innovation, the turnaround plan for the school implemented pursuant to NRS 385.37603 or the plan for restructuring the school implemented pursuant to NRS 385.37607, whichever is applicable for the school; and

~~(4)~~ (d) Any other information that the Commission considers relevant to the development of the program of educational excellence.

~~(b)~~ 2. Identify programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

~~(c) Develop a concise application and simple procedures for the submission of applications by public schools and consortiums of public schools, including, without limitation, charter schools, for participation in a program of educational excellence and for grants of money from the Account. Grants of money must be made for programs designed for the achievement of pupils that are linked to the plan to improve the achievement of pupils or for innovative programs, or both, or that are linked to the turnaround plan for the school or the plan for restructuring the school, if applicable, or for innovative programs, or both. The Commission shall not award a grant of money from the Account for a program to provide full day kindergarten. All public schools and consortiums of public schools, including, without limitation, charter schools, are eligible to submit such an application, regardless of whether the schools have made adequate yearly progress or failed to make adequate yearly progress. A public school or a consortium of public schools selected for participation may be approved by the Commission for participation for a period not to exceed 2 years, but may reapply.~~



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~~—(d) Prescribe a long-range timeline for the review, approval and evaluation of applications received from public schools and consortiums of public schools that desire to participate in the program.~~

~~—(e) Establish guidelines for the review, evaluation and approval of applications for grants of money from the Account, including, without limitation, consideration of the list of priorities of public schools provided by the Department pursuant to subsection 6. To ensure consistency in the review, evaluation and approval of applications, if the guidelines authorize the review and evaluation of applications by less than the entire membership of the Commission, money must not be allocated from the Account for a grant until the entire membership of the Commission has reviewed and approved the application for the grant.~~

~~—(f) Prescribe accountability measures to be carried out by a public school that participates in the program if that public school does not meet the annual measurable objectives established by the State Board pursuant to NRS 385.361, including, without limitation:~~

~~——(1) The specific levels of achievement expected of schools that participate; and~~

~~——(2) Conditions for schools that do not meet the grant criteria but desire to continue participation in the program and receive money from the Account, including, without limitation, a review of the leadership at the school and recommendations regarding changes to the appropriate body.~~

~~—(g) Determine the amount of money that is available from the Account for those public schools and consortiums of public schools that are selected to participate in the program.~~

~~—(h) Allocate money to public schools and consortiums of public schools from the Account. Allocations must be distributed not later than August 15 of each year.~~

~~—(i) Establish criteria for public schools and consortiums of public schools that participate in the program and receive an allocation of money from the Account to evaluate the effectiveness of the allocation in improving the achievement of pupils, including, without limitation, a detailed analysis of:~~

~~——(1) The achievement of pupils enrolled at each school that received money from the allocation based upon measurable criteria identified in, as applicable, the:~~

~~——(I) Plan to improve the achievement of pupils for the school prepared pursuant to NRS 385.357;~~

~~——(II) Turnaround plan for the school implemented pursuant to NRS 385.37603; or~~

~~——(III) Plan for restructuring the school implemented pursuant to NRS 385.37607;~~



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~~— (2) If applicable, the effectiveness of the program of innovation on the achievement of pupils and the overall effectiveness for pupils and staff;~~

~~— (3) The implementation of the applicable plans for improvement, including, without limitation, an analysis of whether the school is meeting the measurable objectives identified in the plan; and~~

~~— (4) The attainment of measurable progress on the annual list of adequate yearly progress of school districts and schools.~~

~~2. To the extent money is available, the Commission shall make allocations of money to public schools and consortiums of public schools for effective programs for grades 7 through 12 that are designed to improve the achievement of pupils and effective programs of innovation for pupils. In making such allocations, the Commission shall comply with the requirements of this section.~~

~~3. An application submitted pursuant to this section must include a written statement which:~~

~~— (a) Indicates whether the public school or consortium of public schools is submitting the application for the continuation of an existing program or for the establishment of a new program; and~~

~~— (b) Identifies all other sources of money that the public school or consortium of public schools has requested or received for the continuation or establishment of:~~

~~— (1) The program for which the application is submitted; or~~

~~— (2) A substantially similar program.~~

~~4. The Commission shall ensure, to the extent practicable, that grants of money provided pursuant to this section reflect the economic and geographic diversity of this State.~~

~~5. If a public school or consortium of public schools that receives money pursuant to subsection 1 or 2:~~

~~— (a) Does not meet the criteria for effectiveness as prescribed in paragraph (i) of subsection 1;~~

~~— (b) Does not, as a result of the program for which the grant of money was awarded, show improvement in the achievement of pupils, as determined in an evaluation conducted pursuant to subsection 3 of NRS 385.379; or~~

~~— (c) Does not implement the program for which the money was received, as determined in an audit conducted pursuant to subsection 4 of NRS 385.3789 or an evaluation conducted pursuant to subsection 3 of NRS 385.379,~~

~~— over a 2 year period, the Commission may consider not awarding future allocations of money to that public school or consortium of public schools.~~

~~6. On or before July 1 of each year, the Department shall provide a list of priorities of public schools that indicates:~~



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~~—(a) The adequate yearly progress status of schools in the immediately preceding year; and~~

~~—(b) The public schools that are considered Title I eligible by the Department based upon the poverty level of the pupils enrolled in a school in comparison to the poverty level of the pupils in the school district as a whole,~~

~~→ for consideration by the Commission in its development of procedures for the applications.~~

~~7. A public school, including, without limitation, a charter school, or a consortium of public schools may request assistance from the school district in which the school is located in preparing an application for a grant of money pursuant to this section. A school district shall assist each public school or consortium of public schools that requests assistance pursuant to this subsection to ensure that the application of the school:~~

~~—(a) Is based directly upon, as applicable, the:~~

~~— (1) Plan to improve the achievement of pupils prepared for the school pursuant to NRS 385.357;~~

~~— (2) Turnaround plan for the school implemented pursuant to NRS 385.37603; or~~

~~— (3) Plan for restructuring the school implemented pursuant to NRS 385.37607;~~

~~—(b) Is developed in accordance with the criteria established by the Commission; and~~

~~—(c) Is complete and complies with all technical requirements for the submission of an application.~~

~~→ A school district may make recommendations to the individual schools and consortiums of public schools. Such schools and consortiums of public schools are not required to follow the recommendations of a school district.~~

~~8. In carrying out the requirements of this section, the Commission shall review and consider the programs of remedial study adopted by the Department pursuant to NRS 385.389, the list of approved providers of supplemental educational services maintained by the Department pursuant to NRS 385.384 and the recommendations submitted by the Committee pursuant to NRS 218E.615 concerning programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.~~

~~9. The Commission shall not award a grant of money from the Account for a program of remedial study that is available commercially unless that program has been adopted by the Department pursuant to NRS 385.389.~~

~~10. If a consortium of public schools is formed for the purpose of submitting an application pursuant to this section, the public~~



~~schools within the consortium do not need to be located within the same school district.]~~

Sec. 3. NRS 385.379 is hereby amended to read as follows:

385.379 1. The Account for Programs for Innovation and the Prevention of Remediation is hereby created in the State General Fund, to be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction may accept gifts and grants of money from any source for deposit in the Account. Any money from gifts and grants may be expended in accordance with the terms and conditions of the gift or grant, or in accordance with subsection 2 . ~~[or 3.]~~ The interest and income earned on the sum of:

(a) The money in the Account; and

(b) Unexpended appropriations made to the Account from the State General Fund, *except for any appropriations made for the regional training programs for the professional development of teachers and administrators created by NRS 391.512 and any appropriations made for programs of performance pay for licensed educational personnel,*

must be credited to the Account. Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year ~~[]~~ , *not to exceed 15 percent of the prior fiscal year's appropriation for the categorical block grant program for K-12 public education established pursuant to section 4 of this act. Any money in excess of 15 percent and any money unexpended from an appropriation for the regional training programs for the professional development of teachers and administrators and any money unexpended from an appropriation for programs of performance pay must revert to the State General Fund at the end of each biennium.*

2. ~~[Except as otherwise provided in NRS 385.3784 and subsection 3, the]~~ *The* money in the Account may only be used for the allocation of money ~~[to public schools and consortiums of public schools whose applications are approved by the Commission pursuant to NRS 385.3785.~~

~~3. Upon the request of the Commission:~~

~~(a) Not more than \$50,000 in the Account may be used each biennium to pay:~~

~~(1) The expenses incurred by members of the Commission to travel to the public schools and consortiums of public schools that received allocations of money from the Account; and~~

~~(2) The costs incurred by the Commission to hold meetings or conferences for representatives of public schools and consortiums of schools that received allocations of money from the Account to~~



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~~discuss or display, or both, programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.~~

~~—(b) Not more than \$450,000 in the Account may be used each biennium to pay for an evaluation of the programs for which money was allocated from the Account. If the Commission uses money in the Account for such an evaluation, the Commission shall ensure that:~~

~~—(1) A request for proposals is issued and a qualified, independent consultant is selected to conduct the evaluation;~~

~~—(2) Upon selection of the consultant, the Commission receives approval of the consultant and the plan for the evaluation from the Committee;~~

~~—(3) The evaluation is designed to determine the effectiveness of the programs for which money was allocated from the Account in improving the achievement of pupils;~~

~~—(4) The evaluation includes an identification of the programs for which money was allocated from the Account that did not improve the achievement of pupils as described in the approved application for the grant;~~

~~—(5) The evaluation includes an identification of the public schools and consortiums of public schools that did not implement the programs for which money was allocated from the Account as described in the approved application for the grant; and~~

~~—(6) The evaluation includes a compilation and review of each evaluation required to be submitted by public schools and consortiums of public schools pursuant to NRS 385.3787.]:~~

(a) To school districts whose plans are approved for a categorical block grant pursuant to section 4 of this act;

(b) For the regional training programs for the professional development of teachers and administrators created by NRS 391.512; and

(c) For programs of performance pay for licensed educational personnel.

Sec. 4. Chapter 387 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby established the categorical block grant program for K-12 public education. Not later than January 1 of each year, the Department shall determine the total amount of money available in the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379 for allocation of block grants to the school districts for the immediately succeeding fiscal year pursuant to this section.

2. Subject to the requirements of subsection 3, to receive a grant of money pursuant to the categorical block grant program,



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1 *the board of trustees of a school district shall, on or before*
2 *March 1 of each year, submit a comprehensive plan to the*
3 *Department which sets forth the proposed use of the block grant.*
4 *The plan must include:*

5 *(a) A statement of goals and objectives for the block grant;*

6 *(b) The types of educational activities and programs for which*
7 *the block grant will be used, consistent with the authorized uses set*
8 *forth in subsection 6;*

9 *(c) The school areas that will be served by the block grant;*

10 *(d) The types and demographics of pupils that will be served by*
11 *the block grant;*

12 *(e) The criteria for, and the manner of, distributing the block*
13 *grant, including, without limitation, distribution on the basis of*
14 *need; and*

15 *(f) A description of the use of the block grant received by the*
16 *school district for the prior fiscal year, if any, including, without*
17 *limitation, whether the school district met the goals and objectives*
18 *it set forth for the use of the block grant.*

19 *3. Before the board of trustees of a school district submits a*
20 *plan for the proposed use of a block grant pursuant to subsection*
21 *2, the board of trustees shall hold a public meeting on the*
22 *proposed plan, including, without limitation, the proposed use and*
23 *distribution of the block grant. The board of trustees shall include*
24 *the date and summary of the public meeting when it submits the*
25 *proposed plan to the Department.*

26 *4. The State Board shall review each school district's*
27 *proposed plan at a public meeting before authorizing the*
28 *Department to release the money for the block grants for a fiscal*
29 *year. The allocation to a school district that is approved for a*
30 *block grant must be made as follows:*

31 *(a) Fifty percent based upon the enrollment of pupils in the*
32 *school district, as required to be reported pursuant to NRS*
33 *387.1233; and*

34 *(b) Fifty percent based upon the number of full-time teachers*
35 *employed by the school district on November 1 of each year, not*
36 *including substitute teachers.*

37 *5. Not later than March 1 of each year, the State Board shall*
38 *determine whether a portion of the money available for the*
39 *categorical block grant program will be made available for*
40 *competitive grants to school districts and community-based*
41 *organizations for early childhood education programs for the*
42 *block grant cycle in the next fiscal year. Not more than 3 percent*
43 *of the total amount available for the block grant program may be*
44 *made available for competitive grants pursuant to this subsection.*
45 *If the State Board determines not to make the block grant program*



1 *available for competitive grants pursuant to this subsection for the*
2 *block grant cycle in the next fiscal year, a school district may*
3 *include early childhood education programs in its proposed plan*
4 *submitted pursuant to subsection 1.*

5 *6. A block grant issued pursuant to this section may be used*
6 *by a school district, without limitation to:*

7 *(a) Reduce the ratio of pupils per licensed teacher in*
8 *elementary schools in accordance with the provisions of NRS*
9 *388.700, 388.710 and 388.720;*

10 *(b) Provide full-day kindergarten at schools based upon the*
11 *percentage of pupils enrolled in the school who are eligible for*
12 *free or reduced price lunches pursuant to 42 U.S.C. §§ 1751 et*
13 *seq.;*

14 *(c) Provide instructional programs incorporating educational*
15 *technology for gifted and talented pupils;*

16 *(d) Provide special counseling services for pupils enrolled in*
17 *elementary schools who are at risk of failure;*

18 *(e) Pay the additional costs incurred by the school district for*
19 *the transportation of any pupil to a school located outside the*
20 *school district in which his or her residence is located;*

21 *(f) Pay the increase of salaries of professional school library*
22 *media specialists required by NRS 391.160;*

23 *(g) Provide early childhood education programs, except for a*
24 *year in which the State Board reserves a certain amount available*
25 *for the categorical block grant program for competitive grants*
26 *pursuant to subsection 5;*

27 *(h) Provide other programs which are designed to increase*
28 *and promote the achievement of pupils; and*

29 *(i) Payment of incentives for licensed educational personnel in*
30 *accordance with NRS 391.166.*

31 *7. A school district that receives a block grant pursuant to*
32 *this section shall not use the money to:*

33 *(a) Settle or arbitrate disputes or negotiate settlements between*
34 *an organization that represents licensed employees of the school*
35 *district and the school district.*

36 *(b) Adjust the district-wide schedule of salaries and benefits of*
37 *the employees of the school district.*

38 **Sec. 5.** NRS 387.123 is hereby amended to read as follows:

39 387.123 1. The count of pupils for apportionment purposes
40 includes all pupils who are enrolled in programs of instruction of the
41 school district, including, without limitation, a program of distance
42 education provided by the school district, pupils who reside in the
43 county in which the school district is located and are enrolled in any
44 charter school, including, without limitation, a program of distance
45 education provided by a charter school, and pupils who are enrolled



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1 in a university school for profoundly gifted pupils located in the
2 county, for:

3 (a) Pupils in the kindergarten department.

4 (b) Pupils in grades 1 to 12, inclusive.

5 (c) Pupils not included under paragraph (a) or (b) who are
6 receiving special education pursuant to the provisions of NRS
7 388.440 to 388.520, inclusive.

8 (d) Pupils who reside in the county and are enrolled part-time in
9 a program of distance education provided pursuant to NRS 388.820
10 to 388.874, inclusive.

11 (e) Children detained in facilities for the detention of children,
12 alternative programs and juvenile forestry camps receiving
13 instruction pursuant to the provisions of NRS 388.550, 388.560 and
14 388.570.

15 (f) Pupils who are enrolled in classes pursuant to subsection 4 of
16 NRS 386.560 and pupils who are enrolled in classes pursuant to
17 subsection 5 of NRS 386.580.

18 (g) Pupils who are enrolled in classes pursuant to subsection 3
19 of NRS 392.070.

20 (h) Pupils who are enrolled in classes and taking courses
21 necessary to receive a high school diploma, excluding those pupils
22 who are included in paragraphs (d), (f) and (g).

23 2. The State Board shall establish uniform regulations for
24 counting enrollment and calculating the average daily attendance of
25 pupils. In establishing such regulations for the public schools, the
26 State Board:

27 (a) Shall divide the school year into 10 school months, each
28 containing 20 or fewer school days, or its equivalent for those public
29 schools operating under an alternative schedule authorized pursuant
30 to NRS 388.090.

31 (b) May divide the pupils in grades 1 to 12, inclusive, into
32 categories composed respectively of those enrolled in elementary
33 schools and those enrolled in secondary schools.

34 (c) Shall prohibit the counting of any pupil specified in
35 subsection 1 more than once.

36 ~~[3. Except as otherwise provided in subsection 4 and NRS~~
37 ~~388.700, the State Board shall establish by regulation the maximum~~
38 ~~pupil teacher ratio in each grade, and for each subject matter~~
39 ~~wherever different subjects are taught in separate classes, for each~~
40 ~~school district of this State which is consistent with:~~

41 ~~—(a) The maintenance of an acceptable standard of instruction;~~

42 ~~—(b) The conditions prevailing in the school district with respect~~
43 ~~to the number and distribution of pupils in each grade; and~~

44 ~~—(c) Methods of instruction used, which may include educational~~
45 ~~television, team teaching or new teaching systems or techniques.~~



~~➔ If the Superintendent of Public Instruction finds that any school district is maintaining one or more classes whose pupil-teacher ratio exceeds the applicable maximum, and unless the Superintendent finds that the board of trustees of the school district has made every reasonable effort in good faith to comply with the applicable standard, the Superintendent shall, with the approval of the State Board, reduce the count of pupils for apportionment purposes by the percentage which the number of pupils attending those classes is of the total number of pupils in the district, and the State Board may direct the Superintendent to withhold the quarterly apportionment entirely.~~

~~— 4. The provisions of subsection 3 do not apply to a charter school, a university school for profoundly gifted pupils or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.]~~

Sec. 6. NRS 387.304 is hereby amended to read as follows:

387.304 The Department shall:

1. Conduct an annual audit of the count of pupils for apportionment purposes reported by each school district pursuant to NRS 387.123 and the data reported by each school district pursuant to NRS 388.710 *which receives a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher* that is used to measure the effectiveness of the implementation of a plan developed by ~~[each]~~ *the* school district to reduce the pupil-teacher ratio as required by NRS 388.720.

2. Review each school district's report of the annual audit conducted by a public accountant as required by NRS 354.624, and the annual report prepared by each district as required by NRS 387.303, and report the findings of the review to the State Board and the Legislative Committee on Education, with any recommendations for legislation, revisions to regulations or training needed by school district employees. The report by the Department must identify school districts which failed to comply with any statutes or administrative regulations of this State or which had any:

(a) Long-term obligations in excess of the general obligation debt limit;

(b) Deficit fund balances or retained earnings in any fund;

(c) Deficit cash balances in any fund;

(d) Variances of more than 10 percent between total general fund revenues and budgeted general fund revenues; or

(e) Variances of more than 10 percent between total actual general fund expenditures and budgeted total general fund expenditures.

3. In preparing its biennial budgetary request for the State Distributive School Account, consult with the superintendent of



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1 schools of each school district or a person designated by the
2 superintendent.

3 4. Provide, in consultation with the Budget Division of the
4 Department of Administration and the Fiscal Analysis Division of
5 the Legislative Counsel Bureau, training to the financial officers of
6 school districts in matters relating to financial accountability.

7 **Sec. 7.** NRS 388.700 is hereby amended to read as follows:

8 388.700 1. ~~[Except as otherwise provided in this section,~~
9 ~~after the last day of the first month of the school year,]~~ *If a school*
10 *district receives a block grant pursuant to section 4 of this act in*
11 *part to reduce the ratio of pupils per licensed teacher in*
12 *elementary schools, the ratio in each elementary school in the*
13 *school district or the elementary schools identified in the program*
14 *approved pursuant to section 4 of this act, as applicable, of pupils*
15 *per licensed teacher designated to teach, on a full-time basis, in*
16 *classes where core curriculum is taught:*

17 (a) In kindergarten and grades 1, 2 and 3, must not exceed 15
18 to 1; or

19 (b) If a plan is approved pursuant to subsection 3 of NRS
20 388.720, must not exceed the ratio set forth in that plan for the grade
21 levels specified in the plan.

22 ➤ In determining this ratio, all licensed educational personnel who
23 teach a grade level specified in paragraph (a) or a grade level
24 specified in a plan that is approved pursuant to subsection 3 of NRS
25 388.720, as applicable for the school district, must be counted
26 except teachers of art, music, physical education or special
27 education, counselors, librarians, administrators, deans and
28 specialists.

29 2. A school district may, within the limits of any plan adopted
30 pursuant to NRS 388.720, assign a pupil whose enrollment in a
31 grade occurs after the last day of the first month of the school year
32 to any existing class regardless of the number of pupils in the class.

33 3. ~~[Each school district that does not meet the ratio of pupils~~
34 ~~per class:~~

35 ~~—(a) Set forth in subsection 1;~~

36 ~~—(b) Prescribed in conjunction with a legislative appropriation for~~
37 ~~the support of the class-size reduction program; or~~

38 ~~—(c) Defined by a legislatively approved alternative class-size~~
39 ~~reduction plan, if applicable to that school district;~~

40 ~~➤ must request a variance from the State Board by providing a~~
41 ~~written statement that includes the reasons for the request and the~~
42 ~~justification for exceeding the applicable prescribed ratio of pupils~~
43 ~~per class.~~

44 ~~4. The State Board may grant to a school district a variance~~
45 ~~from the limitation on the number of pupils per class set forth in~~



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~~paragraph (a), (b) or (c) of subsection 3 for good cause, including the lack of available financial support specifically set aside for the reduction of pupil-teacher ratios.~~

~~—5.]~~ The State Board shall, on or before February 1 of each odd-numbered year, report to the Legislature on ~~[-~~

~~—(a) Each variance granted by it during the preceding biennium, including the specific justification for the variance.~~

~~—(b) The]~~ *the* data reported to it by the various school districts pursuant to subsection 2 of NRS 388.710, including an explanation of that data, and the current pupil-teacher ratios per class in the grade levels specified in paragraph (a) of subsection 1 or the grade levels specified in a plan that is approved pursuant to subsection 3 of NRS 388.720, as applicable for the school district.

~~[6.]~~ 4. The Department shall, on or before November 15 of each year, report to the Chief of the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau ~~[-]~~ *for each school district that receives a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher in elementary schools:*

(a) The number of teachers employed;

(b) The number of teachers employed in order to attain the ratio required by subsection 1;

(c) The number of pupils enrolled; and

(d) The number of teachers assigned to teach in the same classroom with another teacher or in any other arrangement other than one teacher assigned to one classroom of pupils,

➔ during the current school year in the grade levels specified in paragraph (a) of subsection 1 or the grade levels specified in a plan that is approved pursuant to subsection 3 of NRS 388.720, as applicable, for each school district.

~~[7.—The provisions of this section do not apply to a charter school or to a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.]~~

Sec. 8. NRS 388.710 is hereby amended to read as follows:

388.710 1. The State Board, in consultation with the trustees of the school districts and the recognized associations representing licensed educational personnel, after receiving comments from the general public, shall determine the data that must be monitored by each school district *that receives a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher in elementary schools* and used to measure the effectiveness of the implementation of a plan developed by each school district to reduce the pupil-teacher ratio pursuant to NRS 388.720.



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2. Each school district *that receives a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher in elementary schools* shall report the data to the State Board as required by the State Board.

Sec. 9. NRS 388.720 is hereby amended to read as follows:

388.720 1. Except as otherwise provided in subsection 2, ~~each~~ a school district ~~together~~ *that receives a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher in elementary schools shall work in consultation* with the recognized associations representing licensed educational personnel ~~shall~~ *to* develop a plan to reduce the district's pupil-teacher ratio per class in kindergarten and grades 1, 2 and 3 ~~[within the limits of available financial support specifically set aside for this purpose]~~ and submit that plan to the State Board.

2. In lieu of complying with the pupil-teacher ratio prescribed in paragraph (a) of subsection 1 of NRS 388.700, a school district in a county whose population is less than 100,000 *that receives a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher in elementary schools* may, in consultation with the recognized associations representing licensed educational personnel, develop a plan to reduce the district's pupil-teacher ratios per class for specified grade levels in elementary schools. Alternative ratios for grade 6 may only be approved for those school districts that include grade 6 in elementary school. The alternative pupil-teacher ratios must not:

(a) Exceed 22 to 1 in grades 1, 2 and 3; and

(b) Exceed 25 to 1 in grades 4 and 5 or grades 4, 5 and 6, as applicable.

3. The State Board shall approve a plan submitted pursuant to subsection 2 if the plan:

(a) Reduces the district's pupil-teacher ratio in the elementary schools within the school district; and

(b) Is fiscally neutral such that the plan will not cost more to carry out than a plan that complies with the ratios prescribed in paragraph (a) of subsection 1 of NRS 388.700.

Sec. 10. NRS 391.166 is hereby amended to read as follows:

391.166 1. ~~[There is hereby created the 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.~~

~~—2.]~~ The board of trustees of ~~each~~ a school district ~~shall~~ *may use a block grant that it receives pursuant to section 4 of this act, or a portion thereof, to* establish a program of incentive pay for licensed teachers, school psychologists, school librarians, school counselors and administrators employed at the school level which



1 must be designed to attract and retain those employees. The program
2 must ~~[be negotiated pursuant to chapter 288 of NRS and must]~~
3 include, without limitation, the attraction and retention of:

4 (a) Licensed teachers, school psychologists, school librarians,
5 school counselors and administrators employed at the school level
6 who have been employed in that category of position for at least 5
7 years in this State or another state and who are employed in schools
8 which are at-risk, as determined by the Department pursuant to
9 subsection ~~[8.]~~ 4; and

10 (b) Teachers who hold an endorsement in the field of
11 mathematics, science, special education, English as a second
12 language or other area of need within the school district, as
13 determined by the Superintendent of Public Instruction.

14 ~~[3.]~~ 2. A program of incentive pay established by a school
15 district must specify the type of financial incentives offered to the
16 licensed educational personnel. Money available for the program
17 must not be used to negotiate the salaries of individual employees
18 who participate in the program.

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

24 ~~5. The Superintendent of Public Instruction shall compile a list~~
25 ~~of the financial incentives recommended by each school district that~~
26 ~~submitted an application. On or before December 1 of each year, the~~
27 ~~Superintendent shall submit the list to the Interim Finance~~
28 ~~Committee for its approval of the recommended incentives.~~

29 ~~6. After approval of the list of incentives by the Interim~~
30 ~~Finance Committee pursuant to subsection 5 and within the limits of~~
31 ~~money available in the Grant Fund, the Department shall provide~~
32 ~~grants of money to each school district that submits an application~~
33 ~~pursuant to subsection 4 based upon the amount of money that is~~
34 ~~necessary to carry out each program. If an insufficient amount of~~
35 ~~money is available to pay for each program submitted to the~~
36 ~~Department, the amount of money available must be distributed pro~~
37 ~~rata based upon the number of licensed employees who are~~
38 ~~estimated to be eligible to participate in the program in each school~~
39 ~~district that submitted an application.~~

40 ~~7.]~~ 3. An individual employee may not receive as a financial
41 incentive pursuant to a program an amount of money that is more
42 than \$3,500 per year.

43 ~~[8.]~~ 4. The Department shall, in consultation with
44 representatives appointed by the Nevada Association of School
45 Superintendents and the Nevada Association of School Boards,



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1 develop a formula for identifying at-risk schools for purposes of this
2 section. The formula must be developed on or before July 1 of each
3 year and include, without limitation, the following factors:

4 (a) The percentage of pupils who are eligible for free or
5 reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.;

6 (b) The transiency rate of pupils;

7 (c) The percentage of pupils who are limited English proficient;

8 (d) The percentage of pupils who have individualized education
9 programs;

10 (e) The percentage of pupils who score in the bottom two
11 quarters on the mathematics portion or the reading portion, or both,
12 of the high school proficiency examination; and

13 (f) The percentage of pupils who drop out of high school before
14 graduation.

15 ~~[9.]~~ 5. The board of trustees of ~~each~~ a school district that
16 receives a *block* grant ~~[of money]~~ *or a portion thereof* pursuant to
17 ~~[this]~~ section *4 of this act to establish a program of incentive pay*
18 shall evaluate the effectiveness of the program for which the *block*
19 grant *or portion thereof* was awarded. The evaluation must include,
20 without limitation, an evaluation of whether the program is effective
21 in recruiting and retaining the personnel as set forth in subsection *1.*
22 ~~[2. On or before December 1 of each year, the board of trustees shall~~
23 ~~submit a report of its evaluation to the:~~

24 ~~—(a) Governor;~~

25 ~~—(b) State Board;~~

26 ~~—(c) Interim Finance Committee;~~

27 ~~—(d) If the report is submitted in an even-numbered year, Director~~
28 ~~of the Legislative Counsel Bureau for transmittal to the next regular~~
29 ~~session of the Legislature; and~~

30 ~~—(e) Legislative Committee on Education.]~~

31 **Sec. 11.** NRS 218E.615 is hereby amended to read as follows:

32 218E.615 1. The Committee may:

33 (a) Evaluate, review and comment upon issues related to
34 education within this State, including, but not limited to:

35 (1) Programs to enhance accountability in education;

36 (2) Legislative measures regarding education;

37 (3) The progress made by this State, the school districts and
38 the public schools in this State in satisfying the goals and objectives
39 of the federal No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301
40 et seq., and the annual measurable objectives established by the
41 State Board of Education pursuant to NRS 385.361;

42 (4) Methods of financing public education;

43 (5) The condition of public education in the elementary and
44 secondary schools;



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(6) The program to reduce the ratio of pupils per class per licensed teacher prescribed in NRS 388.700, 388.710 and 388.720 ~~is~~ *implemented by school districts that receive a block grant pursuant to section 4 of this act in part to reduce the ratio of pupils per licensed teacher in elementary schools;*

(7) The development of any programs to automate the receipt, storage and retrieval of the educational records of pupils; and

(8) Any other matters that, in the determination of the Committee, affect the education of pupils within this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which public education may be improved.

2. The Committee shall:

(a) In addition to any standards prescribed by the Department of Education, prescribe standards for the review and evaluation of the reports of the State Board of Education, school districts and public schools pursuant to paragraph (a) of subsection 1 of NRS 385.359.

(b) For the purposes set forth in NRS 385.389, recommend to the Department of Education programs of remedial study for each subject tested on the examinations administered pursuant to NRS 389.015. In recommending these programs of remedial study, the Committee shall consider programs of remedial study that have proven to be successful in improving the academic achievement of pupils.

(c) Recommend to the Department of Education providers of supplemental educational services for inclusion on the list of approved providers prepared by the Department pursuant to NRS 385.384. In recommending providers, the Committee shall consider providers with a demonstrated record of effectiveness in improving the academic achievement of pupils.

(d) For the purposes set forth in NRS 385.3785, recommend to the Commission on Educational Excellence created by NRS 385.3784 programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

Sec. 12. NRS 218E.625 is hereby amended to read as follows:

218E.625 1. The Legislative Bureau of Educational Accountability and Program Evaluation is hereby created within the Fiscal Analysis Division of the Legislative Counsel Bureau. The Fiscal Analysts shall appoint to the Legislative Bureau of Educational Accountability and Program Evaluation a Chief and



1 such other personnel as the Fiscal Analysts determine are necessary
2 for the Bureau to carry out its duties pursuant to this section.

3 2. The Bureau shall, as the Fiscal Analysts determine is
4 necessary or at the request of the Committee:

5 (a) Collect and analyze data and issue written reports
6 concerning:

7 (1) The effectiveness of the provisions of NRS 385.3455 to
8 385.391, inclusive, in improving the accountability of the schools of
9 this State;

10 (2) The ~~statewide~~ program to reduce the ratio of pupils per
11 class per licensed teacher prescribed in NRS 388.700, 388.710 and
12 388.720 ~~to~~ *implemented by school districts that receive a block*
13 *grant pursuant to section 4 of this act in part to reduce the ratio of*
14 *pupils per licensed teacher in elementary schools;*

15 (3) The statewide program to educate persons with disabilities
16 that is set forth in chapter 395 of NRS;

17 (4) The results of the examinations of the National
18 Assessment of Educational Progress that are administered pursuant
19 to NRS 389.012; and

20 (5) Any program or legislative measure, the purpose of
21 which is to reform the system of education within this State.

22 (b) Conduct studies and analyses to evaluate the performance
23 and progress of the system of public education within this State.
24 Such studies and analyses may be conducted:

25 (1) As the Fiscal Analysts determine are necessary; or

26 (2) At the request of the Legislature.

27 ➔ This paragraph does not prohibit the Bureau from contracting
28 with a person or entity to conduct studies and analyses on behalf of
29 the Bureau.

30 (c) On or before December 31 of each even-numbered year,
31 submit a written report of its findings pursuant to paragraphs (a) and
32 (b) to the Director of the Legislative Counsel Bureau for
33 transmission to the next regular session of the Legislature. The
34 Bureau shall, on or before December 31 of each odd-numbered year,
35 submit a written report of its findings pursuant to paragraphs (a) and
36 (b) to the Director of the Legislative Counsel Bureau for
37 transmission to the Legislative Commission.

38 3. The Bureau may, pursuant to NRS 218F.620, require a
39 school, a school district, the Nevada System of Higher Education or
40 the Department of Education to submit to the Bureau books, papers,
41 records and other information that the Chief of the Bureau
42 determines are necessary to carry out the duties of the Bureau
43 pursuant to this section. An entity whom the Bureau requests to
44 produce records or other information shall provide the records or



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1 other information in any readily available format specified by the
2 Bureau.

3 4. Except as otherwise provided in this subsection or NRS
4 239.0115, any information obtained by the Bureau pursuant to this
5 section shall be deemed a work product that is confidential pursuant
6 to NRS 218F.150. The Bureau may, at the discretion of the Chief
7 and after submission to the Legislature or Legislative Commission,
8 as appropriate, publish reports of its findings pursuant to paragraphs
9 (a) and (b) of subsection 2.

10 5. This section does not prohibit the Department of Education
11 or the State Board of Education from conducting analyses,
12 submitting reports or otherwise reviewing educational programs in
13 this State.

14 **Sec. 13.** NRS 385.3787 and 385.3789 are hereby repealed.

15 **Sec. 14.** 1. The Department of Education shall make the
16 initial distribution of block grants to school districts whose plans are
17 approved pursuant to the categorical block grant program for K-12
18 public education established pursuant to section 4 of this act for the
19 2012-2013 Fiscal Year.

20 2. Notwithstanding the provisions of section 4 of this act to the
21 contrary, for Fiscal Year 2013-2014 and Fiscal Year 2014-2015,
22 money available for the categorical block grant program for K-12
23 public education established pursuant to section 4 of this act must be
24 distributed by the Department of Education to school districts whose
25 plans are approved pursuant to section 4 of this act based upon the
26 proportion of money each school district received as a block grant in
27 Fiscal Year 2012-2013.

28 3. Commencing with Fiscal Year 2015-2016, the money
29 available for the categorical block grant program for K-12 public
30 education established pursuant to section 4 of this act must be
31 distributed by the Department of Education to school districts whose
32 plans are approved pursuant to section 4 of this act based upon the
33 formula prescribed in subsection 4 of section 4 of this act.

34 **Sec. 15.** In addition to the uses authorized pursuant to NRS
35 385.379, as amended by section 3 of this act, money in the Account
36 for Programs for Innovation and the Prevention of Remediation may
37 be used pursuant to section 5 of chapter 8, Statutes of Nevada 2007,
38 23rd Special Session, at page 18.

39 **Sec. 16.** 1. This section and sections 4 and 14 of this act
40 become effective on July 1, 2011.

41 2. Sections 1, 2, 3, 5 to 13, inclusive, and 15 of this act,
42 become effective on July 1, 2012.



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TEXT OF REPEALED SECTIONS

385.3787 Use of money by public schools and consortiums of public schools that receive allocations from Account; submission of evaluation of effectiveness.

1. A public school or consortium of public schools that receives an allocation of money from the Account shall:

(a) Account for the money separately;

(b) Use the money to supplement and not replace the money that would otherwise be expended by the school district or public school for the achievement of pupils in kindergarten through grade 6 or pupils in grades 7 through 12, as applicable; and

(c) Submit an evaluation of the effectiveness of the allocation in improving the achievement of pupils in kindergarten through grade 6 or pupils in grades 7 through 12, as applicable, in accordance with the criteria for evaluation established by the Commission pursuant to NRS 385.3785.

2. A public school or consortium of public schools that receives an allocation of money from the Account shall not:

(a) Use the money to settle or arbitrate disputes or negotiate settlements between an organization that represents licensed employees of the school district or public school and the school district or public school, as applicable.

(b) Use the money to adjust the schedules of salaries and benefits of the employees of the school district or public school, as applicable.

385.3789 Submission of annual reports by Commission; biennial audit of programs by Legislative Auditor.

1. The Commission shall prepare an annual report that describes the distribution of money to the public schools and consortiums of public schools and the programs for which money was allocated from the Account, including, without limitation, the total amount of money allocated:

(a) To each consortium of public schools, with a designation of which public schools are included in each consortium;

(b) To each public school;

(c) To schools included on the list of priorities of schools provided by the Department pursuant to NRS 385.3785;

(d) For programs that provide services directly to pupils for remediation and innovation, including, without limitation, instruction, instructional materials and support materials;



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(e) For programs that provide instructional support and have an indirect effect on pupils, including, without limitation, the provision of professional development for educational personnel and the employment of administrators; and

(f) For each program, including, without limitation:

(1) A description of the program, including, without limitation, whether the program is available commercially;

(2) Whether the Commission considers the program to be innovative;

(3) Whether the program includes the provision of professional development other than professional development that is related to carrying out a program that provides services directly to pupils;

(4) The costs to implement the program; and

(5) The full-time personnel necessary to implement the program, if any.

➤ The report must be submitted on or before September 1 of each year to the entities identified in subsection 3.

2. The Commission shall:

(a) Prepare an annual report that describes:

(1) The activities of the Commission;

(2) An analysis of the progress of the public schools in carrying out the plans to improve the achievement of pupils; and

(3) An analysis of the progress of the public schools and consortiums of public schools that received an allocation of money from the Account in improving the achievement of pupils.

(b) Submit the report on or before January 31 of each year to the entities identified in subsection 3.

3. The Commission shall submit the reports required by this section to the:

(a) State Board;

(b) Governor;

(c) Committee;

(d) Bureau;

(e) Interim Finance Committee; and

(f) Board of trustees of each school district.

4. The Legislative Auditor shall audit biennially the programs for which public schools and consortiums of public schools receive an allocation of money. The audit:

(a) Must include:

(1) A review of the amount of time it takes for a public school or consortium of public schools to receive an allocation of money after the Commission makes the award;

(2) A determination of whether a public school or consortium of public schools that received an allocation of money used the



money to implement the program for which the money was allocated; and

(3) Any recommendations for the most efficient and economical use of the money allocated by the Commission to public schools and consortiums of public schools.

(b) May include a representative sample of programs, based upon geographic location and type of program.

5. The Legislative Auditor shall report the results of each biennial audit conducted pursuant to subsection 4 to the entities prescribed in subsection 3.

