

Senate Bill No. 543–Committee on Finance

CHAPTER.....

AN ACT relating to education; creating the State Education Fund; revising the method for determining the amount of and distributing money to support the operation of the public schools in this State; establishing certain requirements for the accounting and use of such money; establishing requirements for the establishment of budgetary estimates relating to the public schools in this State; creating the Commission on School Funding and establishing its duties; establishing provisions relating to reports of expenditures by public schools; directing certain revenues to be deposited in the State Education Fund; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law declares that “the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity” and establishes the Nevada Plan as a formula for distribution of state financial aid to the public schools in this State to accomplish that objective. (NRS 387.121) As part of the Nevada Plan, the Legislature establishes, during each legislative session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil. (NRS 387.122) This is the per pupil amount that is “guaranteed” on a statewide basis through a combination of state money and certain local revenues, supplemented by other local revenues which are not “guaranteed” by the state. The basic support guarantee for each school district is computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment. (NRS 387.121-387.1223) In addition to the basic support guarantee per pupil, state financial aid to public education is provided through various programs, commonly known as “categorical funding,” that target specific purposes or populations of pupils for additional support. Such programs include, without limitation, the Account for the New Nevada Education Funding Plan, Zoom schools and Victory schools. (NRS 387.129-387.139; section 1 of chapter 544, Statutes of Nevada 2017, p. 3768; section 2 of chapter 389, Statutes of Nevada 2015, p. 2199)

Beginning with the 2021-2023 biennium, this bill generally replaces the Nevada Plan with the Pupil-Centered Funding Plan, which combines money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in this State which is adjusted: (1) to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. **Section 15** of this bill designates the plan created by this bill as the Pupil-Centered Funding Plan and expresses the intent of the Legislature regarding its creation. Specifically, **section 2** of this bill creates the State Education Fund and identifies numerous sources of revenues to be deposited into the Fund, in addition to direct legislative appropriations from the State General Fund. **Section 2** also authorizes the Superintendent of Public Instruction to create one or more accounts in the State Education Fund for the purpose of administering money received from the Federal Government. **Section 3** of this bill creates the Education Stabilization Account in



the State Education Fund and provides for the funding of the Account and the use of the money in the Account. **Sections 13, 26, 27, 49, 51, 52, 59-61, 64 and 66-73** of this bill direct certain sources of revenues to the State Education Fund. **Sections 17, 19, 22-25, 31-35, 37-42, 45, 47, 48, 50, 53-56, 62, 63 and 65** of this bill make conforming changes for the direction of such sources of revenues to the State Education Fund and the replacement of the State Distributive School Account with the State Education Fund.

**Section 4** of this bill requires the Legislature, after making a direct legislative appropriation to the State Education Fund, to determine the statewide base per pupil funding amount for each fiscal year of the biennium. **Section 4** expresses the intent of the Legislature that the statewide base per pupil funding amount should, to the extent practicable, increase each year by not less than inflation. **Section 4** requires the Legislature to appropriate the whole of the State Education Fund, less the money in the Education Stabilization Account or any account created by the Superintendent to receive federal money, to fund, in an amount determined to be sufficient by the Legislature: (1) the operation of the State Board of Education, the Superintendent of Public Instruction and the Department of Education; (2) the food service, transportation and similar services of the school districts; (3) the operation of each school district for all pupils generally through adjusted base per pupil funding for each pupil enrolled in the school district; (4) the operation of each charter school and university school for profoundly gifted pupils for all pupils generally through a statewide base per pupil funding amount for each pupil enrolled in such a school, with an adjustment for certain schools; and (5) the additional educational needs of English learners, at-risk pupils, pupils with disabilities and gifted and talented pupils through additional weighted funding for each such pupil. **Section 4** specifies that additional weighted funding be expressed as a multiplier to be applied to the statewide base per pupil funding amount and that a pupil who belongs to more than one category receive only the additional weighted funding for the single category with the highest multiplier. **Section 4** generally prohibits the use of additional weighted funding for collective bargaining. **Section 58** of this bill generally prohibits the use of a school district's ending fund balance for collective bargaining.

The Nevada Constitution requires that the revenue from a tax upon the net proceeds of all minerals be appropriated to each county and apportioned among the respective governmental units within the county, including the school district. (Nev. Const. Art. 10, § 5) **Sections 2 and 61** of this bill require the proceeds of such a tax that are apportioned to each school district to be deposited to the credit of the State Education Fund. **Section 4** deems such money to be the first money appropriated as part of the adjusted base per pupil funding and weighted funding to the county school district from which the money originated. To the extent that money exceeds the adjusted base per pupil funding and weighted funding for the county school district to which it was apportioned, paragraph (b) of subsection 6 of **section 4** of this bill requires the excess to be transferred to the county school district from which the money originated and authorizes the expenditure of that money as a continuing appropriation. **Section 4** also specifies that the purposes for which the money may be used include mitigating the adverse effects of the cyclical nature of the mining industry on the school district. These effects include, without limitation, significant and rapid changes in the number of pupils enrolled in the school district which are a unique impediment to pupils receiving a reasonably equal educational opportunity in the counties in which the mining industry is pervasive and cannot be reasonably addressed in a uniform statewide funding plan.

**Sections 5-7** of this bill establish certain factors which are applied to the statewide base per pupil funding amount to create the adjusted base per pupil



funding for each school district and certain charter schools and university schools for profoundly gifted pupils. Specifically, **section 5** of this bill establishes a cost adjustment factor by which the statewide base per pupil funding amount is adjusted for each school district and certain charter schools and university schools for profoundly gifted pupils to account for variation between the counties in the cost of living and the cost of labor. **Section 6** of this bill establishes an adjustment for each necessarily small school in a school district to account for the increased cost to operate certain schools which must necessarily be smaller than the school could be most efficiently operated. **Section 7** of this bill establishes a small district equity adjustment by which the statewide base per pupil funding amount is adjusted for each school district to account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled. **Sections 5-7** require the Department of Education to review and determine whether revisions are necessary to the method by which these adjustments are calculated in certain circumstances.

**Section 8** of this bill requires each school district to account separately for the adjusted base per pupil funding received by the school district and deduct an amount of not more than the amount prescribed by the Department by regulation of the adjusted base per pupil funding for the administrative expenses of the school district. **Section 8** requires the remainder of the adjusted base per pupil funding to be distributed to the public schools in the school district in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity. Similarly, **section 8** requires each school district to account separately for all weighted funding received by the school district. **Section 8** requires all weighted funding to be distributed directly to each school in which the relevant pupils are enrolled. **Section 8** also: (1) requires each public school to account separately for the adjusted base per pupil funding and each category of weighted funding the school receives; (2) requires weighted funding to be used for each relevant pupil to supplement the adjusted base per pupil funding for the pupil and provide such educational programs, services or support as are necessary to provide the pupil a reasonably equal educational opportunity; and (3) limits the use of weighted funding for at-risk pupils and English learners to certain services. **Section 8** additionally contains certain provisions relating to the separate accounting of money for pupils with disabilities and gifted and talented pupils which are moved into this section from a separate provision of existing law. **Sections 14, 16, 18, 20, 21, 28-30, 36, 43, 44, 46, 57, 74 and 80** of this bill make conforming changes.

**Section 9** of this bill generally requires the Governor, when preparing the proposed executive budget and to the extent practicable, to reserve an amount of money in the State General Fund for transfer to the State Education Fund which is sufficient to fully fund certain increases in the amount of money in the State Education Fund if the Economic Forum projects an increase in state revenue in the upcoming biennium. If the Economic Forum projects a decrease in state revenue, **section 9** requires the Governor to reserve an amount of money in the State General Fund sufficient to ensure that the amount of money transferred from the State General Fund to the State Education Fund does not decrease by a greater percentage than the projected decline in state revenues. **Section 9** requires the Governor to include in the proposed executive budget recommendations for the statewide base per pupil funding amount and the multiplier for each category of pupils. **Section 9** requires the Governor to consider the recommendations of the Commission on School Funding for an optimal level of school funding and authorizes the Governor to reserve an additional amount of money for transfer to the State Education Fund to fund any such recommendation. **Section 9** authorizes the Governor, as part of the proposed executive budget, to recommend revisions to education funding or additional education funding. Finally, **section 9** authorizes the



Governor to include in the proposed executive budget a recommendation for such funding for the public schools in this State as the Governor determines to be appropriate if the Governor determines that preparing a proposed executive budget as described in **section 9** would be impracticable. If the Governor includes such a recommendation, the Governor must also recommend appropriate legislation to improve the method for determining funding for the public schools in this State.

**Section 10** of this bill creates the Commission on School Funding and prescribes its membership. **Section 11** of this bill prescribes the duties of the Commission. **Section 76** of this bill requires the Commission to project the distribution of education funding for the 2019-2021 biennium as if the Pupil-Centered Funding Plan were in effect and compare that projection to the projected distribution of education funding for the 2019-2021 biennium under existing law. **Section 76** additionally requires each school district to project its budget for the 2019-2021 biennium as if the Pupil-Centered Funding Plan were in effect, compare that projection to its projected budget for the 2019-2021 biennium under existing law and submit both budgets to the Commission. Finally, **section 76** requires the Commission to make recommendations for the implementation of the Pupil-Centered Funding Plan to the Governor and Legislature.

**Section 12** of this bill establishes certain reporting requirements for the Department of Education and for each school district and public school relating to educational expenditures. **Section 74.5** of this bill makes an appropriation for the costs of implementing this bill.

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

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

**Section 1.** Chapter 387 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this act.

**Sec. 2. 1. *The State Education Fund is hereby created as a special revenue fund to be administered by the Superintendent of Public Instruction for the purpose of supporting the operation of the public schools in this State. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.***

**2. *Money which must be deposited for credit to the State Education Fund includes, without limitation:***

**(a) *All money derived from interest on the State Permanent School Fund, as provided in NRS 387.030;***

**(b) *The proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest, less any amount retained by the county treasurer for the actual cost of collecting and administering the tax;***

**(c) *The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;***



*(d) The portion of the money in each special account created pursuant to subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2 of NRS 179.1187;*

*(e) The money identified in subsection 1 of NRS 328.450;*

*(f) The money identified in subsection 1 of NRS 328.460;*

*(g) The money identified in paragraph (a) of subsection 2 of NRS 360.850;*

*(h) The money identified in paragraph (a) of subsection 2 of NRS 360.855;*

*(i) The money required to be paid over to the State Treasurer for deposit to the credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;*

*(j) The portion of the proceeds of the tax imposed pursuant to subsection 1 of NRS 372A.290 identified in paragraph (b) of subsection 3 of NRS 372A.290;*

*(k) The proceeds of the tax imposed pursuant to subsection 2 of NRS 372A.290;*

*(l) The proceeds of the fees, taxes, interest and penalties imposed pursuant to chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;*

*(m) The money identified in paragraph (b) of subsection 3 of NRS 453A.344;*

*(n) The money identified in NRS 453D.510;*

*(o) The portion of the proceeds of the excise tax imposed pursuant to subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS 463.385;*

*(p) The money required to be distributed to the State Education Fund pursuant to subsection 3 of NRS 482.181;*

*(q) The portion of the net profits of the grantee of a franchise, right or privilege identified in NRS 709.110;*

*(r) The portion of the net profits of the grantee of a franchise identified in NRS 709.230;*

*(s) The portion of the net profits of the grantee of a franchise identified in NRS 709.270; and*

*(t) The direct legislative appropriation from the State General Fund required by subsection 3.*

*3. In addition to money from any other source provided by law, support for the State Education Fund must be provided by direct legislative appropriation from the State General Fund in an amount determined by the Legislature to be sufficient to fund the operation of the public schools in this State for kindergarten through grade 12 for the next ensuing biennium for the population reasonably estimated for that biennium. Money in the*



*State Education Fund does not revert to the State General Fund at the end of a fiscal year, and the balance in the State Education Fund must be carried forward to the next fiscal year.*

*4. Money in the Fund must be paid out on claims as other claims against the State are paid.*

*5. The Superintendent of Public Instruction may create one or more accounts in the State Education Fund for the purpose of administering any money received from the Federal Government for the support of education and any State money required to be administered separately to satisfy any requirement imposed by the Federal Government. The money in any such account must not be considered when calculating the statewide base per pupil funding amount or appropriating money from the State Education Fund pursuant to section 4 of this act. The interest and income earned on the money in any such account, after deducting any applicable charges, must be credited to the account.*

**Sec. 3.** *1. The Education Stabilization Account is hereby created in the State Education Fund. Except as otherwise provided in subsections 3 and 4, each year after the close of the previous fiscal year and before the issuance of the State Controller's annual report, each county school district shall transfer from the county school district fund to the Education Stabilization Account any amount by which the actual ending fund balance of the county school district fund exceeds 16.6 percent of the total actual expenditures for the fund. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.*

*2. Money transferred pursuant to subsection 1 to the Education Stabilization Account is a continuing appropriation solely for the purpose of authorizing the expenditure of the transferred money for the purposes set forth in this section.*

*3. The balance in the Educational Stabilization Account must not exceed 15 percent of the total of all appropriations and authorizations from the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, for the immediately preceding fiscal year. Any money transferred to the Education Stabilization Account which exceeds this amount must instead be transferred to the State Education Fund.*

*4. If the Interim Finance Committee finds that the collection of revenue in any fiscal year will result in the State Education Fund receiving 97 percent or less of the money authorized for expenditure from the State Education Fund, the Committee shall*



*by resolution establish an amount of money to transfer from the Education Stabilization Account to the State Education Fund and direct the State Controller to transfer that amount to the State Education Fund. The State Controller shall thereupon make the transfer.*

*5. The balance remaining in the State Education Fund, excluding the balance remaining in the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, that has not been committed for expenditure on or before June 30 of each fiscal year must be transferred to the Education Stabilization Account to the extent that such a transfer would not cause the balance in the Education Stabilization Account to exceed the limit established in subsection 3.*

**Sec. 4.** *1. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the Legislature shall determine the statewide base per pupil funding amount for each fiscal year of the biennium, which is the amount of money expressed on a per pupil basis for the projected enrollment of the public schools in this State, determined to be sufficient by the Legislature to fund the costs of all public schools in this State to operate and provide general education to all pupils for any purpose for which specific funding is not appropriated pursuant to paragraph (a), (b) or (e) of subsection 2. It is the intent of the Legislature that the statewide base per pupil funding amount for any fiscal year, to the extent practicable, be not less than the statewide base per pupil funding amount for the immediately preceding fiscal year, adjusted by inflation, unless the amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the preceding fiscal year. If the amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the preceding fiscal year, it is the intent of the Legislature that a proportional reduction be made in both the statewide base per pupil funding amount and the weighted funding appropriated pursuant to paragraph (e) of subsection 2.*

*2. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the money in the State Education Fund, excluding any amount of money in the Education Stabilization Account or in any account established pursuant to subsection 5 of section 2 of*



*this act, must be appropriated as established by law for each fiscal year of the biennium for the following purposes:*

*(a) To the Department, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to fund the operation of the State Board, the Superintendent of Public Instruction and the Department, including, without limitation, the statewide administration and oversight of the public schools and any educational programs administered by this State.*

*(b) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide food services and transportation for pupils and any other similar service that the Legislature deems appropriate.*

*(c) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide adjusted base per pupil funding for each pupil estimated to be enrolled in the school district.*

*(d) To each charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide:*

*(1) The statewide base per pupil funding amount for each pupil estimated to be enrolled full-time in a program of distance education provided by the charter school or university school for profoundly gifted pupils; and*

*(2) Adjusted base per pupil funding for each pupil estimated to be enrolled in the charter school or university school for profoundly gifted pupils other than a pupil identified in subparagraph (1).*

*(e) To each school district, charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide additional weighted funding for each pupil estimated to be enrolled in the school district, charter school or university school for profoundly gifted pupils who is:*

- (1) An English learner;*
- (2) An at-risk pupil;*
- (3) A pupil with a disability; or*
- (4) A gifted and talented pupil.*





3. *The adjusted base per pupil funding appropriated pursuant to paragraph (c) of subsection 2 for each school district must be determined by applying the cost adjustment factor established pursuant to section 5 of this act which applies to the school district, the adjustment for necessarily small schools established pursuant to section 6 of this act which applies to the school district and the small district equity adjustment established pursuant to section 7 of this act which applies to the school district to the statewide base per pupil funding amount.*

4. *The adjusted base per pupil funding appropriated pursuant to subparagraph (2) of paragraph (d) of subsection 2 for each charter school or university school for profoundly gifted pupils must be determined by applying the cost adjustment factor established pursuant to section 5 of this act which applies to the charter school or university school to the statewide base per pupil funding amount.*

5. *The weighted funding appropriated pursuant to paragraph (e) of subsection 2 must be established separately for each category of pupils identified in that paragraph and expressed as a multiplier to be applied to the statewide base per pupil funding amount determined pursuant to subsection 1. A pupil who belongs to more than one category of pupils must receive only the weighted funding for the single category to which the pupil belongs which has the largest multiplier. It is the intent of the Legislature that, to the extent practicable:*

*(a) The multiplier for each category of pupils for any fiscal year be not less than the multiplier for the immediately preceding fiscal year unless:*

*(1) The amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the preceding fiscal year, in which event it is the intent of the Legislature that a proportional reduction be made in both the statewide base per pupil funding amount and the weighted funding appropriated pursuant to paragraph (e) of subsection 2; or*

*(2) The amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, increases from the preceding fiscal year but in an amount which, after funding the appropriations required by paragraphs (a) to (d), inclusive, of subsection 2, is insufficient to fund the multiplier for each category of pupils, in which event it is the intent of the*



*Legislature that the remaining money in the State Education Fund be used to provide a multiplier for each category of pupils which is as close as practicable to the multiplier for the preceding fiscal year;*

*(b) The recommendations of the Commission for the multiplier for each category of pupils be considered and the multiplier for one category of pupils may be changed by an amount that is not proportional to the change in the multiplier for one or more other categories of pupils if the Legislature determines that a disproportionate need to serve the pupils in the affected category exists; and*

*(c) If the multipliers for all categories of pupils in a fiscal year are increased from the multipliers in the immediately preceding fiscal year, a proportional increase is considered for the statewide base per pupil funding amount.*

*6. For any money identified in subsection 4 of NRS 362.170 which is deposited to the credit of the State Education Fund:*

*(a) The amount of such money for the county from which the money was collected that does not exceed the total amount of money appropriated pursuant to subsection 2 to the county school district is deemed to be the first money appropriated pursuant to subsection 2 for that county school district.*

*(b) The amount of such money for the county from which the money was collected which exceeds the total amount of money appropriated pursuant to subsection 2 to the county school district must be transferred to the county school district and is hereby authorized for expenditure as a continuing appropriation for the purpose of mitigating the adverse effects of the cyclical nature of the industry of extracting and processing minerals on the ability of the county school district to offer its pupils a reasonably equal educational opportunity.*

*7. The weighted funding appropriated pursuant to paragraph (e) of subsection 2:*

*(a) May not be used to settle or arbitrate disputes between a recognized organization representing employees of a school district or the governing body of a charter school and the school district or governing body or to settle any negotiations; and*

*(b) May not be used to adjust the district-wide schedules of salaries and benefits of the employees of a school district.*

**Sec. 5. 1.** *To account for variation between the counties of this State in the cost of living and the cost of labor, the Department shall establish by regulation cost adjustment factors*



*for the school district located in, and each charter school that provides classroom-based instruction in, each county of this State.*

*2. Not later than May 1 of each even-numbered year, the Department shall review and determine whether revisions are necessary to the cost adjustment factors for the school district located in each county of this State. The Department shall present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Department shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt by regulation any revision to the cost adjustment factors. The Department shall submit any revision to the cost adjustment factors to each school district, the Governor and the Director of the Legislative Counsel Bureau.*

**Sec. 6.** *1. To account for the increased cost to a school district to operate a public school for a small number of pupils which may be necessary in certain circumstances, the Department shall establish by regulation a method to calculate an adjustment for each necessarily small school.*

*2. Not later than May 1 of each even-numbered year, the Department shall review and determine whether revisions are necessary to the method for determining the adjustment for each necessarily small school. The Department shall present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Department shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt by regulation any revision to the method. The Department shall submit any revision to the method to each school district, the Governor and the Director of the Legislative Counsel Bureau.*

**Sec. 7.** *1. To account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled, the Department shall establish by regulation a small district equity adjustment.*

*2. Not later than May 1 of each even-numbered year, the Department shall review and determine whether revisions are necessary to the method for calculating the small district equity adjustment. The Department shall present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Department shall consider any recommendations*



*of the Legislative Committee on Education, determine whether to include those recommendations and adopt by regulation any revision to the method. The Department shall submit any revision to the method to each school district, the Governor and the Director of the Legislative Counsel Bureau.*

**Sec. 8.** *1. Except as otherwise provided in subsection 2, each school district shall ensure that all adjusted base per pupil funding received by the school district pursuant to paragraph (c) of subsection 2 of section 4 of this act is accounted for separately and, after a deduction for the administrative expenses of the school district in an amount which does not exceed the amount prescribed by the Department by regulation for each school district. Any money received by a school district to support a necessarily small school, as determined pursuant to section 6 of this act, must be distributed to such schools. The adjusted base per pupil funding provided to each school district must:*

*(a) Be distributed by each school district to its public schools in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity.*

*(b) Be used to support the educational needs of all pupils in the school district, including, without limitation, operating each public school in the school district, training and supporting educational personnel and carrying out any program or service established by, or requirement imposed pursuant to, this title for any purpose for which specific funding is not appropriated pursuant to paragraph (a), (b) or (e) of subsection 2 of section 4 of this act.*

*2. If a school district determines that an additional amount of money is necessary to satisfy requirements for maintenance of effort or any other requirement under federal law for pupils with disabilities enrolled in the school district, the school district may transfer the necessary amount of money from the adjusted base per pupil funding received by the school district for that purpose.*

*3. Each school district shall ensure that all weighted funding received by the school district pursuant to paragraph (e) of subsection 2 of section 4 of this act is accounted for separately and distributed directly to each school in which the relevant pupils are enrolled.*

*4. Each public school shall account separately for the adjusted base per pupil funding received by the public school pursuant to paragraph (c) of subsection 2 of section 4 of this act and for each category of weighted funding received by the public school pursuant to paragraph (e) of subsection 2 of section 4 of*



*this act. Unless the provisions of subsection 7 or 8 impose greater restrictions on the use of weighted funding by a public school, the public school must use the weighted funding received for each relevant pupil:*

*(a) As a supplement to the adjusted base per pupil funding received for the pupil; and*

*(b) Solely for the purpose of providing such additional educational programs, services or support as are necessary to ensure the pupil receives a reasonably equal educational opportunity.*

*5. Except as otherwise provided in subsection 6, the separate accounting required by subsection 4 for pupils with disabilities and gifted and talented pupils must include:*

*(a) The amount of money provided to the public school for special education; and*

*(b) The cost of:*

*(1) Instruction provided by licensed special education teachers and supporting staff;*

*(2) Related services, including, without limitation, services provided by psychologists, therapists and health-related personnel;*

*(3) Transportation of the pupils with disabilities and gifted and talented pupils to and from school;*

*(4) The direct supervision of educational and supporting programs; and*

*(5) The supplies and equipment needed for providing special education.*

*6. Money received from federal sources must be accounted for separately and excluded from the accounting required pursuant to subsection 5.*

*7. A public school that receives weighted funding for one or more at-risk pupils must use that weighted funding only to provide Victory services and, if one or more at-risk pupils for whom the school received weighted funding in the at-risk pupil category also belong to one or more other categories of pupils who receive weighted funding, the additional services for each such at-risk pupil which are appropriate for each category to which the at-risk pupil belongs.*

*8. A public school that receives weighted funding for one or more pupils who are English learners must use that weighted funding only to provide Zoom services and, if one or more English learners for whom the school received weighted funding in the English learner category also belong to one or more other categories of pupils who receive weighted funding, the additional*



*services for each such English learner which are appropriate for each category to which the English learner belongs.*

*9. The Department shall adopt regulations prescribing the maximum amount of money that each school district may deduct for its administrative expenses from the adjusted base per pupil funding received by the school district. When adopting such regulations, the Department may express the maximum amount of money that may be deducted as a percentage of the adjusted base per pupil funding received by the school district.*

*10. As used in this section:*

*(a) "Victory services" means any one or more of the following services:*

*(1) A prekindergarten program provided free of charge.*

*(2) A summer academy or other instruction for pupils provided free of charge at times during the year when school is not in session.*

*(3) Additional instruction or other learning opportunities provided free of charge at times of day when school is not in session.*

*(4) Professional development for teachers and other educational personnel concerning instructional practices and strategies that have proven to be an effective means to increase pupil achievement in populations of at-risk pupils.*

*(5) Incentives for hiring and retaining teachers and other licensed educational personnel who provide Victory services.*

*(6) Employment of paraprofessionals, other educational personnel and other persons who provide Victory services.*

*(7) A reading skills center.*

*(8) Integrated student supports, wrap-around services and evidence-based programs designed to meet the needs of at-risk pupils.*

*(9) Any other service or program that has a demonstrated record of success for similarly situated pupils in comparable school districts and has been reviewed and approved as a Victory service by the Superintendent of Public Instruction.*

*(b) "Zoom services" means any one or more of the following services:*

*(1) A prekindergarten program provided free of charge.*

*(2) A reading skills center.*

*(3) Professional development for teachers and other licensed educational personnel regarding effective instructional practices and strategies for pupils who are English learners.*



*(4) Incentives for hiring and retaining teachers and other licensed educational personnel who provide Zoom services.*

*(5) Engagement and involvement with parents and families of pupils who are English learners, including, without limitation, increasing effective, culturally appropriate communication with and outreach to parents and families to support the academic achievement of those pupils.*

*(6) A summer academy or, for those schools that do not operate on a traditional school calendar, an intersession academy provided free of charge, including, without limitation, the provision of transportation to attend the summer academy or intersession academy.*

*(7) An extended school day.*

*(8) Any other service or program that has a demonstrated record of success for similarly situated pupils in comparable school districts and has been reviewed and approved as a Zoom service by the Superintendent of Public Instruction.*

**Sec. 9. 1.** *Except as otherwise provided in subsection 5, for the purpose of establishing budgetary estimates for expenditures and revenues for the State Education Fund as prescribed by the State Budget Act, the Governor shall, to the extent practicable, ensure that an amount of money in the State General Fund is reserved in the proposed executive budget for transfer to the State Education Fund which is sufficient to fully fund:*

*(a) If the Economic Forum projects that the revenue collected by the State for general, unrestricted uses will increase by a rate that is greater than the combined rate of inflation and the growth of enrollment in the public schools in this State in the immediately preceding biennium, an amount of money in the State General Fund for transfer to the State Education Fund for the subsequent biennium which is not less than the amount of money transferred to the State Education Fund from the State General Fund for the immediately preceding biennium increased by an amount not less than the rate of increase for the revenue collected by the State as projected by the Economic Forum.*

*(b) If the Economic Forum projects that the revenue collected by the State for general, unrestricted uses will increase by a rate that is not greater than the combined rate of inflation and the growth of enrollment in the public schools in this State in the immediately preceding biennium, an amount of money in the State General Fund for transfer to the State Education Fund for the subsequent biennium which is not less than the amount of money transferred to the State Education Fund from the State General*



*Fund for the immediately preceding biennium increased by an amount not less than the combined rate of inflation and the growth of enrollment in the public schools in this State.*

*(c) If the Economic Forum projects that the revenue collected by the State for general, unrestricted uses will decrease, an amount of money in the State General Fund for transfer to the State Education Fund for the subsequent biennium which is not less than the amount of money transferred to the State Education Fund from the State General Fund for the immediately preceding biennium decreased by an amount not greater than the rate of decrease for the revenue collected by the State as projected by the Economic Forum.*

*2. Except as otherwise provided in subsection 5, as part of the proposed executive budget, the Governor shall, to the extent practicable, include recommendations for:*

*(a) The statewide base per pupil funding amount, which must be equal to the statewide base per pupil funding amount for the immediately preceding biennium increased by an amount not less than the combined rate of inflation and the growth of enrollment in the public schools in this State unless the amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the immediately preceding biennium, in which event the Governor must recommend a proportional reduction to both the statewide base per pupil funding amount and the multiplier for each category of pupils pursuant to paragraph (b); and*

*(b) The multiplier for each category of pupils, which must not be less than the multiplier for the immediately preceding biennium unless:*

*(1) The amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the immediately preceding biennium, in which event the Governor must recommend a proportional reduction to both the statewide base per pupil funding amount pursuant to paragraph (a) and the multiplier for each category of pupils; or*

*(2) The amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, increases from the preceding fiscal year but in an amount which, after recommending the statewide base per pupil funding amount pursuant to paragraph (a), is insufficient to fund the multiplier for*





*each category of pupils, in which event the Governor must recommend the remaining money in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, be used to provide a multiplier for each category of pupils which is as close as practicable to the multiplier for the preceding fiscal year.*

*3. When determining the amount of money to reserve for transfer from the State General Fund to the State Education Fund pursuant to subsection 1, the Governor shall consider the recommendations of the Commission, as revised by the Legislative Committee on Education, if applicable, for an optimal level of funding for education and may reserve an additional amount of money for transfer to the State Education Fund that the Governor determines to be sufficient to fund any recommendation or any portion of a recommendation that the Governor includes in the proposed executive budget.*

*4. As part of the proposed executive budget, the Governor may recommend to the Legislature a revision to any appropriation made by law pursuant to section 4 of this act, including, without limitation, the statewide base per pupil funding amount, the adjusted base per pupil funding for any school district, the multiplier for weighted funding for any category of pupils or the creation or elimination of a category of pupils to receive additional weighted funding. The Governor may recommend additional funding for any recommendation made pursuant to this subsection.*

*5. If the Governor determines that it would be impracticable to prepare the proposed executive budget as described in subsection 1 or 2, the Governor may instead include in the proposed executive budget a recommendation for such funding for the public schools in this State as he or she determines to be appropriate. If the Governor includes in the proposed executive budget recommendations pursuant to this subsection, the recommendations must be accompanied by such recommendations for legislation as the Governor determines to be appropriate to improve the method by which funding for the public schools in this State is determined.*

*6. As used in this section, "rate of inflation" means the percentage of increase or decrease in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the United States Department of Labor for the immediately preceding calendar year or, if that index ceases to be published by*



*the United States Department of Labor, the published index that most closely resembles that index, as determined by the Governor.*

**Sec. 10.** *1. The Commission on School Funding, consisting of 11 members, is hereby created.*

*2. The Commission consists of the following members, who may not be Legislators:*

*(a) One member appointed by the Governor, who serves as Chair;*

*(b) Two members appointed by the Majority Leader of the Senate;*

*(c) Two members appointed by the Speaker of the Assembly;*

*(d) One member appointed by the Minority Leader of the Senate;*

*(e) One member appointed by the Minority Leader of the Assembly;*

*(f) Two members appointed by the Governor, each of whom is the chief financial officer of a school district in this State which has more than 40,000 pupils enrolled in its public schools, nominated by the Nevada Association of School Superintendents or its successor organization; and*

*(g) Two members appointed by the Governor, each of whom is the chief financial officer of a school district in this State which has 40,000 or fewer pupils enrolled in its public schools, nominated by the Nevada Association of School Superintendents or its successor organization.*

*↳ In making appointments to the Commission, the appointing authorities shall consider whether the membership generally reflects the geographic distribution of pupils in the State.*

*3. Each member of the Commission must:*

*(a) Be a resident of this State;*

*(b) Not have been registered as a lobbyist pursuant to NRS 218H.200 for a period of at least 2 years immediately preceding appointment to the Commission;*

*(c) Have relevant experience in public education;*

*(d) Have relevant experience in fiscal policy, school finance or similar or related financial activities;*

*(e) Have the education, experience and skills necessary to effectively execute the duties and responsibilities of a member of the Commission; and*

*(f) Have demonstrated ability in the field of economics, taxation or other discipline necessary to school finance and be able to bring knowledge and professional judgment to the deliberations of the Commission.*



4. *Each member of the Commission serves a term of 3 years and may be reappointed to additional terms.*

5. *Each member may be removed by the appointing authority for good cause. A vacancy on the Commission must be filled in the same manner as the original appointment.*

6. *The Commission shall:*

(a) *Elect a Vice Chair from among its members at its first meeting for a term of 3 years. A vacancy in the office of Vice Chair must be filled by the Commission by election for the remainder of the existing term.*

(b) *Adopt such rules governing the conduct of the Commission as it deems necessary.*

(c) *Hold its first meeting on or before October 1, 2019, and hold such additional number of meetings as may be necessary to accomplish the tasks assigned to it in the time allotted.*

7. *A majority of the members of the Commission constitutes a quorum and a majority of those present must concur in any decision.*

8. *The Department shall provide the Commission with meeting rooms, data processing services and administrative and clerical assistance. The Superintendent of Public Instruction and Office of Finance shall jointly provide the Commission with professional staff services.*

9. *While engaged in the business of the Commission, each member is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.*

**Sec. 11. 1. The Commission shall:**

(a) *Provide guidance to school districts and the Department on the implementation of the Pupil-Centered Funding Plan.*

(b) *Monitor the implementation of the Pupil-Centered Funding Plan and make any recommendations to the Legislative Committee on Education that the Commission determines would, within the limits of appropriated funding, improve the implementation of the Pupil-Centered Funding Plan or correct any deficiencies of the Department or any school district or public school in carrying out the Pupil-Centered Funding Plan.*

(c) *Review the statewide base per pupil funding amount, the adjusted base per pupil funding for each school district and the multiplier for weighted funding for each category of pupils appropriated by law pursuant to section 4 of this act for each biennium and recommend any revisions the Commission determines to be appropriate to create an optimal level of funding for the public schools in this State, including, without limitation,*



*by recommending the creation or elimination of one or more categories of pupils to receive additional weighted funding. If the Commission makes a recommendation pursuant to this paragraph which would require more money to implement than was appropriated from the State Education Fund in the immediately preceding biennium, the Commission shall also identify a method to fully fund the recommendation within 10 years after the date of the recommendation.*

*(d) Review the laws and regulations of this State relating to education, make recommendations to the Legislative Committee on Education for any revision of such laws and regulations that the Commission determines would improve the efficiency or effectiveness of public education in this State and notify each school district of each such recommendation.*

*(e) Review and recommend to the Department revisions of the cost adjustment factors for each county established pursuant to section 5 of this act, the method for determining the adjustment for each necessarily small school established pursuant to section 6 of this act and the method for calculating the small district equity adjustment established pursuant to section 7 of this act.*

*2. The Commission shall present any recommendations pursuant to paragraphs (a) to (d), inclusive, of subsection 1 at a meeting of the Legislative Committee on Education for consideration and revision by the Committee. The Legislative Committee on Education shall review each recommendation of the Commission and determine whether to transmit the recommendation or a revised version of the recommendation to the Governor or the Legislature.*

**Sec. 12.** *1. On or before February 1 of each odd-numbered year, the Department shall create a report that includes a description of the personnel and services that the Department reasonably believes an average elementary school, middle school and high school in this State could employ and provide using the amount of money for public education contained in the proposed executive budget submitted by the Governor to the Legislature pursuant to NRS 353.230 when combined with all other money expected to be available for public education and submit the report to the Commission for review. The Commission shall review the report and provide to the Department any recommendations for revision of the report that the Commission determines to be appropriate. The Department shall consider the recommendations of the Commission, submit a final report to the Director of the Legislative Counsel Bureau for transmission to the Legislature*



*and post the final report on an Internet website maintained by the Department not later than March 1 of each odd-numbered year.*

*2. On or before July 1 of each year, the Department shall create a report that includes a description of the personnel and services that the Department reasonably believes an average elementary school, middle school and high school in this State could employ and provide using the amount of money for public education appropriated by the Legislature when combined with all other money expected to be available for public education and submit the report to the Commission for review. The Commission shall review the report and provide any recommendations for revision of the report that it determines to be appropriate to the Department. The Department shall consider the recommendations of the Commission, submit a final report to the Director of the Legislative Counsel Bureau for transmission to the Legislative Committee on Education and post the final report on an Internet website maintained by the Department not later than August 1 of each year.*

*3. On or before October 1 of each year, each school district shall create a report that includes a description of the personnel employed and services provided by the school district during the immediately preceding school year and any changes that the school district anticipates making to the personnel and services during the current school year. The school district shall post a copy of the report on the Internet website maintained by the school district.*

*4. On or before October 1 of each year, each public school shall create a report that includes a description of the personnel employed and services provided by the school during the immediately preceding school year and any changes the school anticipates making to the personnel and services during the current school year. The public school shall provide a written copy of the report to the parent or legal guardian of each pupil who attends the public school and, if the public school maintains an Internet website, post a copy of the report on the website.*

*5. The Department shall prescribe by regulation the format and contents of the information to be provided to create the reports required pursuant to subsections 1 and 2 by the Department and for the report created by each school district pursuant to subsection 3 and each public school pursuant to subsection 4. The reports must include, as applicable and without limitation:*

*(a) Each grade level at which the public school enrolls pupils;*



- (b) *The number of pupils attending the public school;*
- (c) *The average class size at the public school;*
- (d) *The number of persons employed by the public school to provide instruction, support to pupils, administrative support and other personnel including, without limitation, the number of employees in any subgroup of each type or classification of personnel as prescribed by the Department;*
- (e) *The professional development provided to each teacher at the public school;*
- (f) *The amount of money spent per pupil for supplies, materials, equipment and textbooks;*
- (g) *For each category of pupils for which the public school receives any additional funding, including, without limitation, pupils with disabilities, pupils who are English learners, at-risk pupils and gifted and talented pupils:*
  - (1) *The number of pupils in each category who attend the public school;*
  - (2) *If the Department determines that pupils within a category must be divided based on severity of need, the number of pupils in each such subcategory; and*
  - (3) *The number of persons employed to provide instruction, support to pupils, administrative support and other personnel employed by the public school and dedicated to providing services to each category or subcategory of pupils, including, without limitation, any subgroup of each kind of personnel prescribed by the Department;*
- (h) *The total amount of money received to support the operations of the public school, divided by the number of pupils enrolled in the public school and expressed as a per pupil amount;*
- (i) *The total amount of money received by the public school as adjusted base per pupil funding, divided by the number of pupils enrolled in the public school and expressed as a per pupil amount; and*
- (j) *The amount of money received by the public school as weighted funding for each category of pupils supported by weighted funding, divided by the number of pupils enrolled in the public school who are identified in the appropriate category and expressed as a per pupil amount for each category.*

**Sec. 13.** NRS 387.030 is hereby amended to read as follows:  
387.030 All money derived from interest on the State Permanent School Fund, together with all money derived from other sources provided by law, must:



1. Except as otherwise provided in NRS 387.191 , ~~and 387.193,~~ be placed in the State ~~[Distributive School Account which is hereby created in the State General]~~ **Education** Fund; and

2. Except as otherwise provided in NRS 387.528, be apportioned among the several school districts and charter schools of this State at the times and in the manner provided by law.

**Sec. 14.** NRS 387.047 is hereby amended to read as follows:

387.047 1. Except as otherwise provided in this section, each school district and charter school shall separately account for all money received for the instruction of and the provision of related services to ~~[pupils with disabilities,]~~ pupils who receive early intervening services . ~~[and gifted and talented pupils described by NRS 388.419 and 388.5267.]~~

2. The separate accounting must include:

(a) The amount of money provided to the school district or charter school for special education for basic support;

(b) Transfers of money from the general fund of the school district or charter school needed to balance the special revenue fund; **and**

(c) ~~The cost of:~~

~~— (1) Instruction provided by licensed special education teachers and supporting staff;~~

~~— (2) Related services, including, but not limited to, services provided by psychologists, therapists and health related personnel;~~

~~— (3) Transportation of the pupils with disabilities and gifted and talented pupils to and from school;~~

~~— (4) The direct supervision of educational and supporting programs; and~~

~~— (5) The supplies and equipment needed for providing special education; and~~

~~— (d)]~~ The amount of money, if any, expended by the school district or charter school for early intervening services provided pursuant to subsection 3 of NRS 388.429.

3. Money received from federal sources must be:

(a) Accounted for separately; and

(b) Excluded from the accounting required pursuant to this section.

**Sec. 15.** NRS 387.121 is hereby amended to read as follows:

387.121 1. The Legislature declares that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, this State should supplement local financial ability to whatever extent necessary in



each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every Nevada child to receive the benefit of the purposes for which public schools are maintained. Therefore, the quintessence of the State's financial obligation for such programs can be expressed ~~[in a formula partially on a per pupil basis and partially on a per program basis as: State financial aid to school districts equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes minus all the local funds attributable to pupils who reside in the county but attend a charter school or a university school for profoundly gifted pupils.]~~ by combining money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in this State, adjusted to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils and for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. This formula is designated the ~~[Nevada]~~ *Pupil-Centered Funding Plan*.

2. It is the intent of the Legislature ~~[, commencing with Fiscal Year 2016 2017, to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are English learners, pupils who are at risk and gifted and talented pupils. As used in this subsection, "pupils who are at risk" means pupils who are eligible for free or reduced price lunch pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board of Education.]~~ to accomplish the transition to the *Pupil-Centered Funding Plan* without causing an unexpected loss of revenue to any school district which may receive less money under the *Pupil-Centered Funding Plan* than the district received during the fiscal year ending on June 30, 2020. Except as otherwise provided in subsection 3, if a school district would receive less money under the *Pupil-Centered Funding Plan* than the district received during the fiscal year ending on June 30, 2020, it is the intent of the Legislature that the school district instead receive the same level of funding that the district received during the fiscal year ending on June 30, 2020, and be given the flexibility to reapportion money between its adjusted base per pupil funding and weighted funding in a manner similar to the apportionment of such money in the fiscal year ending on June 30, 2020, to ensure that each pupil in the district receives a reasonably equal educational opportunity.





3. *It is the intent of the Legislature to ensure that no school district that receives a modified allocation of money as described in subsection 2 receives less funding in a school year than the school district received in the immediately preceding school year unless the enrollment in the school district continues to decline for a period of 2 years or more. In the event of such an enrollment decline, it is the intent of the Legislature to determine an appropriate method to mitigate the effects of a continued decline in enrollment, which may include, without limitation, appropriating money to the school district as if the number of pupils enrolled in the district equaled the average number of pupils enrolled in the district over a rolling 3-year period.*

**Sec. 16.** NRS 387.1211 is hereby amended to read as follows:

387.1211 As used in NRS 387.121 to ~~387.1245,~~ 387.1244, inclusive ~~1~~, and sections 2 to 12, inclusive, of this act:

1. *“At-risk pupil” means a pupil who is eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board.*

2. *“Average daily attendance” means the total number of pupils attending a particular school each day during a period of reporting divided by the number of days school is in session during that period.*

~~2~~ 3. *“Average daily enrollment” means the total number of pupils enrolled in and scheduled to attend a public school in a specific school district during a period of reporting divided by the number of days school is in session during that period.*

~~3~~ 4. *“Commission” means the Commission on School Funding created by section 10 of this act.*

5. *“Enrollment” means the count of pupils enrolled in and scheduled to attend programs of instruction of a school district, charter school or university school for profoundly gifted pupils at a specified time during the school year.*

**Sec. 17.** NRS 387.1223 is hereby amended to read as follows:

387.1223 1. On or before October 1, January 1, April 1 and July 1, each school district shall report to the Department, in the form prescribed by the Department, the average daily enrollment of pupils pursuant to this section for the immediately preceding quarter of the school year.

2. Except as otherwise provided in subsection 3, ~~basic support of~~ *the yearly apportionment from the State Education Fund for each school district must be computed by:*



(a) Multiplying the ~~basic support guarantee~~ *adjusted base* per pupil *funding* established for that school district for that school year by the sum of:

(1) The count of pupils enrolled in kindergarten and grades 1 to 12, inclusive, *in a public school in the school district* based on the average daily enrollment of those pupils during the quarter . ~~including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school and the count of pupils who are enrolled in a university school for profoundly gifted pupils located in the county.~~

(2) The count of pupils not included under subparagraph (1) who are enrolled full-time in a program of distance education provided by that school district, ~~for a charter school located within that school district or a university school for profoundly gifted pupils,~~ based on the average daily enrollment of those pupils during the quarter.

(3) The count of pupils who reside in the county and are enrolled:

(I) In a public school of the school district and are concurrently enrolled part-time in a program of distance education provided by another school district or a charter school or receiving a portion of his or her instruction from a participating entity, as defined in NRS 353B.750, based on the average daily enrollment of those pupils during the quarter.

(II) In a charter school and are concurrently enrolled part-time in a program of distance education provided by ~~for~~ *the* school district , ~~for another charter school or receiving a portion of his or her instruction from a participating entity, as defined in NRS 353B.750,~~ based on the average daily enrollment of those pupils during the quarter.

(4) The count of pupils not included under subparagraph (1), (2) or (3), who are receiving special education pursuant to the provisions of NRS 388.417 to 388.469, inclusive, and 388.5251 to 388.5267, inclusive, based on the average daily enrollment of those pupils during the quarter and excluding the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to NRS 388.435.

(5) Six-tenths the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to NRS 388.435, based on the average daily enrollment of those pupils during the quarter.

(6) The count of children detained in facilities for the detention of children, alternative programs and juvenile forestry



camps receiving instruction pursuant to the provisions of NRS 388.550, 388.560 and 388.570, based on the average daily enrollment of those pupils during the quarter.

(7) The count of pupils who are enrolled in classes for at least one semester pursuant to subsection 1 of NRS 388A.471, subsection 1 of NRS 388A.474, subsection 1 of NRS 392.074, or subsection 1 of NRS 388B.280 or any regulations adopted pursuant to NRS 388B.060 that authorize a child who is enrolled at a public school of a school district or a private school or a homeschooled child to participate in a class at an achievement charter school, based on the average daily enrollment of pupils during the quarter and expressed as a percentage of the total time services are provided to those pupils per school day in proportion to the total time services are provided during a school day to pupils who are counted pursuant to subparagraph (1).

(b) Adding *to* the ~~amounts~~ *amount* computed in paragraph (a) ~~the amounts appropriated pursuant to paragraphs (b) and (e) of subsection 2 of section 4 of this act.~~

3. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district based on the average daily enrollment of pupils during the quarter of the school year is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school based on the average daily enrollment of pupils during the same quarter of the immediately preceding school year, the enrollment of pupils during the same quarter of the immediately preceding school year must be used for purposes of making the ~~quarterly~~ *monthly* apportionments from the State ~~Distributive School Account~~ *Education Fund* to that school district or charter school pursuant to NRS 387.124.

4. If the Department determines that a school district or charter school deliberately causes a decline in the enrollment of pupils in the school district or charter school to receive a higher apportionment pursuant to subsection 3, including, without limitation, by eliminating grades or moving into smaller facilities, the enrollment number from the current school year must be used for purposes of apportioning money from the State ~~Distributive School Account~~ *Education Fund* to that school district or charter school pursuant to NRS 387.124.

5. The Department shall prescribe a process for reconciling the quarterly reports submitted pursuant to subsection 1 to account for pupils who leave the school district or a public school during the school year.



6. Pupils who are excused from attendance at examinations or have completed their work in accordance with the rules of the board of trustees must be credited with attendance during that period.

7. Pupils who are incarcerated in a facility or institution operated by the Department of Corrections must not be counted for the purpose of computing ~~[basic support]~~ *the yearly apportionment* pursuant to this section. The average daily attendance for such pupils must be reported to the Department of Education.

8. Pupils who are enrolled in courses which are approved by the Department as meeting the requirements for an adult to earn a high school diploma must not be counted for the purpose of computing ~~[basic support]~~ *the yearly apportionment* pursuant to this section.

**Sec. 18.** NRS 387.1225 is hereby amended to read as follows:

387.1225 1. A hospital or other facility which is licensed by the Division of Public and Behavioral Health of the Department of Health and Human Services that provides residential treatment to children and which operates a private school licensed pursuant to chapter 394 of NRS may request reimbursement from the Department for the cost of providing educational services to a child who:

(a) The Department verifies is a patient or resident of the hospital or facility; and

(b) Attends the private school for more than 7 school days.

2. Upon receiving a request for reimbursement, the Department shall determine the amount of reimbursement to which the hospital or facility is entitled as a percentage of the ~~[basic support guarantee]~~ *adjusted base* per pupil *funding for the school district which the child would otherwise attend or the statewide base per pupil funding amount for the charter school which the child would otherwise attend, as applicable*, and withhold that amount from the school district or charter school where the child would attend school if the child were not placed in the hospital or facility. If the child is a pupil with a disability, the hospital or facility is also entitled to a corresponding percentage of the ~~[statewide multiplier included in the basic support guarantee per pupil pursuant to NRS 387.122.]~~ *weighted funding for the pupil established pursuant to section 4 of this act.* The Department shall distribute the money withheld from the school district or charter school to the hospital or facility.

3. For the purposes of subsection 2, the amount of reimbursement to which the hospital or facility is entitled must be calculated on the basis of the number of school days the child is a patient or resident of the hospital or facility and attends the private



school, excluding the 7 school days prescribed in paragraph (b) of subsection 1, in proportion to the number of days of instruction scheduled for that school year by the board of trustees of the school district or the charter school, as applicable.

4. The Department shall adopt any regulations necessary to carry out the provisions of this section.

5. As used in this section:

(a) "Hospital" has the meaning ascribed to it in NRS 449.012.

(b) "Private school" has the meaning ascribed to it in NRS 394.103.

**Sec. 19.** NRS 387.124 is hereby amended to read as follows:

387.124 Except as otherwise provided in this section and NRS 387.1241, 387.1242 and 387.528:

1. On or before ~~[August 1, November 1, February 1 and May 1]~~ *the first day* of each ~~[year,]~~ *month*, the Superintendent of Public Instruction shall apportion the State ~~[Distributive-School Account in the State General]~~ *Education* Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating ~~[one-fourth]~~ *one-twelfth* of their respective yearly apportionments less any amount set aside as a reserve ~~[.]~~ *or contained in the Education Stabilization Account or an account created pursuant to subsection 5 of section 2 of this act.* Except as otherwise provided in NRS 387.1244, the apportionment to a school district, computed on a yearly basis, equals the ~~[difference between the basic support and the local funds available pursuant to NRS 387.163, minus all the funds attributable to pupils who reside in the county but attend a charter school, all the funds attributable to pupils who reside in the county and are enrolled full-time or part-time in a program of distance education provided by another school district or a charter school, all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils]~~ *amounts established by law for each school year pursuant to paragraphs (b), (c) and (e) of subsection 2 of section 4 of this act for all pupils who attend a public school operated by the school district* located in the county ~~[and]~~, *minus* all the funds deposited in education savings accounts established on behalf of children who reside in the county pursuant to NRS 353B.700 to 353B.930, inclusive. ~~[No apportionment may be made to a school district if the amount of the local funds exceeds the amount of basic support.]~~

2. Except as otherwise provided in NRS 387.1244, in addition to the apportionments made pursuant to this section, if a pupil is



enrolled part-time in a program of distance education and part-time in a:

(a) Public school other than a charter school, an apportionment must be made to the school district in which the pupil resides. The school district in which the pupil resides shall allocate a percentage of the apportionment to the school district or charter school that provides the program of distance education in the amount set forth in the agreement entered into pursuant to NRS 388.854.

(b) Charter school, an apportionment must be made to the charter school in which the pupil is enrolled. The charter school in which the pupil is enrolled shall allocate a percentage of the apportionment to the school district or charter school that provides the program of distance education in the amount set forth in the agreement entered into pursuant to NRS 388.858.

3. The Superintendent of Public Instruction shall apportion, on or before August 1 of each year, the money designated as the "Nutrition State Match" pursuant to NRS 387.105 to those school districts that participate in the National School Lunch Program, 42 U.S.C. §§ 1751 et seq. The apportionment to a school district must be directly related to the district's reimbursements for the Program as compared with the total amount of reimbursements for all school districts in this State that participate in the Program.

~~[4. — If the State Controller finds that such an action is needed to maintain the balance in the State General Fund at a level sufficient to pay the other appropriations from it, the State Controller may pay out the apportionments monthly, each approximately one-twelfth of the yearly apportionment less any amount set aside as a reserve. If such action is needed, the State Controller shall submit a report to the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau documenting reasons for the action.]~~

**Sec. 20.** NRS 387.1241 is hereby amended to read as follows:

387.1241 Except as otherwise provided in ~~[this section and]~~ NRS 387.124, 387.1242, 387.1244 and 387.528:

1. The apportionment to a charter school, computed on a yearly basis, is equal to the ~~[sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.163 and all other funds available for public schools in the county in which the pupil resides]~~ *amounts established by law for each school year pursuant to paragraphs (d) and (e) of subsection 2 of section 4 of this act for all pupils who attend the charter school*, minus the sponsorship fee prescribed by NRS 388A.414 and minus all the funds attributable to pupils who are enrolled in the charter school but are concurrently



enrolled part-time in a program of distance education provided by a school district or another charter school. ~~[[If the apportionment per pupil to a charter school is more than the amount to be apportioned to the school district in which a pupil who is enrolled in the charter school resides, the school district in which the pupil resides shall pay the difference directly to the charter school.~~

~~—2. The apportionment to a charter school that is sponsored by the State Public Charter School Authority or by a college or university within the Nevada System of Higher Education, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.163 and all other funds available for public schools in the county in which the pupil resides, minus the sponsorship fee prescribed by NRS 388A.414 and minus all funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part time in a program of distance education provided by a school district or another charter school.~~

~~—3.]~~ 2. The governing body of a charter school may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the charter school, an apportionment 30 days before the apportionment is required to be made pursuant to NRS 387.124. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A charter school may receive all ~~[[four]]~~ 12 apportionments in advance in its first year of operation.

**Sec. 21.** NRS 387.1242 is hereby amended to read as follows:

387.1242 Except as otherwise provided in NRS 387.124, 387.1241, 387.1244 and 387.528 ~~[, the]~~ :

1. *The* apportionment to a university school for profoundly gifted pupils, computed on a yearly basis, is equal to the ~~[[sum of the basic support per pupil in the county in which the university school is located plus the amount of local funds available per pupil pursuant to NRS 387.163 and all other funds available for public schools in the county in which the university school is located. If the apportionment per pupil to a university school for profoundly gifted pupils is more than the amount to be apportioned to the school district in which the university school is located, the school district shall pay the difference directly to]]~~ *amounts established by law for each school year pursuant to paragraphs (d) and (e) of subsection 2 of section 4 of this act for all pupils who attend* the university school.



2. The governing body of a university school for profoundly gifted pupils may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the university school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1 of NRS 387.124. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A university school for profoundly gifted pupils may receive all ~~four~~ 12 apportionments in advance in its first year of operation.

**Sec. 22.** NRS 387.1243 is hereby amended to read as follows:

387.1243 1. The first apportionment based on an estimated number of pupils and succeeding apportionments are subject to adjustment from time to time as the need therefor may appear, including, without limitation, an adjustment made for a pupil who is not properly enrolled in or attending a public school, as determined through an independent audit or other examination conducted pursuant to NRS 387.1238 or through an annual audit of the count of pupils conducted pursuant to subsection 1 of NRS 387.304.

2. ~~The apportionments to a school district may be adjusted during a fiscal year by the Department of Education, upon approval by the State Board of Examiners and the Interim Finance Committee, if the Department of Taxation and the county assessor in the county in which the school district is located certify to the Department of Education that the school district will not receive the tax levied pursuant to subsection 1 of NRS 387.195 on property of the Federal Government located within the county if:~~

~~—(a) The leasehold interest, possessory interest, beneficial interest or beneficial use of the property is subject to taxation pursuant to NRS 361.157 and 361.159 and one or more lessees or users of the property are delinquent in paying the tax; and~~

~~—(b) The total amount of tax owed but not paid for the fiscal year by any such lessees and users is at least 5 percent of the proceeds that the school district would have received from the tax levied pursuant to subsection 1 of NRS 387.195.~~

~~→ If a lessee or user pays the tax owed after the school district's apportionment has been increased in accordance with the provisions of this subsection to compensate for the tax owed, the school district shall repay to the State Distributive School Account in the State General Fund an amount equal to the tax received from the lessee or user for the year in which the school district received an increased apportionment, not to exceed the increase in apportionments made to the school district pursuant to this subsection.~~





~~—3.]~~ On or before August 1 of each year, the board of trustees of a school district shall provide to the Department, in a format prescribed by the Department, the count of pupils calculated pursuant to subparagraph (7) of paragraph (a) of subsection 2 of NRS 387.1223 who completed at least one semester during the immediately preceding school year.

~~[4.]~~ 3. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils exceeds the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the additional amount due must be paid before September 1. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils is less than the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the difference must be repaid to the State ~~[Distributive School Account in the State General]~~ *Education* Fund by the school district, charter school or university school for profoundly gifted pupils before September 25.

**Sec. 23.** NRS 387.1244 is hereby amended to read as follows:

387.1244 1. The Superintendent of Public Instruction may deduct from an apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.124 if the school district, charter school or university school:

(a) Fails to repay an amount due pursuant to subsection ~~[4]~~ 3 of NRS 387.1243. The amount of the deduction from the ~~[quarterly]~~ *monthly* apportionment must correspond to the amount due.

(b) Fails to repay an amount due the Department as a result of a determination that an expenditure was made which violates the terms of a grant administered by the Department. The amount of the deduction from the ~~[quarterly]~~ *monthly* apportionment must correspond to the amount due.

(c) Pays a claim determined to be unearned, illegal or unreasonably excessive as a result of an investigation conducted pursuant to NRS 387.3037. The amount of the deduction from the ~~[quarterly]~~ *monthly* apportionment must correspond to the amount of the claim which is determined to be unearned, illegal or unreasonably excessive.

➔ More than one deduction from ~~[a-quarterly]~~ *an* apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils may be made pursuant to this subsection if grounds exist for each such deduction.



2. The Superintendent of Public Instruction may authorize the withholding of the entire amount of an apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.124, or a portion thereof, if the school district, charter school or university school for profoundly gifted pupils fails to submit a report or other information that is required to be submitted to the Superintendent, State Board or Department pursuant to a statute. ~~[If a charter school fails to submit a report or other information that is required to be submitted to the Superintendent, State Board or Department through the sponsor of the charter school pursuant to a statute, the Superintendent may only authorize the withholding of the apportionment otherwise payable to the charter school and may not authorize the withholding of the apportionment otherwise payable to the sponsor of the charter school.]~~ Before authorizing a withholding pursuant to this subsection, the Superintendent of Public Instruction shall provide notice to the school district, charter school or university school for profoundly gifted pupils of the report or other information that is due and provide the school district, charter school or university school with an opportunity to comply with the statute. Any amount withheld pursuant to this subsection must be accounted for separately in the State ~~[Distributive School Account, does not revert to the State General]~~ *Education* Fund ~~[at the end of a fiscal year]~~ and must be carried forward to the next fiscal year.

3. If, after an amount is withheld pursuant to subsection 2, the school district, charter school or university school for profoundly gifted pupils subsequently submits the report or other information required by a statute for which the withholding was made, the Superintendent of Public Instruction shall immediately authorize the payment of the amount withheld to the school district, charter school or university school for profoundly gifted pupils.

4. A school district, charter school or university school for profoundly gifted pupils may appeal to the State Board a decision of the Superintendent of Public Instruction to deduct or withhold from ~~[a quarterly]~~ *an* apportionment pursuant to this section. The Secretary of the State Board shall place the subject of the appeal on the agenda of the next meeting for consideration by the State Board.

**Sec. 24.** NRS 387.175 is hereby amended to read as follows:

387.175 The county school district fund is composed of:

1. ~~[All local taxes for the maintenance and operation of public schools.~~

~~—2.]~~ All money received from the Federal Government for the maintenance and operation of public schools.



~~{3}~~ 2. Apportionments by this State as provided in NRS 387.124.

~~{4}~~ 3. Any other receipts, including gifts, for the operation and maintenance of the public schools in the county school district.

**Sec. 25.** NRS 387.185 is hereby amended to read as follows:

387.185 1. Except as otherwise provided in subsection 2 and NRS 387.528, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, all school money due each county school district must be paid over by the State Treasurer to the county treasurer on ~~{August 1, November 1, February 1 and May 1}~~ *or before the first day* of each ~~{year}~~ *month* or as soon thereafter as the county treasurer may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124.

2. Except as otherwise provided in NRS 387.528, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, if the board of trustees of a school district establishes and administers a separate account pursuant to the provisions of NRS 354.603, all school money due that school district must be paid over by the State Treasurer to the school district on ~~{August 1, November 1, February 1 and May 1}~~ *or before the first day* of each ~~{year}~~ *month* or as soon thereafter as the school district may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124.

3. No county school district may receive any portion of the public school money unless that school district has complied with the provisions of this title and regulations adopted pursuant thereto.

4. Except as otherwise provided in this subsection, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, all school money due each charter school must be paid over by the State Treasurer to the governing body of the charter school on ~~{August 1, November 1, February 1 and May 1}~~ *or before the first day* of each ~~{year}~~ *month* or as soon thereafter as the governing body may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124. If the Superintendent of Public Instruction has approved, pursuant to subsection ~~{3}~~ 2 of NRS 387.1241, a request for payment of an apportionment 30 days before the apportionment is otherwise required to be made, the money due to the charter school must be paid by the State Treasurer to the governing body of the



charter school on ~~[July 1, October 1, January 1 or April 1, as applicable.]~~ *such date.*

5. Except as otherwise provided in this subsection, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, all school money due each university school for profoundly gifted pupils must be paid over by the State Treasurer to the governing body of the university school on ~~[August 1, November 1, February 1 and May 1]~~ *or before the first day* of each ~~[year]~~ *month* or as soon thereafter as the governing body may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124. If the Superintendent of Public Instruction has approved, pursuant to NRS 387.1242, a request for payment of an apportionment 30 days before the apportionment is otherwise required to be made, the money due to the university school must be paid by the State Treasurer to the governing body of the university school on ~~[July 1, October 1, January 1 or April 1, as applicable.]~~ *such date.*

**Sec. 26.** NRS 387.191 is hereby amended to read as follows:

387.191 ~~[1.]~~ Except as otherwise provided in this ~~[subsection,]~~ *section*, the proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest must be paid by the county treasurer to the State Treasurer for credit to the State ~~[Supplemental School Support Account, which is hereby created in the State General]~~ *Education* Fund. The county treasurer may retain from the proceeds an amount sufficient to reimburse the county for the actual cost of collecting and administering the tax, to the extent that the county incurs any cost it would not have incurred but for the enactment of this section and ~~[NRS 387.193 or]~~ NRS 244.33561, but in no case exceeding the amount authorized by statute for this purpose. ~~[Any interest or other income earned on the money in the State Supplemental School Support Account must be credited to the Account.~~

~~—2.— On or before February 1, May 1, August 1 and November 1 of 2020, and on those dates each year thereafter, the Superintendent of Public Instruction shall transfer from the State Supplemental School Support Account all the proceeds of the tax imposed pursuant to NRS 244.33561, including any interest or other income earned thereon, and distribute the proceeds proportionally among the school districts and charter schools of the state. The proportionate amount of money distributed to each school district or charter school must be determined by dividing the number of students enrolled in the school district or charter school by the~~



~~number of students enrolled in all the school districts and charter schools of the state. For the purposes of this subsection, the enrollment in each school district and the number of students who reside in the district and are enrolled in a charter school must be determined as of each quarter of the school year. This determination governs the distribution of money pursuant to this subsection until the next quarterly determination of enrollment is made. The Superintendent may retain from the proceeds of the tax an amount sufficient to reimburse the Superintendent for the actual cost of administering the provisions of this section and NRS 387.193, to the extent that the Superintendent incurs any cost the Superintendent would not have incurred but for the enactment of this section and NRS 387.193, but in no case exceeding the amount authorized by statute for this purpose.]~~

**Sec. 27.** NRS 387.195 is hereby amended to read as follows:

387.195 1. Each board of county commissioners shall levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools . ~~[within the county school district.]~~

2. The tax collected pursuant to subsection 1 on any assessed valuation attributable to the net proceeds of minerals must not be considered as available to pay liabilities of the fiscal year in which the tax is collected but must be deferred for use in the subsequent fiscal year. ~~[The annual budget for the school district must only consider as an available source the tax on the net proceeds of minerals which was collected in the prior year.]~~

3. In addition to any tax levied in accordance with subsection 1, each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the county school district.

4. The tax collected pursuant to subsection 1 and any interest earned from the investment of the proceeds of that tax must be ~~[credited to the county's school district fund.]~~ *remitted by the county treasurer to the State Treasurer for credit to the State Education Fund.*

5. The tax collected pursuant to subsection 3 and any interest earned from the investment of the proceeds of that tax must be credited to the county school district's debt service fund.

**Sec. 28.** NRS 387.205 is hereby amended to read as follows:

387.205 1. Subject to ~~[the limitations set forth in NRS 387.206 and 387.207 and]~~ the provisions of subsection 3, money on deposit in the county school district fund or in a separate account, if the board of trustees of a school district has elected to establish such



an account pursuant to the provisions of NRS 354.603, must be used for:

(a) Maintenance and operation of the public schools controlled by the county school district.

(b) Payment of premiums for Nevada industrial insurance.

(c) Rent of schoolhouses.

(d) Construction, furnishing or rental of teacherages, when approved by the Superintendent of Public Instruction.

(e) Transportation of pupils, including the purchase of new buses.

(f) Programs of nutrition, if such expenditures do not curtail the established school program or make it necessary to shorten the school term, and each pupil furnished lunch whose parent or guardian is financially able so to do pays at least the actual cost of the lunch.

(g) Membership fees, dues and contributions to an interscholastic activities association.

(h) Repayment of a loan made from the State Permanent School Fund pursuant to NRS 387.526.

(i) Programs of education and projects relating to air quality pursuant to NRS 445B.500.

2. ~~Subject to the limitations set forth in NRS 387.206 and 387.207, money~~ **Money** on deposit in the county school district fund, or in a separate account, if the board of trustees of a school district has elected to establish such an account pursuant to the provisions of NRS 354.603, when available, may be used for:

(a) Purchase of sites for school facilities.

(b) Purchase of buildings for school use.

(c) Repair and construction of buildings for school use.

3. The board of trustees of a school district, in allocating the use of money pursuant to this section, shall prioritize expenditures in a manner which ensures that the budgetary priorities determined pursuant to NRS 387.301 are carried out.

**Sec. 29.** 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 Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, shall determine ~~the combined~~ **a recommended** minimum amount of money ~~required~~ to be expended during that fiscal year for textbooks, instructional supplies, instructional software and instructional hardware by all school districts, charter schools and university schools for profoundly gifted pupils. The amount must be determined by increasing the amount that was established for the



Fiscal Year 2004-2005 by the percentage of the change in enrollment between Fiscal Year 2004-2005 and the fiscal year for which the amount is being established, plus any inflationary adjustment approved by the Legislature after Fiscal Year 2004-2005.

2. The Department, in consultation with the Budget Division of the Office of Finance 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, charter school and university school for profoundly gifted pupils is ~~required~~ *recommended* to expend each fiscal year for textbooks, instructional supplies, instructional software and instructional hardware. The sum of all of the minimum amounts determined pursuant to this subsection must be equal to the combined minimum amount determined pursuant to subsection 1. The formula must be used only to develop expenditure ~~requirements~~ *recommendations* and must not be used to alter the ~~distribution of money for basic support~~ *yearly apportionment from the State Education Fund* to school districts, charter schools or university schools for profoundly gifted pupils.

3. Upon approval of the formula pursuant to subsection 2, the Department shall provide written notice to each school district, charter school and university school for profoundly gifted pupils within the first 30 days of each fiscal year that sets forth the ~~required~~ *recommended* minimum combined amount of money that the school district, charter school and university school for profoundly gifted pupils ~~must~~ *may* expend for textbooks, instructional supplies, instructional software and instructional hardware for that fiscal year. ~~[If a school district, charter school or university school for profoundly gifted pupils is granted a waiver pursuant to NRS 387.2065, the Department shall provide written notice to the school district, charter school or university school within 30 days after the Interim Finance Committee grants the waiver setting forth the revised amount of money that the school district, charter school or university school must expend for textbooks, instructional supplies, instructional software and instructional hardware for the fiscal year.]~~

**Sec. 30.** NRS 387.2062 is hereby amended to read as follows:

387.2062 1. On or before January 1 of each year, the Department shall determine whether each school district, charter school and university school for profoundly gifted pupils has expended, during the immediately preceding fiscal year, the ~~required~~ *recommended* minimum amount of money set forth in the



notice ~~[for the revised notice, as applicable,]~~ provided pursuant to subsection 3 of NRS 387.206. In making this determination, the Department shall use the report submitted by:

- (a) The school district pursuant to NRS 387.303.
- (b) The charter school pursuant to NRS 388A.345.
- (c) The university school for profoundly gifted pupils pursuant to NRS 388C.250.

2. Except as otherwise provided in subsection 3, if the Department determines that a school district, charter school or university school for profoundly gifted pupils, as applicable, has not expended the ~~[required]~~ **recommended** minimum amount of money set forth in the notice or the revised notice, as applicable, provided pursuant to subsection 3 of NRS 387.206, ~~[a reduction must be made from the basic support allocation otherwise payable to that school district, charter school or university school for profoundly gifted pupils, as applicable, in an amount that is equal to]~~ the **Department shall publish a report which identifies the** difference between the actual combined expenditure for textbooks, instructional supplies, instructional software and instructional hardware and the minimum ~~[required]~~ **recommended** combined expenditure set forth in the notice ~~[for the revised notice, as applicable,]~~ provided pursuant to subsection 3 of NRS 387.206. ~~[A reduction in the amount of the basic support allocation pursuant to this subsection:~~

~~— (a) Does not reduce the amount that the school district, charter school or university school for profoundly gifted pupils, as applicable, is required to expend on textbooks, instructional supplies, instructional software and instructional hardware in the current fiscal year; and~~

~~— (b) Must not exceed the amount of basic support that was provided to the school district, charter school or university school for profoundly gifted pupils, as applicable, for the fiscal year in which the minimum expenditure amount was not satisfied.]~~

3. If the actual enrollment of pupils in a school district, charter school or university school for profoundly gifted pupils is less than the enrollment included in the projections used in the biennial budget of the school district submitted pursuant to NRS 387.303, the budget of the charter school submitted pursuant to NRS 388A.345 or the report of the university school for profoundly gifted pupils submitted pursuant to NRS 388C.250, as applicable, the ~~[required]~~ **recommended** expenditure for textbooks, instructional supplies, instructional software and instructional hardware pursuant to NRS 387.206 must be reduced proportionately.





**Sec. 31.** NRS 387.210 is hereby amended to read as follows:

387.210 Except when the board of trustees of a county school district elects to establish a separate account under the provisions of NRS 354.603, each county treasurer shall:

1. Receive and hold as a special deposit all public school moneys, whether received by the county treasurer from the State Treasurer or ~~raised by the county for the benefit of the public schools, or~~ from any other source, and keep separate accounts thereof and of their disbursements.

2. Pay over all public school moneys received by the county treasurer only on warrants of the county auditor, issued upon orders of the board of trustees of the county school district. All orders issued in accordance with law by the board of trustees shall be valid vouchers in the hands of the county auditors for warrants drawn upon such orders.

**Sec. 32.** NRS 387.303 is hereby amended to read as follows:

387.303 1. Not later than November 1 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 school district's actual expenditures in the fiscal year immediately preceding the report.

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

(d) 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.

(e) The number of employees who received an increase in salary pursuant to NRS 391.161, 391.162 or 391.163 for the current and preceding fiscal years. If the board of trustees is required to pay an increase in salary retroactively pursuant to NRS 391.161, 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.

(f) 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.

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

(h) 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.

~~[(i) The expenditures from the account created pursuant to subsection 4 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 Office of Finance 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]~~ *Education Fund* for submission to the Office of Finance, the Superintendent of Public Instruction:

(a) Shall compile the information from the most recent compilation of reports submitted pursuant to subsection 2;

(b) May increase the line items of expenditures or revenues based on merit salary 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) May 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; and

(d) May 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 *adjusted base* per pupil ~~[basic support guarantee]~~ *funding* for inclusion in the biennial budget request to the Office of Finance.

4. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues of the school districts with the apportionment received by those districts from the State ~~[Distributive School Account]~~ *Education Fund* 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 requested by the standing committees for the purposes 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. 33.** 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 each quarter by each school district pursuant to NRS 387.123 and the data reported by each school district pursuant to NRS 388.710 that is used to measure the effectiveness of the implementation of a plan developed by each 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,]~~ *Education Fund*, consult with the superintendent of schools of each school district or a person designated by the superintendent.

4. Provide, in consultation with the Budget Division of the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, training to the financial officers of school districts in matters relating to financial accountability.

**Sec. 34.** (Deleted by amendment.)

**Sec. 35.** NRS 387.528 is hereby amended to read as follows:

387.528 1. If a loan is made from the State Permanent School Fund pursuant to NRS 387.526, the loan must be repaid by the school district from the money that is available to the school district to pay the debt service on the bonds that are guaranteed pursuant to the provisions of NRS 387.513 to 387.528, inclusive, unless payment from that money would cause the school district to default on other outstanding bonds, medium-term obligations or installment-purchase agreements entered into pursuant to the provisions of NRS 350.087 to 350.095, inclusive.

2. If the school district is not able to repay fully the loan, including any accrued interest, in a timely manner pursuant to subsection 1 or by any other lawful means, the State Treasurer shall withhold the payments of money that would otherwise be distributed to the school district from:

(a) The interest earned on the State Permanent School Fund that is distributed among the various school districts; *and*

(b) Distributions ~~[of the local school support tax, which must be transferred by the State Controller upon notification by the State Treasurer; and~~

~~—(c) Distributions]~~ from the State ~~[Distributive School Account,]~~ *Education Fund*,

↳ until the loan is repaid, including any accrued interest on the loan. The State Treasurer shall apply the money first to the interest on the loan and, when the interest is paid in full, then to the balance.



When the interest and balance on the loan are repaid, the State Treasurer shall resume making the distributions that would otherwise be due to the school district.

**Sec. 36.** NRS 388.429 is hereby amended to read as follows:

388.429 1. The Legislature declares that funding provided for each school year establishes financial resources sufficient to ensure a reasonably equal educational opportunity to pupils with disabilities residing in Nevada through the use of the ~~[statewide multiplier to the basic support guarantee prescribed by NRS 387.122.]~~ *weighted funding prescribed by section 4 of this act.*

2. Subject to the provisions of NRS 388.417 to 388.469, inclusive, the board of trustees of each school district shall make such special provisions as may be necessary for the education of pupils with disabilities.

3. The board of trustees of a school district in a county whose population is less than 700,000 may provide early intervening services. Such services must be provided in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the regulations adopted pursuant thereto.

4. The board of trustees of a school district shall establish uniform criteria governing eligibility for instruction under the special education programs provided for by NRS 388.417 to 388.469, inclusive. The criteria must prohibit the placement of a pupil in a program for pupils with disabilities solely because the pupil is a disciplinary problem in school. The criteria are subject to such standards as may be prescribed by the State Board.

**Sec. 37.** NRS 388A.345 is hereby amended to read as follows:

388A.345 1. On or before November 1 of each year, the governing body of each charter school shall submit to the sponsor of the charter school, the Superintendent of Public Instruction and the Director of the Legislative Counsel Bureau for transmission to the Majority Leader of the Senate and the Speaker of the Assembly a report that includes:

(a) A written description of the progress of the charter school in achieving the mission and goals of the charter school set forth in its application.

(b) For each fund maintained by the charter school, including, without limitation, the general fund of the charter school 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 governing body 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 final budget of the charter school, 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.

(c) The actual expenditures of the charter school in the fiscal year immediately preceding the report.

(d) The proposed expenditures of the charter school for the current fiscal year.

(e) The salary schedule for licensed employees and nonlicensed teachers in the current school year and a statement of whether salary negotiations for the current school year have been completed. If salary negotiations have not been completed at the time the salary schedule is submitted, the governing body shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations.

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

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

(h) 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.

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

3. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues and expenditures of the charter schools with the apportionment received by those schools from the State ~~{Distributive-School-Account}~~ **Education Fund** for the preceding year.

**Sec. 38.** NRS 388A.393 is hereby amended to read as follows:

388A.393 1. A contract or a proposed contract between a charter school or a proposed charter school and a contractor or an educational management organization must not:



(a) Give to the contractor or educational management organization direct control of educational services, financial decisions, the appointment of members of the governing body, or the hiring and dismissal of an administrator or financial officer of the charter school or proposed charter school;

(b) Authorize the payment of loans, advances or other monetary charges from the contractor or educational management organization which are greater than 15 percent of the total expected funding received by the charter school or proposed charter school from the State ~~[Distributive School Account;]~~ *Education Fund*;

(c) Require the charter school or proposed charter school to prepay any fees to the contractor or educational management organization;

(d) Require the charter school or proposed charter school to pay the contractor or educational management organization before the payment of other obligations of the charter school or proposed charter school during a period of financial distress;

(e) Allow a contractor or educational management organization to cause a delay in the repayment of a loan or other money advanced by the contractor or educational management organization to the charter school or proposed charter school, which delay would increase the cost to the charter school or proposed charter school of repaying the loan or advance;

(f) Require the charter school or proposed charter school to enroll a minimum number of pupils for the continuation of the contract between the charter school or proposed charter school and the contractor or educational management organization;

(g) Require the charter school or proposed charter school to request or borrow money from this State to pay the contractor or educational management organization if the contractor or educational management organization will provide financial management to the charter school or proposed charter school;

(h) Contain a provision which restricts the ability of the charter school or proposed charter school to borrow money from a person or entity other than the contractor or educational management organization;

(i) Provide for the allocation to the charter school or proposed charter school of any indirect cost incurred by the contractor or educational management organization;

(j) Authorize the payment of fees to the contractor or educational management organization which are not attributable to the actual services provided by the contractor or educational management organization;



(k) Allow any money received by the charter school or proposed charter school from this State or from the board of trustees of a school district to be transferred to or deposited in a bank, credit union or other financial institution outside this State, including money controlled by the contractor or educational management organization;

(l) Except as otherwise provided in this paragraph, provide incentive fees to the contractor or educational management organization. A contract or a proposed contract may provide to the contractor or educational management organization incentive fees that are based on the academic improvement of pupils enrolled in the charter school;

(m) Require automatic renewal of the contract or provide that the contract remains in effect if the governing body of a charter school is reconstituted or a charter contract is terminated pursuant to NRS 388A.300 or 388A.330, as applicable;

(n) Contain any provision that would delay or prevent the approval of an application by the governing body of the charter school for an exemption from federal taxation pursuant to 26 U.S.C. § 501(c)(3);

(o) Require the governing body of the charter school to pay any costs associated with ensuring that services comply with state and federal law;

(p) Provide that the contractor or educational management organization is not liable for failing to comply with the requirements of the contract; or

(q) Provide for the enforcement of terms of the contract that conflict with an applicable charter contract or federal or state law.

2. As used in this section, “contractor” or “educational management organization” means a corporation, business, organization or other entity, whether or not conducted for profit, with whom a committee to form a charter school or the governing body of a charter school, as applicable, contracts to assist with the operation, management or provision and implementation of educational services and programs of the charter school or proposed charter school. The term includes a corporation, business, organization or other entity that directly employs and provides personnel to a charter school or proposed charter school.

**Sec. 39.** NRS 388A.411 is hereby amended to read as follows:  
388A.411 1. Each pupil who is enrolled in a charter school, including, without limitation, a pupil who is enrolled in a program of special education in a charter school, must be included in the count of pupils in the *charter* school ~~{district}~~ for the purposes of





apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244*, inclusive, *and sections 2 to 12, inclusive, of this act*, unless the pupil is exempt from compulsory attendance pursuant to NRS 392.070. A charter school is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive.

2. The State Board shall prescribe a process which ensures that all charter schools, regardless of the sponsor, have information about all sources of funding for the public schools provided through the Department. ~~[, including local funds pursuant to NRS 387.163.]~~

3. All money received by the charter school from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State. The governing body of a charter school may negotiate with the board of trustees of the school district and the State Board for additional money to pay for services which the governing body wishes to offer.

4. The governing body of a charter school may solicit and accept donations, money, grants, property, loans, personal services or other assistance for purposes relating to education from members of the general public, corporations or agencies. The governing body may comply with applicable federal laws and regulations governing the provision of federal grants for charter schools. The State Public Charter School Authority may assist a charter school that operates exclusively for the enrollment of pupils who receive special education in identifying sources of money that may be available from the Federal Government or this State for the provision of educational programs and services to such pupils.

**Sec. 39.5.** NRS 388A.414 is hereby amended to read as follows:

388A.414 1. Upon completion of each school quarter, the Superintendent of Public Instruction shall pay to the sponsor of a charter school one-quarter of the yearly sponsorship fee for the administrative costs associated with sponsorship for that school quarter, which must be deducted from the ~~[quarterly]~~ *monthly* apportionment to the charter school made pursuant to NRS 387.124 and 387.1241. Except as otherwise provided in subsection 2, the yearly sponsorship fee for the sponsor of a charter school must be in an amount of money not to exceed 2 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124 and 387.1241.



2. If the governing body of a charter school satisfies the requirements of this section, the governing body may submit a request to the sponsor of the charter school for approval of a sponsorship fee in an amount that is less than 2 percent but at least 1 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124 and 387.1241.

3. The sponsor of the charter school shall approve such a request if the sponsor of the charter school determines that the charter school satisfies the requirements of this subsection. If the sponsor of the charter school approves such a request, the sponsor shall provide notice of the decision to the governing body of the charter school and the Superintendent of Public Instruction. If the sponsor of the charter school denies such a request, the governing body of the charter school may appeal the decision of the sponsor to the Superintendent of Public Instruction.

4. Upon appeal, the sponsor of the charter school and the governing body of the charter school are entitled to present evidence. The decision of the Superintendent of Public Instruction on the appeal is final and is not subject to judicial review.

5. The governing body of a charter school may submit a request for a reduction of the sponsorship fee pursuant to this section if:

(a) The charter school satisfies the requirements of subsection 1 of NRS 388A.405; and

(b) There has been a decrease in the duties of the sponsor of the charter school that justifies a decrease in the sponsorship fee.

**Sec. 40.** NRS 388A.417 is hereby amended to read as follows:

388A.417 1. To determine the amount of money for distribution to a charter school in its first year of operation, the count of pupils who are enrolled in the charter school must initially be determined 30 days before the beginning of the school year of the school district, based on the number of pupils whose applications for enrollment have been approved by the charter school.

2. The count of pupils who are enrolled in the charter school must be revised each quarter based on the average daily enrollment of pupils in the charter school that is reported for that quarter pursuant to NRS 387.1223.

3. Pursuant to subsection ~~1~~ 2 of NRS 387.1241, the governing body of a charter school may request that the apportionments made to the charter school in its first year of operation be paid to the charter school 30 days before the apportionments are otherwise required to be made.



4. If a charter school ceases to operate as a charter school during a school year, the remaining apportionments that would have been made to the charter school pursuant to NRS 387.124 and 387.1241 for that year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the charter school reside.

**Sec. 41.** NRS 388B.230 is hereby amended to read as follows:

388B.230 1. After the governing body of an achievement charter school is appointed pursuant to NRS 388B.220, the governing body shall select the principal of the achievement charter school. The principal shall review each employee of the achievement charter school to determine whether to offer the employee a position in the achievement charter school based on the needs of the school and the ability of the employee to meet effectively those needs. The board of trustees of the school district in which the achievement charter school is located shall reassign any employee who is not offered a position in the achievement charter school or does not accept such a position in accordance with any collective bargaining agreement negotiated pursuant to chapter 288 of NRS.

2. An achievement charter school must continue to operate in the same building in which the school operated before being converted to an achievement charter school. The board of trustees of the school district in which the school is located must provide such use of the building without compensation. While the school is operated as an achievement charter school, the governing body of the achievement charter school shall pay all costs related to the maintenance and operation of the building and the board of trustees shall pay all capital expenses.

3. The board of trustees of a school district:

(a) Is not required to give priority to a capital project at a public school that is selected for conversion to an achievement charter school; and

(b) Shall not reduce the priority of such a capital project that existed before the school was selected for conversion.

4. Any pupil who was enrolled at the school before it was converted to an achievement charter school must be enrolled in the achievement charter school unless the parent or guardian of the pupil submits a written notice to the principal of the achievement charter school that the pupil will not continue to be enrolled in the achievement charter school.

5. The governing body of an achievement charter school shall not authorize the payment of loans, advances or other monetary



charges to the charter management organization, educational management organization or other person with whom the Executive Director has entered into a contract to operate the achievement charter school which are greater than 15 percent of the total expected funding to be received by the achievement charter school from the State ~~[Distributive School Account.]~~ *Education Fund.*

**Sec. 42.** NRS 388C.260 is hereby amended to read as follows:

388C.260 1. Each pupil who is enrolled in a university school for profoundly gifted pupils, including, without limitation, a pupil who is enrolled in a program of special education in a university school for profoundly gifted pupils, must be included in the count of pupils in the *university* school ~~[district in which the school is located]~~ for the purposes of apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245.]~~ *387.1244*, inclusive, *and sections 2 to 12, inclusive, of this act*, unless the pupil is exempt from compulsory school attendance pursuant to NRS 392.070.

2. A university school for profoundly gifted pupils is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive.

3. All money received by a university school for profoundly gifted pupils from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State.

4. The governing body of a university school for profoundly gifted pupils may negotiate with the board of trustees of the school district in which the school is located or the State Board for additional money to pay for services that the governing body wishes to offer.

5. To determine the amount of money for distribution to a university school for profoundly gifted pupils in its first year of operation in which state funding is provided, the count of pupils who are enrolled in the university school must initially be determined 30 days before the beginning of the school year of the school district in which the university school is located, based upon the number of pupils whose applications for enrollment have been approved by the university school. The count of pupils who are enrolled in a university school for profoundly gifted pupils must be revised each quarter based upon the average daily enrollment of pupils in the university school reported for the preceding quarter pursuant to subsection 1 of NRS 387.1223.



6. Pursuant to NRS 387.1242, the governing body of a university school for profoundly gifted pupils may request that the apportionments made to the university school in its first year of operation be paid to the university school 30 days before the apportionments are otherwise required to be made.

7. If a university school for profoundly gifted pupils ceases to operate pursuant to this chapter during a school year, the remaining apportionments that would have been made to the university school pursuant to NRS 387.124 and 387.1242 for that school year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the university school reside.

8. If the governing body of a university school for profoundly gifted pupils uses money received from this State to purchase real property, buildings, equipment or facilities, the governing body of the university school shall assign a security interest in the property, buildings, equipment and facilities to the State of Nevada.

**Sec. 43.** NRS 388D.040 is hereby amended to read as follows:

388D.040 1. If a child who is or was homeschooled seeks admittance or entrance to any school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the school district in which the child resides of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the ~~calculation of basic support~~ *apportionment to the charter school* pursuant to NRS ~~387.1223~~ *387.1241*. A homeschooled child seeking admittance to public high school must comply with NRS 392.033.

2. A school or organization shall not discriminate in any manner against a child who is or was homeschooled.

3. Each school district shall allow homeschooled children to participate in all college entrance examinations offered in this State, including, without limitation, the SAT, the ACT, the Preliminary SAT and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the homeschooled children who reside in the school district have adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to NRS 390.015.

**Sec. 44.** NRS 388D.130 is hereby amended to read as follows:

388D.130 1. If an opt-in child seeks admittance or entrance to any public school in this State, the school may use only



commonly used practices in determining the academic ability, placement or eligibility of the child. If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the resident school district of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the ~~[calculation of basic support]~~ ***apportionment to the charter school*** pursuant to NRS ~~[387.1223.]~~ ***387.1241***. An opt-in child seeking admittance to public high school must comply with NRS 392.033.

2. A school shall not discriminate in any manner against an opt-in child or a child who was formerly an opt-in child.

3. Each school district shall allow an opt-in child to participate in all college entrance examinations offered in this State, including, without limitation, the SAT, the ACT, the Preliminary SAT and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the opt-in child who resides in the school district has adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to NRS 390.015.

**Sec. 45.** NRS 388G.120 is hereby amended to read as follows:

388G.120 1. Each empowerment plan for a school must:

(a) Set forth the manner by which the school will be governed;

(b) Set forth the proposed budget for the school, including, without limitation, the cost of carrying out the empowerment plan, and the manner by which the money apportioned to the school will be administered;

(c) Prescribe the academic plan for the school, including, without limitation, the manner by which courses of study will be provided to the pupils enrolled in the school and any special programs that will be offered for pupils;

(d) Prescribe the manner by which the achievement of pupils will be measured and reported for the school, including, without limitation, the results of the pupils on the examinations administered pursuant to NRS 390.105 and, if applicable for the grade levels of the empowerment school, the college and career readiness assessment administered pursuant to NRS 390.610;

(e) Prescribe the manner by which teachers and other licensed educational personnel will be selected and hired for the school, which must be determined and negotiated pursuant to chapter 288 of NRS;



(f) Prescribe the manner by which all other staff for the school will be selected and hired, which must be determined and negotiated pursuant to chapter 288 of NRS;

(g) Indicate whether the empowerment plan will offer an incentive pay structure for staff and a description of that pay structure, if applicable;

(h) Indicate the intended ratio of pupils to teachers at the school, designated by grade level, which must comply with NRS 388.700 or 388.720, as applicable;

(i) Provide a description of the professional development that will be offered to the teachers and other licensed educational personnel employed at the school;

(j) Prescribe the manner by which the empowerment plan will increase the involvement of parents and legal guardians of pupils enrolled in the school;

(k) Comply with the plan to improve the achievement of the pupils enrolled in the school prepared pursuant to NRS 385A.650;

(l) Address the specific educational needs and concerns of the pupils who are enrolled in the school; and

(m) Set forth the calendar and schedule for the school.

2. If the empowerment plan includes an incentive pay structure, that pay structure must:

(a) Provide an incentive for all staff employed at the school;

(b) Set forth the standards that must be achieved by the pupils enrolled in the school and any other measurable objectives that must be met to be eligible for incentive pay; and

(c) Be in addition to the salary or hourly rate of pay negotiated pursuant to chapter 288 of NRS that is otherwise payable to the employee.

3. An empowerment plan may:

(a) Request a waiver from a statute contained in this title or a regulation of the State Board or the Department.

(b) Identify the services of the school district which the school wishes to receive, including, without limitation, professional development, transportation, food services and discretionary services. Upon approval of the empowerment plan, the school district may deduct from the total apportionment to the empowerment school the costs of such services.

4. For purposes of determining the budget pursuant to paragraph (b) of subsection 1, if a public school which converts to an empowerment school is a:

(a) Charter school, the amount of the budget is the amount equal to the apportionments and allowances from the State ~~Distributive~~



~~School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244*, inclusive, *and sections 2 to 12, inclusive, of this act*, and its proportionate share of any other money available from federal, state or local sources that the school or the pupils enrolled in the school are eligible to receive.

(b) Public school, other than a charter school, the empowerment team for the school shall have discretion of 90 percent of the amount of money from the state financial aid and local funds that the school district apportions for the school, without regard to any line-item specifications or specific uses determined advisable by the school district, unless the empowerment team determines that a lesser amount is necessary to carry out the empowerment plan.

**Sec. 46.** NRS 391.273 is hereby amended to read as follows:

391.273 1. Except as otherwise provided in this section and except for persons who are supervised pursuant to NRS 391.096, the unlicensed personnel of a school district must be directly supervised by licensed personnel in all duties which are instructional in nature. To the extent practicable, the direct supervision must be such that the unlicensed personnel are in the immediate location of the licensed personnel and are readily available during such times when supervision is required.

2. Unlicensed personnel who are exempted pursuant to subsection 4, 5 or 6 must be under administrative supervision when performing any duties which are instructional in nature.

3. Unlicensed personnel may temporarily perform duties under administrative supervision which are not primarily instructional in nature.

4. Except as otherwise provided in subsection 7, upon application by a superintendent of schools, the Superintendent of Public Instruction may grant an exemption from the provisions of subsection 1 pursuant to subsection 5 or 6.

5. Except as otherwise provided in subsection 6, the Superintendent shall not grant an exemption from the provisions of subsection 1 unless:

(a) The duties are within the employee's special expertise or training;

(b) The duties relate to the humanities or an elective course of study, or are supplemental to the basic curriculum of a school;

(c) The performance of the duties does not result in the replacement of a licensed employee or prevent the employment of a licensed person willing to perform those duties;

(d) The secondary or combined school in which the duties will be performed has less than 100 pupils enrolled and is at least 30





miles from a school in which the duties are performed by licensed personnel; and

(e) The unlicensed employee submits his or her fingerprints for an investigation pursuant to NRS 391.033.

6. Upon application by a superintendent of schools, the Superintendent of Public Instruction may grant an exemption from the provisions of subsection 1 if:

(a) The duties of the unlicensed employee relate to the supervision of pupils attending a course of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, while the pupils are receiving instruction from a licensed employee remotely through any electronic means of communication; and

(b) The unlicensed employee submits his or her fingerprints for an investigation pursuant to NRS 391.033.

7. The exemption authorized by subsection 4, 5 or 6 does not apply to a paraprofessional if the requirements prescribed by the State Board pursuant to NRS 391.094 require the paraprofessional to be directly supervised by a licensed teacher.

8. The Superintendent of Public Instruction shall file a record of all exempt personnel with the clerk of the board of trustees of each local school district, and advise the clerk of any changes therein. The record must contain:

(a) The name of the exempt employee;

(b) The specific instructional duties the exempt employee may perform;

(c) Any terms or conditions of the exemption deemed appropriate by the Superintendent of Public Instruction; and

(d) The date the exemption expires or a statement that the exemption is valid as long as the employee remains in the same position at the same school.

9. The Superintendent of Public Instruction may adopt regulations prescribing the procedure to apply for an exemption pursuant to this section and the criteria for the granting of such exemptions.

10. Except in an emergency, it is unlawful for the board of trustees of a school district to allow a person employed as a teacher's aide to serve as a teacher unless the person is a legally qualified teacher licensed by the Superintendent of Public Instruction. As used in this subsection, "emergency" means an unforeseen circumstance which requires immediate action and includes the fact that a licensed teacher or substitute teacher is not immediately available.



11. If the Superintendent of Public Instruction determines that the board of trustees of a school district has violated the provisions of subsection 10, the Superintendent shall take such actions as are necessary to reduce the amount of money received by the district pursuant to NRS 387.124 by an amount equal to the product when the following numbers are multiplied together:

- (a) The number of days on which the violation occurred;
- (b) The number of pupils in the classroom taught by the teacher's aide; and
- (c) The number of dollars of ~~[basic support apportioned to the district]~~ *adjusted base* per pupil *funding established for the school district pursuant to section 4 of this act* per day . ~~[pursuant to NRS 387.1223.]~~

12. Except as otherwise provided in this subsection, a person employed as a teacher's aide or paraprofessional may monitor pupils in a computer laboratory without being directly supervised by licensed personnel. The provisions of this subsection do not apply to a paraprofessional if the requirements prescribed by the State Board pursuant to NRS 391.094 require the paraprofessional to be directly supervised by a licensed teacher.

13. The provisions of this section do not apply to unlicensed personnel who are employed by the governing body of a charter school, unless a paraprofessional employed by the governing body is required to be directly supervised by a licensed teacher pursuant to the requirements prescribed by the State Board pursuant to NRS 391.094.

**Sec. 47.** NRS 392.015 is hereby amended to read as follows:

392.015 1. The board of trustees of a school district shall, upon application, allow any pupil who resides on an Indian reservation located in two or more counties to attend the school nearest to the pupil's residence, without regard to the school district in which the pupil's residence is located. For the purposes of apportionment of money, if such a pupil attends a school outside the county in which the pupil resides, the pupil must be counted as being enrolled in the district in which he or she attends school.

2. A pupil who is allowed to attend a school outside the school district in which the pupil's residence is located pursuant to this section must remain in that school for the full school year.

3. The school district which pays the additional costs of transporting a pupil pursuant to this section to a school outside the school district in which the pupil's residence is located is entitled to be reimbursed for those costs. Such additional costs must be paid



from the State ~~[Distributive School Account in the State General]~~ *Education Fund*.

4. The provisions of this section do not apply to a pupil who:

(a) Is ineligible to attend public school pursuant to NRS 392.4675; or

(b) Resides on an Indian reservation pursuant to an order issued by a court of competent jurisdiction in another state adjudging the pupil to be delinquent and committing him or her to the custody of a public or private institution or agency in this state.

**Sec. 48.** NRS 392.016 is hereby amended to read as follows:

392.016 1. If a pupil has been issued a fictitious address pursuant to NRS 217.462 to 217.471, inclusive, or the parent or legal guardian with whom the pupil resides has been issued a fictitious address pursuant to NRS 217.462 to 217.471, inclusive, the pupil may attend a public school that is located in a school district other than the school district in which the pupil resides.

2. If a pupil described in subsection 1 attends a public school that is located in a school district other than the school district in which the pupil resides:

(a) The pupil must be included in the count of pupils of the school district in which the pupil attends school for the purposes of apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244*, inclusive ~~[.]~~ *and sections 2 to 12, inclusive, of this act.*

(b) Neither the board of trustees of the school district in which the pupil attends school nor the board of trustees of the school district in which the pupil resides is required to provide transportation for the pupil to attend the public school.

3. The provisions of this section do not apply to a pupil who is ineligible to attend a public school pursuant to NRS 392.264 or 392.4675.

**Sec. 49.** NRS 179.1187 is hereby amended to read as follows:

179.1187 1. The governing body controlling each law enforcement agency that receives proceeds from the sale of forfeited property shall establish with the State Treasurer, county treasurer, city treasurer or town treasurer, as custodian, a special account, known as the “..... Forfeiture Account.” The account is a separate and continuing account and no money in it reverts to the State General Fund or the general fund of the county, city or town at any time. For the purposes of this section, the governing body controlling a metropolitan police department is the Metropolitan Police Committee on Fiscal Affairs.



2. The money in the account may be used for any lawful purpose deemed appropriate by the chief administrative officer of the law enforcement agency, except that:

(a) The money must not be used to pay the ordinary operating expenses of the agency.

(b) Money derived from the forfeiture of any property described in NRS 453.301 must be used to enforce the provisions of chapter 453 of NRS.

(c) Money derived from the forfeiture of any property described in NRS 501.3857 must be used to enforce the provisions of title 45 of NRS.

(d) Seventy percent of the amount of money in excess of \$100,000 remaining in the account at the end of each fiscal year, as determined based upon the accounting standards of the governing body controlling the law enforcement agency that are in place on March 1, 2001, must be distributed to the ~~[school district in the judicial district. If the judicial district serves more than one county, the money must be distributed to the school district in the county from which the property was seized.]~~ **State Education Fund.**

3. Notwithstanding the provisions of paragraphs (a) and (b) of subsection 2, money in the account derived from the forfeiture of any property described in NRS 453.301 may be used to pay for the operating expenses of a joint task force on narcotics otherwise funded by a federal, state or private grant or donation. As used in this subsection, "joint task force on narcotics" means a task force on narcotics operated by the Department of Public Safety in conjunction with other local or federal law enforcement agencies.

~~[4.—A school district that receives money pursuant to paragraph (d) of subsection 2 shall deposit such money into a separate account. The interest and income earned on the money in the account, after deducting any applicable charges, must be credited to the account. The money in the account must be used to purchase books and computer hardware and software for the use of the students in that school district.~~

~~—5.—The chief administrative officer of a law enforcement agency that distributes money to a school district pursuant to paragraph (d) of subsection 2 shall submit a report to the Director of the Legislative Counsel Bureau before January 1 of each odd-numbered year. The report must contain the amount of money distributed to each school district pursuant to paragraph (d) of subsection 2 in the preceding biennium.]~~



**Sec. 50.** NRS 244.3359 is hereby amended to read as follows:

244.3359 1. A county whose population is 700,000 or more shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991, except pursuant to NRS 244.3351, 244.3352 and 244.33561.

2. A county whose population is 100,000 or more but less than 700,000 shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991, except pursuant to NRS 244.33561 and 244A.910.

3. Except as otherwise provided in subsection 2 and NRS 387.191, ~~and 387.193,~~ the Legislature hereby declares that the limitation imposed by subsection 2 will not be repealed or amended except to allow the imposition of an increase in such a tax for the promotion of tourism or for the construction or operation of tourism facilities by a convention and visitors authority.

**Sec. 51.** NRS 328.450 is hereby amended to read as follows:

328.450 1. The State Treasurer shall deposit in the State ~~[Distributive School Account in the State General]~~ **Education** Fund money received in each fiscal year pursuant to 30 U.S.C. § 191 in an amount not to exceed \$7,000,000.

2. Any amount received in a fiscal year by the State Treasurer pursuant to 30 U.S.C. § 191 in excess of \$7,000,000 must be deposited in the Account for Revenue from the Lease of Federal Lands, which is hereby created.

3. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

**Sec. 52.** NRS 328.460 is hereby amended to read as follows:

328.460 The State Controller shall apportion money in the Account for Revenue from the Lease of Federal Lands as follows:

1. ~~[Twenty-five]~~ **Forty-three and three-quarters** percent to the State ~~[Distributive School Account in the State General]~~ **Education** Fund.

2. ~~[Seventy-five]~~ **Fifty-six and one-quarter** percent to the counties from which the fuels, minerals and geothermal resources are extracted. ~~[Of the amount received by each county, one-fourth must be distributed to the school district in that county.]~~

**Sec. 53.** NRS 328.470 is hereby amended to read as follows:

328.470 1. The State Controller shall ascertain from the reports received by the State Treasurer the portion of money in the Account for Revenue from the Lease of Federal Lands attributable



to activities in each county and apportion the money payable to counties accordingly.

2. All money received:

(a) By the County Treasurer pursuant to this section must be deposited in the general fund of the county ; ~~for the county school district fund, as the case may be;~~ and

(b) By a county ~~for school district~~ must be used for:

(1) Construction and maintenance of roads and other public facilities;

(2) Public services; and

(3) Planning.

**Sec. 54.** NRS 350.011 is hereby amended to read as follows:

350.011 As used in NRS 350.011 to 350.0165, inclusive, unless the context otherwise requires:

1. "Commission" means a debt management commission created pursuant to NRS 350.0115.

2. "Special elective tax" means a tax imposed pursuant to NRS 354.59817, 354.5982, ~~387.197,~~ 387.3285 or 387.3287.

**Sec. 55.** NRS 353.225 is hereby amended to read as follows:

353.225 1. In order to provide some degree of flexibility to meet emergencies arising during each fiscal year in the expenditures for the State ~~[Distributive School Account in the State General]~~ **Education** Fund and for operation and maintenance of the various departments, institutions and agencies of the Executive Department of the State Government, the Chief, with the approval in writing of the Governor, may require the State Controller or the head of each such department, institution or agency to set aside a reserve in such amount as the Chief may determine, out of the total amount appropriated or out of other funds available from any source whatever to the department, institution or agency.

2. At any time during the fiscal year this reserve or any portion of it may be returned to the appropriation or other fund to which it belongs and may be added to any one or more of the allotments, if the Chief so orders in writing.

**Sec. 56.** NRS 353.268 is hereby amended to read as follows:

353.268 1. When any state agency or officer, at a time when the Legislature is not in session, finds that circumstances for which the Legislature has made no other provision require an expenditure during the biennium of money in excess of the amount appropriated by the Legislature for the biennium for the support of that agency or officer, or for any program, including the State ~~[Distributive School Account in the State General]~~ **Education** Fund, the agency or officer shall submit a request to the State Board of Examiners for an



allocation by the Interim Finance Committee from the Contingency Account.

2. The State Board of Examiners shall consider the request, may require from the requester such additional information as they deem appropriate, and shall, if it finds that an allocation should be made, recommend the amount of the allocation to the Interim Finance Committee for its independent evaluation and action. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

**Sec. 57.** NRS 353B.860 is hereby amended to read as follows:

353B.860 1. If a parent enters into or renews an agreement pursuant to NRS 353B.850, a grant of money on behalf of the child must be deposited in the education savings account of the child.

2. Except as otherwise provided in subsections 3 and 4, the grant required by subsection 1 must, for the school year for which the grant is made, be in an amount equal to:

(a) For a child who is a pupil with a disability, as defined in NRS 388.417, or a child with a household income that is less than 185 percent of the federally designated level signifying poverty, 100 percent of the statewide ~~average basic support~~ *base* per pupil ~~{ }~~ *funding amount*; and

(b) For all other children, 90 percent of the statewide ~~average basic support~~ *base* per pupil ~~{ }~~ *funding amount*.

3. If a child receives a portion of his or her instruction from a participating entity and a portion of his or her instruction from a public school, for the school year for which the grant is made, the grant required by subsection 1 must be in a pro rata amount based on the percentage of the total instruction provided to the child by the participating entity in proportion to the total instruction provided to the child.

4. The State Treasurer may deduct not more than 3 percent of each grant for the administrative costs of implementing the provisions of NRS 353B.700 to 353B.930, inclusive.

5. The State Treasurer shall deposit the money for each grant in quarterly installments pursuant to a schedule determined by the State Treasurer.

6. Any money remaining in an education savings account:

(a) At the end of a school year may be carried forward to the next school year if the agreement entered into pursuant to NRS 353B.850 is renewed.

(b) When an agreement entered into pursuant to NRS 353B.850 is not renewed or is terminated, because the child for whom the account was established graduates from high school or for any other



reason, reverts to the State General Fund at the end of the last day of the agreement.

**Sec. 58.** NRS 354.6241 is hereby amended to read as follows:

354.6241 1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

(a) Whether the fund is being used in accordance with the provisions of this chapter.

(b) Whether the fund is being administered in accordance with generally accepted accounting procedures.

(c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.

(d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.

(e) The statutory and regulatory requirements applicable to the fund.

(f) The balance and retained earnings of the fund.

2. Except as otherwise provided in subsection 3 and NRS 354.59891 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

3. For any local government other than a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

*4. For a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 16.6 percent of the total budgeted expenditures for a county school district fund:*

*(a) Is not subject to negotiations with an employee organization; and*

*(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.*





**Sec. 59.** NRS 360.850 is hereby amended to read as follows:

360.850 1. The State Controller, acting upon the collection data furnished by the Department, shall remit to the governing body of a municipality that adopts an assessment ordinance in accordance with NRS 271.650 in the manner provided pursuant to an agreement made pursuant to NRS 271.660:

(a) From the State General Fund, the amount of money pledged pursuant to the ordinance in accordance with paragraph (a) of subsection 1 of NRS 271.650 which amount is hereby appropriated for that purpose; and

(b) From the Sales and Use Tax Account in the State General Fund, the amount of the proceeds pledged pursuant to the ordinance in accordance with paragraphs (b) and (c) of subsection 1 of NRS 271.650.

2. The governing body of a municipality that adopts an assessment ordinance in accordance with NRS 271.650 shall promptly remit to the State Controller any amount received pursuant to this section in excess of the amount required to carry out the provisions of NRS 271.4315 with regard to the project for which the assessment ordinance was adopted. The State Controller shall deposit any money received from a governing body of a municipality pursuant to this subsection in the appropriate account in the State General Fund for distribution and use as if the money had not been pledged pursuant to an assessment ordinance adopted in accordance with NRS 271.650 in the following order of priority:

(a) First, to the credit of the ~~county school district fund for the county in which the improvement district is located~~ *State Education Fund* to the extent that the money would have been transferred to ~~that fund,~~ *the Fund*, if not for the pledge of the money pursuant to the assessment ordinance, pursuant to paragraph ~~(e)~~ (c) of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

(b) Second, to the State General Fund to the extent that the money would not have been appropriated, if not for the pledge of the money pursuant to the assessment ordinance, pursuant to paragraph (a) of subsection 1 for the fiscal year in which the State Controller receives the money; and

(c) Third, to the credit of any other funds and accounts to which the money would have been distributed, if not for the pledge of the money pursuant to the assessment ordinance, for the fiscal year in which the State Controller receives the money.

3. The Nevada Tax Commission may adopt such regulations as it deems appropriate to ensure the proper collection and distribution



of any money pledged pursuant to an assessment ordinance adopted in accordance with NRS 271.650.

**Sec. 60.** NRS 360.855 is hereby amended to read as follows:

360.855 1. The State Controller, acting upon the collection data furnished by the Department, shall remit to the governing body of a municipality that adopts an ordinance pursuant to NRS 271A.070, in the manner provided pursuant to an agreement made pursuant to NRS 271A.100:

(a) From the State General Fund the amount of money pledged pursuant to the ordinance in accordance with subparagraph (1) of paragraph (c) of subsection 1 of NRS 271A.070, which amount is hereby appropriated for that purpose; and

(b) From the Sales and Use Tax Account in the State General Fund the amount of the proceeds pledged pursuant to the ordinance in accordance with subparagraphs (2) and (3) of paragraph (c) of subsection 1 of NRS 271A.070.

2. Except as otherwise provided in subsection 3, the governing body of a municipality that adopts an ordinance pursuant to NRS 271A.070 shall at the end of each fiscal year remit to the State Controller any amount received pursuant to this section in excess of the amount required to make payments due during that fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant to NRS 271A.120 and payments due during that fiscal year under any agreements made pursuant to NRS 271A.120. The State Controller shall deposit any money received from a governing body of a municipality pursuant to this subsection in the appropriate account in the State General Fund for distribution and use as if the money had not been pledged by an ordinance adopted pursuant to NRS 271A.070, in the following order of priority:

(a) First, to the credit of the ~~county school district fund for the county in which the improvement district is located~~ *State Education Fund* to the extent that the money would have been transferred to ~~that fund,~~ *the Fund*, if not for the pledge of the money pursuant to that ordinance, pursuant to paragraph ~~(e)~~ (c) of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

(b) Second, to the State General Fund to the extent that the money would not have been appropriated, if not for the pledge of the money pursuant to that ordinance, pursuant to paragraph (a) of subsection 1 for the fiscal year in which the State Controller receives the money; and



(c) Third, to the credit of any other funds and accounts to which the money would have been distributed, if not for the pledge of the money pursuant to that ordinance, for the fiscal year in which the State Controller receives the money.

3. The provisions of subsection 2 do not require a governing body to remit to the State Controller any money received pursuant to this section and expended for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to NRS 271A.120 or of prepaying amounts due under any agreements entered into pursuant to NRS 271A.120, or any combination thereof, with respect to a tourism improvement district if that use of the money has been:

(a) Authorized by the governing body in the ordinance creating the district pursuant to NRS 271A.070, or in an amendment thereto; and

(b) Approved by the governing body and the Commission on Tourism in the manner required to satisfy the requirements of subsections 5 and 6 of NRS 271A.080,

↳ and after the provision of notice to and an opportunity to make comments by the board of county commissioners of the county in which the tourism improvement district is located in accordance with subsection 4 of NRS 271A.080.

4. The Nevada Tax Commission may adopt such regulations as it deems appropriate to ensure the proper collection and distribution of any money pledged by an ordinance adopted pursuant to NRS 271A.070.

**Sec. 61.** NRS 362.170 is hereby amended to read as follows:

362.170 1. There is hereby appropriated to each county the total of the amounts obtained by multiplying, for each extractive operation situated within the county, the net proceeds of that operation and any royalties paid by that operation, by the combined rate of tax ad valorem, excluding any rate levied by the State of Nevada, for property at that site, plus a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to the county. The Department shall report to the State Controller on or before May 25 of each year the amount appropriated to each county, as calculated for each operation from the final statement made in February of that year for the preceding calendar year. The State Controller shall distribute all money due to a county on or before May 30 of each year.

2. The county treasurer shall apportion to each local government or other local entity an amount calculated by:



(a) Determining the total of the amounts obtained by multiplying, for each extractive operation situated within its jurisdiction, the net proceeds of that operation and any royalty payments paid by that operation, by the rate levied on behalf of that local government or other local entity;

(b) Adding to the amount determined pursuant to paragraph (a) a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to that local government or local entity; and

(c) Subtracting from the amount determined pursuant to paragraph (b) a commission of 5 percent, of which 3 percent must be deposited in the county general fund and 2 percent must be accounted for separately in the account for the acquisition and improvement of technology in the office of the county assessor created pursuant to NRS 250.085.

3. The amounts apportioned pursuant to subsection 2, including, without limitation, the amount retained by the county and excluding the percentage commission, must be applied to the uses for which each levy was authorized in the same proportion as the rate of each levy bears to the total rate.

4. *Any amount apportioned pursuant to subsection 2 for a county school district for any purpose other than capital projects or debt service for the county school district must be paid over to the State Treasurer to be deposited to the credit of the State Education Fund.*

5. The Department shall report to the State Controller on or before May 25 of each year the amount received as tax upon the net proceeds of geothermal resources which equals the product of those net proceeds multiplied by the rate of tax levied ad valorem by the State of Nevada.

**Sec. 62.** NRS 362.171 is hereby amended to read as follows:

362.171 1. Each county to which money is appropriated by subsection 1 of NRS 362.170 may set aside a percentage of that appropriation to establish a county fund for mitigation. Money from the fund may be appropriated by the board of county commissioners only to mitigate adverse effects upon the county, or the school district located in the county, which result from:

(a) A decline in the revenue received by the county from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or

(b) The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter.



2. ~~Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Except as otherwise provided in subsection 3, money from the fund may be used by the school district only to mitigate adverse effects upon the school district which result from:~~

~~—(a) A decline in the revenue received by the school district from the tax on the net proceeds of minerals;~~

~~—(b) The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter; or~~

~~—(c) Expenses incurred by the school district arising from a natural disaster.~~

~~3. In addition to the authorized uses for mitigation set forth in subsection 2, a] A school district in a county whose population is less than 4,500 may, as the board of trustees of the school district determines is necessary, use a portion of the money [from the fund established] apportioned to the school district pursuant to subsection 2 of NRS 362.170 [;~~

~~—(a) To] to retire bonds issued by the school district or any other outstanding obligations of the school district . [; and~~

~~—(b) To continue the instructional programs of the school district or the services and activities that are necessary to support those instructional programs, which would otherwise be reduced or eliminated if not for the provisions of this section.~~

~~→] Before authorizing the expenditure of money pursuant to this subsection, the board of trustees shall hold at least one public hearing on the matter.~~

**Sec. 63.** NRS 364.127 is hereby amended to read as follows:

364.127 1. A board of county commissioners that imposes a tax on the gross receipts from the rental of transient lodging pursuant to subsection 1 of NRS 244.3352 shall require by ordinance and take such additional action as may be necessary to require:

(a) The payment of the proceeds of the tax which are required to be distributed pursuant to paragraph (a) of subsection 1 of NRS 244.3354 or paragraph (a) of subsection 2 of NRS 244.3354 to the Department of Taxation on or before the last day of the month immediately following the month for which the tax is collected; and

(b) The schedule for the payment of the tax by persons in the business of providing lodging to provide for the payment of the tax in a sufficiently timely manner to carry out the provisions of paragraph (a).



2. A board of county commissioners that imposes a tax on the gross receipts from the rental of transient lodging pursuant to subsection 1 of NRS 244.33561 shall require by ordinance and take such additional action as may be necessary to require:

(a) The payment of the proceeds of the tax which are required to be distributed pursuant to ~~subsection 1 of~~ NRS 387.191 to the State Treasurer on or before the last day of the month immediately following the month for which the tax is collected; and

(b) The schedule for the payment of the tax by persons in the business of providing lodging to provide for the payment of the tax in a sufficiently timely manner to carry out the provisions of paragraph (a).

3. The city council or other governing body of an incorporated city that imposes a tax on the gross receipts from the rental of transient lodging pursuant to subsection 1 of NRS 268.096 shall require by ordinance and take such additional action as may be necessary to require:

(a) The payment of the proceeds of the tax which are required to be distributed pursuant to paragraph (a) of subsection 1 of NRS 268.0962 or paragraph (a) of subsection 2 of NRS 268.0962 to the Department of Taxation on or before the last day of the month immediately following the month for which the tax is collected; and

(b) The schedule for the payment of the tax by persons in the business of providing lodging to provide for the payment of the tax in a sufficiently timely manner to carry out the provisions of paragraph (a).

**Sec. 64.** NRS 372A.290 is hereby amended to read as follows:

372A.290 1. An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of 15 percent of the fair market value at wholesale of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.

2. An excise tax is hereby imposed on each retail sale in this State of marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. The excise tax imposed pursuant to this subsection:

(a) Is the obligation of the retail marijuana store.

(b) Is separate from and in addition to any general state and local sales and use taxes that apply to retail sales of tangible personal property.



3. The revenues collected from the excise tax imposed pursuant to subsection 1 must be distributed:

(a) To the Department and to local governments in an amount determined to be necessary by the Department to pay the costs of the Department and local governments in carrying out the provisions of chapter 453A of NRS; and

(b) If any money remains after the revenues are distributed pursuant to paragraph (a), to the State Treasurer to be deposited to the credit of the State ~~[Distributive School Account in the State General]~~ **Education** Fund.

4. For the purpose of subsection 3 and NRS 453D.510, a total amount of \$5,000,000 of the revenues collected from the excise tax imposed pursuant to subsection 1 and the excise tax imposed pursuant to NRS 453D.500 in each fiscal year shall be deemed sufficient to pay the costs of all local governments to carry out the provisions of chapters 453A and 453D of NRS. The Department shall, by regulation, determine the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapters 453A and 453D of NRS.

5. The revenues collected from the excise tax imposed pursuant to subsection 2 must be paid over as collected to the State Treasurer to be deposited to the credit of the ~~[Account to Stabilize the Operation of the State Government created in the]~~ State ~~[General]~~ **Education** Fund. ~~[pursuant to NRS 353.288.]~~

6. As used in this section:

(a) "Local government" has the meaning ascribed to it in NRS 360.640.

(b) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(c) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

**Sec. 65.** NRS 374.015 is hereby amended to read as follows:

374.015 The Legislature, having carefully considered the needs of the public school system and the financial resources of the State of Nevada, and its several classes of local governments, finds and declares:

1. That sound principles of government require an increased contribution ~~[by the local district, which controls its schools, to their]~~ **for the** support ~~[ ]~~ **of the public schools in this State.**

2. That such an increase equitably should not and economically cannot be provided through an increase in the tax upon property.

3. That there is no other object of taxation, except retail sales, which is so generally distributed among the several school districts



in proportion to their respective population and wealth as to be suitable for the imposition of a tax in each school district for the support of ~~[its local]~~ *the public* schools.

4. That it is therefore necessary to impose, in addition to the sales and use taxes enacted in 1955 to provide revenue for the State of Nevada, a separate tax upon the privilege of selling tangible personal property at retail in each county to provide revenue for the ~~[school district comprising such county.]~~ *public schools in this State.*

5. That in order to avoid imposing unfair competitive hardships upon merchants in the several counties, it is necessary that such additional tax be imposed:

(a) At the same rate in each county; and

(b) Upon tangible personal property purchased outside this State for use within the State.

6. That the imposition of such a tax at a mandatory and uniform rate throughout the counties of the State makes such tax a fair counterpart to the mandatory property tax levy which it is designed to supplement.

7. That the tax collected upon property purchased outside the State ~~[, which cannot for this reason be returned to its county of origin,]~~ can best serve its purpose of supporting ~~[local]~~ *public* schools if it is channeled to the several school districts through the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

8. That the convenience of the public and of retail merchants will best be served by imposing the local school support tax upon exactly the same transactions, requiring the same reports and making such tax parallel in all respects to the sales and use taxes.

**Sec. 66.** NRS 374.785 is hereby amended to read as follows:

374.785 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to counties under this chapter must be paid to the Department in the form of remittances payable to the Department.

2. The Department shall deposit the payments in the State Treasury to the credit of the Sales and Use Tax Account in the State General Fund.

3. The State Controller, acting upon the collection data furnished by the Department, shall, each month, from the Sales and Use Tax Account in the State General Fund:

(a) Transfer .75 percent of all fees, taxes, interest and penalties collected in each county during the preceding month to the





appropriate account in the State General Fund as compensation to the State for the costs of collecting the tax.

(b) Transfer .75 percent of all fees, taxes, interest and penalties collected during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State to the appropriate account in the State General Fund as compensation to the State for the costs of collecting the tax.

~~(c) [Determine for each county the amount of money equal to the fees, taxes, interest and penalties collected in the county pursuant to this chapter during the preceding month less the amount transferred pursuant to paragraph (a):~~

~~—(d)]~~ Transfer the total amount of *fees, taxes, interest and penalties* collected pursuant to this chapter during the preceding month, ~~[from out of state businesses not maintaining a fixed place of business within this State,]~~ less the amount transferred pursuant to ~~[paragraph]~~ *paragraphs (a) and* (b) and excluding any amounts required to be remitted pursuant to NRS 360.850 and 360.855, to the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

~~[(e) Except as otherwise provided in NRS 387.528 or as required to carry out NRS 360.850 and 360.855, transfer the amount owed to each county to the Intergovernmental Fund and remit the money to the credit of the county school district fund.]~~

**Sec. 67.** NRS 453A.344 is hereby amended to read as follows:

453A.344 1. Except as otherwise provided in subsection 2, the Department shall collect not more than the following maximum fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary .....	\$30,000
For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary .....	5,000
For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility .....	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility .....	1,000



For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products .....	\$3,000
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products .....	1,000
For each person identified in an application for the initial issuance of a medical marijuana establishment agent registration card .....	75
For each person identified in an application for the renewal of a medical marijuana establishment agent registration card .....	75
For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory .....	5,000
For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory .....	3,000

2. In addition to the fees described in subsection 1, each applicant for a medical marijuana establishment registration certificate must pay to the Department:

- (a) A one-time, nonrefundable application fee of \$5,000; and
- (b) The actual costs incurred by the Department in processing the application, including, without limitation, conducting background checks.

3. Any revenue generated from the fees imposed pursuant to this section:

- (a) Must be expended first to pay the costs of the Department in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive; and
- (b) If any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State Treasurer to be deposited to the credit of the State ~~[Distributive School Account in the State General]~~ Education Fund.

**Sec. 68.** NRS 453D.510 is hereby amended to read as follows:

453D.510 Any tax revenues, fees, or penalties collected pursuant to this chapter first must be expended to pay the costs of the Department and of each locality in carrying out this chapter and the regulations adopted pursuant thereto. The Department shall remit any remaining money to the State Treasurer to be deposited to



the credit of the State ~~[Distributive School Account in the State General]~~ **Education** Fund.

**Sec. 69.** NRS 463.385 is hereby amended to read as follows:

463.385 1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this State an annual excise tax of \$250. If a slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of imposing this tax.

2. The Commission shall:

(a) Collect the tax annually on or before June 30, as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.

(b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.

(c) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. Any other person, including, without limitation, an operator of an inter-casino linked system, who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the dates set forth in subsection 2. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any slot machine that is operated on the premises of a licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

4. The Commission shall pay over the tax as collected to the State Treasurer to be deposited to the credit of the State ~~[Distributive School Account in the State General]~~ **Education** Fund, and *of* the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education ~~[ ]~~ which are hereby created in the State Treasury as special revenue funds, in the amounts and to be expended only for the purposes specified in this section, or for any other purpose authorized by the Legislature if sufficient money is available in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education on July 31 of each year to pay the principal and interest due in that fiscal year on the bonds described in subsection 6.



5. During each fiscal year, the State Treasurer shall deposit the tax paid over to him or her by the Commission as follows:

(a) The first \$5,000,000 of the tax in the Capital Construction Fund for Higher Education;

(b) Twenty percent of the tax in the Special Capital Construction Fund for Higher Education; and

(c) The remainder of the tax in the State ~~[Distributive-School Account in the State General]~~ **Education** Fund.

6. There is hereby appropriated from the balance in the Special Capital Construction Fund for Higher Education on July 31 of each year the amount necessary to pay the principal and interest due in that fiscal year on the bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251, the bonds authorized to be issued by section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the bonds authorized to be issued by section 2 of chapter 614, Statutes of Nevada 1989, at page 1377, the bonds authorized to be issued by section 2 of chapter 718, Statutes of Nevada 1991, at page 2382, the bonds authorized to be issued by section 2 of chapter 629, Statutes of Nevada 1997, at page 3106, and the bonds authorized to be issued by section 2 of chapter 514, Statutes of Nevada 2013, at page 3391. If in any year the balance in that Fund is not sufficient for this purpose, the remainder necessary is hereby appropriated on July 31 from the Capital Construction Fund for Higher Education. The balance remaining unappropriated in the Capital Construction Fund for Higher Education on August 1 of each year and all amounts received thereafter during the fiscal year must be transferred to the State General Fund for the support of higher education. If bonds described in this subsection are refunded and if the amount required to pay the principal of and interest on the refunding bonds in any fiscal year during the term of the bonds is less than the amount that would have been required in the same fiscal year to pay the principal of and the interest on the original bonds if they had not been refunded, there is appropriated to the Nevada System of Higher Education an amount sufficient to pay the principal of and interest on the original bonds, as if they had not been refunded. The amount required to pay the principal of and interest on the refunding bonds must be used for that purpose from the amount appropriated. The amount equal to the saving realized in that fiscal year from the refunding must be used by the Nevada System of Higher Education to defray, in whole or in part, the expenses of operation and maintenance of the facilities acquired in part with the proceeds of the original bonds.



7. After the requirements of subsection 6 have been met for each fiscal year, when specific projects are authorized by the Legislature, money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education must be transferred by the State Controller and the State Treasurer to the State Public Works Board for the construction of capital improvement projects for the Nevada System of Higher Education, including, but not limited to, capital improvement projects for the community colleges of the Nevada System of Higher Education. As used in this subsection, "construction" includes, but is not limited to, planning, designing, acquiring and developing a site, construction, reconstruction, furnishing, equipping, replacing, repairing, rehabilitating, expanding and remodeling. Any money remaining in either Fund at the end of a fiscal year does not revert to the State General Fund but remains in those Funds for authorized expenditure.

8. The money deposited in the State ~~[Distributive-School Account in the State General]~~ *Education* Fund under this section must be apportioned as provided in NRS 387.030 among the several school districts and charter schools of the State at the times and in the manner provided by law.

9. The Board of Regents of the University of Nevada may use any money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education for the payment of interest and amortization of principal on bonds and other securities, whether issued before, on or after July 1, 1979, to defray in whole or in part the costs of any capital project authorized by the Legislature.

**Sec. 70.** NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, and the amount transferred to the State Highway Fund pursuant to NRS 482.182, the Department shall certify monthly to the State Board of Examiners the amount of the basic and supplemental governmental services taxes collected for each county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.043, 371.045 and 371.047.

3. The distribution of the basic governmental services tax received or collected for each county must be made to the ~~fe~~*county*



~~school district within each county]~~ *State Education Fund or the fund for capital projects or debt service fund of a county school district, as applicable*, before any distribution is made to a local government, special district or enterprise district. For the purpose of calculating the amount of the basic governmental services tax to be distributed to the ~~[county school district,]~~ *State Education Fund or the fund for capital projects or debt service fund of a county school district, as applicable*, the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. After making the distributions set forth in subsection 3, the remaining money received or collected for each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to ~~[county school districts,]~~ *the State Education Fund or the fund for capital projects or debt service fund of a county school district, as applicable*.

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:

(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:



Carson City.....	1.07 percent	Lincoln.....	3.12 percent
Churchill.....	5.21 percent	Lyon.....	2.90 percent
Clark.....	22.54 percent	Mineral.....	2.40 percent
Douglas.....	2.52 percent	Nye.....	4.09 percent
Elko.....	13.31 percent	Pershing.....	7.00 percent
Esmeralda.....	2.52 percent	Storey.....	0.19 percent
Eureka.....	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine.....	5.66 percent
Lander.....	3.88 percent		

(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

**Sec. 71.** NRS 709.110 is hereby amended to read as follows:

709.110 Every applicant for a franchise for any of the purposes mentioned in NRS 709.050 shall, within 10 days after such franchise is granted, file with the county recorder of such county an agreement properly executed by the grantee of such franchise, right or privilege to pay annually on the first Monday of July of each year to the ~~{county treasurer of the county wherein such franchise, right or privilege is to be exercised,}~~ *State Treasurer for deposit in the State Education Fund* for the benefit of the ~~{county school district fund,}~~ *public schools in this State*, 2 percent of the net profits made by such grantee in the operation of any public utility for which such franchise is granted. No power, function, right or privilege shall be exercised until such agreement shall be filed.

**Sec. 72.** NRS 709.230 is hereby amended to read as follows:

709.230 1. The grantee of any franchise secured under the provisions of NRS 709.180 to 709.280, inclusive, shall, within 30 days after such franchise is granted, file with the county recorder of such county an agreement, properly executed by the grantee, to pay annually, on the first Monday of July of each year, to the ~~{county treasurer of the county,}~~ *State Treasurer for deposit in the State Education Fund*, for the benefit of the ~~{county school district fund,}~~ *public schools in this State*, 2 percent of the net profits made by such grantee in the operation of such electric light, heat and power lines within the county.

2. No right or privilege shall be exercised under the franchise until the agreement is filed.



**Sec. 73.** NRS 709.270 is hereby amended to read as follows:

709.270 1. If, upon the hearing of the application, it appears to the satisfaction of the board of county commissioners that the applicant is engaged in the business of furnishing electric light, heat or power within two or more counties, including the county in which the application provided in NRS 709.250 is pending, the board shall thereupon extend the term of the franchise under which the applicant is operating for not exceeding 50 years, including the unexpired portion of the term of such former franchise.

2. The applicant shall, within 30 days after such franchise extending the term of the former franchise is granted, file with the county recorder of such county an agreement, properly executed by the grantee, to pay annually, on the 1st Monday of July of each year, to the ~~county treasurer of the county,~~ *State Treasurer for deposit in the State Education Fund*, for the benefit of the ~~county school district fund,~~ *public schools in this State*, 2 percent of the net profits made by such grantee in the operation of its electric light, heat and power lines within the county. No extension of the term of the original franchise shall be effective in the county until such agreement shall be filed.

**Sec. 74.** Section 3 of chapter 389, Statutes of Nevada 2015, at page 2203, is hereby amended to read as follows:

Sec. 3. This act becomes effective upon passage and approval ~~+~~, *and expires by limitation on July 1, 2019.*

**Sec. 74.5.** 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$6,551,530 for allocation to the Department of Education for the implementation of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2021, by the Interim Finance Committee 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 17, 2021, by either the Interim Finance Committee 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 17, 2021.

**Sec. 75.** As soon as practicable after July 1, 2019, the appointing authorities identified in subsection 2 of section 10 of this act shall appoint the members of the Commission on School Funding created by section 10 of this act.

**Sec. 76.** 1. Using such assumptions and data as the Commission determines to be appropriate, the Commission shall





project the distribution of funding for the public schools of this State for the 2019-2021 biennium as if the provisions of this act were in effect for the 2019-2021 biennium and compare the projection to the projected distribution of funding under existing law for the 2019-2021 biennium.

2. Using such assumptions and data as the Commission determines to be appropriate, each school district shall project its budget for the 2019-2021 biennium as if the provisions of this act were in effect for the 2019-2021 biennium, compare the projection to its projected budget under existing law for the 2019-2021 biennium and submit both budgets to the Commission on or before May 15, 2020.

3. The Commission shall examine the results of the comparison performed pursuant to subsection 1 and the budgets submitted pursuant to subsection 2 and, on or before July 15, 2020, make recommendations to the Governor and the Legislature for any changes that the Commission determines to be necessary for the successful implementation of this act.

4. As used in this section, "Commission" means the Commission on School Funding established pursuant to section 10 of this act.

**Sec. 77.** Notwithstanding the provisions of subsection 1 of section 3 of this act, if the ending fund balance of a county school district fund exceeds 16.6 percent of the total budgeted expenditures for the fund for the fiscal year which ends on June 30, 2020, the county school district may maintain an ending fund balance for its county school district fund in the succeeding fiscal year which does not exceed the ending fund balance for the fiscal year which ends on June 30, 2020, and any amount by which the ending fund balance exceeds that amount must be transferred to the Education Stabilization Account created by section 3 of this act. Until the ending fund balance of such a county school district fund reaches 16.6 percent or less of the total budgeted expenditures for the fund, the ending fund balance for such a county school district fund in each subsequent fiscal year may not exceed the ending fund balance for the county school district fund in the immediately preceding fiscal year, and any amount by which the ending funding balance exceeds that amount must be transferred to the Education Stabilization Account created by section 3 of this act.

**Sec. 78.** Notwithstanding the provisions of subsection 3 of section 8 of this act, for the purpose of carrying out an effective transition from the Nevada Plan to the Pupil-Centered Funding Plan during the 2021-2023 biennium, each school district shall distribute



the weighted funding received by the school district pursuant to paragraph (e) of subsection 2 of section 4 of this act in a manner that, to the greatest extent practicable, ensures a reasonably equal educational opportunity for all relevant pupils.

**Sec. 79.** The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

**Sec. 80.** NRS 387.122, 387.1245, 387.1247, 387.1251, 387.1253, 387.1255, 387.1257, 387.129, 387.131, 387.133, 387.137, 387.139, 387.163, 387.193, 387.197, 387.2065, 387.2067 and 387.207 are hereby repealed.

**Sec. 81.** 1. This section and sections 10, 11, 74, 75, 76 and 79 of this act become effective on July 1, 2019.

2. Sections 1 to 9, inclusive, 12 to 73, inclusive, 77, 78 and 80 of this act become effective upon passage and approval for the purpose of creating each school district's budget and the executive budget pursuant to NRS 353.150 to 353.246, inclusive, for the biennium which begins on July 1, 2021, and on July 1, 2021, for all other purposes.





