

Amendment No. 524

Senate Amendment to Senate Bill No. 439	(BDR 34-1099)
<b>Proposed by:</b> Senate Committee on Finance	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

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

SHORT FORM AMENDMENT

Section 3 of this act is the only section affected by this amendment.





---

---

**If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:**

1 **Legislative Counsel's Digest:**

2 Existing law declares that "the proper objective of state financial aid to public education  
3 is to ensure each Nevada child a reasonably equal educational opportunity" and, beginning  
4 with the 2021-2023 biennium, replaces the Nevada Plan with the Pupil-Centered Funding Plan  
5 as the formula for distribution of state financial aid to the public schools in this State to  
6 accomplish that objective. (NRS 387.121) Existing law creates the State Education Fund for  
7 the purpose of supporting the operation of the public schools in this State and identifies the  
8 sources of revenue for the Fund. (NRS 387.1212) **Sections 2 and 31-34** of this bill include the  
9 proceeds of certain additional sources of revenue in the State Education Fund. **Section 2**  
10 additionally: (1) excludes the interest and income earned on the direct legislative  
11 appropriation to the State Education Fund from being credited to the Fund; and (2) eliminates  
12 the authorization for the Superintendent of Public Instruction to create one or more accounts  
13 in the Fund as necessary to segregate money required to be administered separately by federal  
14 law. ~~Sections 3 and~~ Section 14 of this bill ~~make~~ makes conforming changes relating to the  
15 elimination of the authority of the Superintendent of Public Instruction to create such  
16 accounts.

17 Existing law establishes the Education Stabilization Account and authorizes the  
18 Interim Finance Committee to direct the State Controller to transfer money from the  
19 Education Stabilization Account to the State Education Fund if the Committee finds that  
20 the collection of revenue in any fiscal year will result in the State Education Fund  
21 receiving 97 percent or less of the money authorized for expenditure from the State  
22 Education Fund. (NRS 387.1213) Section 3 of this bill: (1) additionally allows the  
23 Department of Education to submit a request to the Interim Finance Committee to  
24 approve a transfer from the Education Stabilization Account to the State Education  
25 Fund if the actual enrollment growth exceeds the projected enrollment growth by an  
26 amount that makes such a transfer necessary; and (2) requires the transfer, up to the  
27 maximum amount established by existing law, of any remaining balance in the State  
28 Education Fund to the Education Stabilization Account at the end of each biennium,  
29 rather than at the end of each fiscal year.

30 Existing law requires the Legislature to appropriate money from the State Education  
31 Fund, less the money in the Education Stabilization Account, to fund, in an amount  
32 determined sufficient by the Legislature: (1) the operation of the State Board of Education, the  
33 Superintendent of Public Instruction and the Department of Education; (2) the food service,  
34 transportation and similar services of the school districts; (3) the operation of each school  
35 district for all pupils generally through adjusted base per pupil funding for each pupil enrolled  
36 in the school district; (4) the operation of each charter school and university school for  
37 profoundly gifted pupils for all pupils generally through a statewide base per pupil funding  
38 amount for each pupil enrolled in such a school, with an adjustment for certain schools; and  
39 (5) the additional educational needs of English learners, at-risk pupils, pupils with disabilities  
40 and gifted and talented pupils through additional weighted funding for each such pupil. (NRS  
41 387.1214) **Section 4** eliminates the requirement to fund the operation of the State Board of  
42 Education, the Superintendent of Public Instruction and the Department of Education from the  
43 State Education Fund. **Section 4** also eliminates the requirement to provide funding for the  
44 additional educational needs of pupils with disabilities through additional weighted funding  
45 for each such pupil from the State Education Fund. **Sections 4, 6, 8, 13, 22, 23 and 36** of this  
46 bill instead require the establishment of a statewide multiplier for the support of pupils with  
47 disabilities in a manner generally consistent with the Nevada Plan and funded using the  
48 Account for Special Education Services in the State General Fund. **Sections 7, 10 and 11** of  
49 this bill make conforming changes to reflect the elimination of the requirement to fund the

50 operation of the State Board of Education, the Superintendent of Public Instruction and the  
51 Department of Education from the State Education Fund.

52 Existing law establishes certain factors which are applied to the statewide base per pupil  
53 funding amount to create the adjusted base per pupil funding for each school district and  
54 certain charter schools and university schools for profoundly gifted pupils. (NRS 387.1215-  
55 387.1218) **Section 39** of this bill repeals the adjustment for each necessarily small school in a  
56 school district. **Section 5** of this bill revises the adjustment for small school districts to instead  
57 be an adjustment for the increased cost per pupil to a school district to operate public schools  
58 in which relatively fewer pupils are enrolled. **Sections 13 and 15** of this bill make conforming  
59 changes to reflect the changes to the adjustment factors.

60 Existing law requires any amount by which the actual ending fund balance of a county  
61 school district fund exceeds 16.6 percent of the total actual expenditures for the fund to be  
62 transferred to the Education Stabilization Account. (NRS 387.1213) If a county school district  
63 fund exceeded 16.6 percent of the total budgeted expenditures for the fund for the fiscal year  
64 which ended on June 30, 2020, existing law allows a school district to maintain not more than  
65 such an excess in succeeding fiscal years until the school district has an ending fund balance  
66 of 16.6 percent or less. (Section 77 of Senate Bill No. 543, chapter 624, Statutes of Nevada  
67 2019, at page 4252) **Section 35** of this bill revises this authority to apply to an excess of the  
68 total actual expenditures for a county school district fund rather than the total budgeted  
69 expenditures.

70 Existing law authorizes the State Board of Education to accept gifts of money and  
71 requires such gifts to be deposited in the Education Gift Fund. (NRS 385.083) **Section 1** of  
72 this bill requires the interest and income earned on the money in the Education Gift Fund to be  
73 credited to the Fund and requires the balance in the Fund at the end of a fiscal year to be  
74 carried forward to the next fiscal year.

75 Existing law requires the Superintendent of Public Instruction to apportion certain money  
76 designated for the National School Lunch Program to those school districts that participate in  
77 the Program. (NRS 387.124) **Section 9** of this bill transfers that duty to the Director of the  
78 State Department of Agriculture. **Sections 10, 12, 17, 24 and 26** of this bill make conforming  
79 changes relating to this transfer.

80 Existing law establishes certain reporting requirements for the Department of Education  
81 and for each school district and public school relating to educational expenditures. (NRS  
82 387.12468) **Section 16** of this bill: (1) eliminates such requirements for the Department of  
83 Education; and (2) requires such a report by a public school to be posted on an appropriate  
84 Internet website.

85 Existing law requires the Department of Education, in consultation with the Budget  
86 Division of the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel  
87 Bureau, to establish a recommended minimum expenditure on textbooks, instructional  
88 supplies, instructional software and instructional hardware for public schools. (NRS 387.206)  
89 **Section 18** of this bill revises provisions relating to the timing of such recommendations.  
90 **Section 19** of this bill requires a certain report published by the Department relating to such  
91 expenditures to be published on the Internet website maintained by the Department.

92 Existing law establishes certain requirements relating to the submission of budgets and  
93 expenditures by school districts. (NRS 387.303) **Section 20** of this bill transfers responsibility  
94 to prescribe the format for a compilation of reports of such information from the Director of  
95 the Department of Administration to the Director of the Office of Finance. **Section 20**  
96 additionally eliminates the authority of the Superintendent of Public Instruction to make  
97 certain adjustments when preparing the biennial budget request for the State Education Fund.

98 Existing law establishes certain accounts relating to education, including the Educational  
99 Trust Account, the Bullying Prevention Account, the Account for Instruction in Financial  
100 Literacy, the Account for Computer Education and Technology, the Grant Fund for Incentives  
101 for Licensed Educational Personnel and the Great Teaching and Leading Fund. (NRS  
102 120A.610, 388.1325, 388.895, 391.369, 391A.400, 391A.500) **Sections 31 and 39** of this bill

103 eliminate these accounts. Sections 21, 25 and 27-30 of this bill make conforming changes  
 104 relating to the elimination of such accounts. Section 38 of this bill provides for the reversion  
 105 or transfer of money in such accounts that has not been committed for expenditure before July  
 106 1, 2021.

---



---

**Section 3 of Senate Bill No. 439 is hereby amended as follows:**

1 **Sec. 3.** NRS 387.1213 is hereby amended to read as follows:

2 387.1213 1. The Education Stabilization Account is hereby created in the  
 3 State Education Fund. Except as otherwise provided in subsections 3 and 4, each  
 4 year after the close of the previous fiscal year and before the issuance of the State  
 5 Controller's annual report, each county school district shall transfer from the county  
 6 school district fund to the Education Stabilization Account any amount by which  
 7 the actual ending fund balance of the county school district fund exceeds 16.6  
 8 percent of the total actual expenditures for the fund. The interest and income earned  
 9 on the money in the Account, after deducting any applicable charges, must be  
 10 credited to the Account.

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

14 3. The balance in the Education Stabilization Account must not exceed 15  
 15 percent of the total of all appropriations and authorizations from the State  
 16 Education Fund, excluding the Education Stabilization Account, ~~for any account~~  
 17 ~~created pursuant to subsection 5 of NRS 387.1212,]~~ for the immediately preceding  
 18 fiscal year. Any money transferred to the Education Stabilization Account which  
 19 exceeds this amount must instead be transferred to the State Education Fund.

20 4. If the Interim Finance Committee finds that ~~that~~ :

21 (a) Upon submission of a request from the Department, the actual  
 22 enrollment growth for a fiscal year exceeds the projected enrollment growth by  
 23 an amount that the Interim Finance Committee determines would make a  
 24 transfer of money to the State Education Fund necessary to fund the excess  
 25 enrollment; or

26 (b) The collection of revenue in any fiscal year will result in the State  
 27 Education Fund receiving 97 percent or less of the money authorized for  
 28 expenditure from the State Education Fund,

29 → the Committee shall by resolution establish an amount of money to transfer from  
 30 the Education Stabilization Account to the State Education Fund and direct the  
 31 State Controller to transfer that amount to the State Education Fund. The State  
 32 Controller shall thereupon make the transfer.

33 5. The balance remaining in the State Education Fund, excluding the balance  
 34 remaining in the Education Stabilization Account, ~~for any account created pursuant~~  
 35 ~~to subsection 5 of NRS 387.1212,]~~ that has not been committed for expenditure on  
 36 or before June 30 of ~~each~~ an odd-numbered fiscal year must be transferred to the  
 37 Education Stabilization Account to the extent that such a transfer would not cause  
 38 the balance in the Education Stabilization Account to exceed the limit established in  
 39 subsection 3.