

Amendment No. 718

Assembly Amendment to Senate Bill No. 439 First Reprint (BDR 34-1099)

Proposed by: Assembly Committee on Ways and Means

Amends: 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

Sections 3, 32.5 and 35 of this act are the only sections affected by this amendment.

AAK



Date: 5/20/2021

S.B. No. 439—Revises provisions relating to education. (BDR 34-1099)



If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:**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, beginning with the 2021-2023 biennium, replaces the Nevada Plan with the Pupil-Centered Funding Plan as the formula for distribution of state financial aid to the public schools in this State to accomplish that objective. (NRS 387.121) Existing law creates the State Education Fund for the purpose of supporting the operation of the public schools in this State and identifies the sources of revenue for the Fund. (NRS 387.1212) **Sections 2 and ~~31-34~~ 31, 32, 33 and 34** of this bill include the proceeds of certain additional sources of revenue in the State Education Fund. **Section 2** additionally: (1) excludes the interest and income earned on the direct legislative appropriation to the State Education Fund from being credited to the Fund; and (2) eliminates the authorization for the Superintendent of Public Instruction to create one or more accounts in the Fund as necessary to segregate money required to be administered separately by federal law. **Section 14** of this bill makes conforming changes relating to the elimination of the authority of the Superintendent of Public Instruction to create such accounts.

Existing law establishes the Education Stabilization Account and authorizes the Interim Finance Committee to direct the State Controller to transfer money from the Education Stabilization Account to the State Education Fund if the 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. (NRS 387.1213) **Section 3** of this bill: (1) additionally allows the Department of Education to submit a request to the Interim Finance Committee to approve a transfer from the Education Stabilization Account to the State Education Fund if the actual enrollment growth exceeds the projected enrollment growth by an amount that makes such a transfer necessary; and (2) requires the transfer, up to the maximum amount established by existing law, of any remaining balance in the State Education Fund to the Education Stabilization Account at the end of each biennium, rather than at the end of each fiscal year.

Existing law requires the Legislature to appropriate money from the State Education Fund, less the money in the Education Stabilization Account, to fund, in an amount determined 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. (NRS 387.1214) **Section 4** eliminates the requirement to fund the operation of the State Board of Education, the Superintendent of Public Instruction and the Department of Education from the State Education Fund. **Section 4** also eliminates the requirement to provide funding for the additional educational needs of pupils with disabilities through additional weighted funding for each such pupil from the State Education Fund. **Sections 4, 6, 8, 13, 22, 23 and 36** of this bill instead require the establishment of a statewide multiplier for the support of pupils with disabilities in a manner generally consistent with the Nevada Plan and funded using the Account for Special Education Services in the State General Fund. **Sections 7, 10 and 11** of this bill make conforming changes to reflect the elimination of the requirement to fund the operation of the State Board of Education, the Superintendent of Public Instruction and the Department of Education from the State Education Fund.

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

58 Existing law requires any amount by which the actual ending fund balance of a county
59 school district fund exceeds 16.6 percent of the total actual expenditures for the fund to be
60 transferred to the Education Stabilization Account. (NRS 387.1213) If a county school district
61 fund exceeded 16.6 percent of the total budgeted expenditures for the fund for the fiscal year
62 which ended on June 30, 2020, existing law allows a school district to maintain not more than
63 such an excess in succeeding fiscal years until the school district has an ending fund balance
64 of 16.6 percent or less. (Section 77 of Senate Bill No. 543, chapter 624, Statutes of Nevada
65 2019, at page 4252) **Section ~~35~~ 3** of this bill revises this ~~[authority]~~ **requirement** to apply to
66 an excess of the total ~~[actual]~~ **budgeted** expenditures for a county school district fund rather
67 than the total ~~[budgeted]~~ **actual** expenditures.

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

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

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

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

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

96 Existing law excludes a budgeted ending fund balance of not more than 16.6 percent
97 of the total budgeted expenditures for a county school district fund from being
98 considered for collective bargaining purposes. (NRS 354.6241) Section 32.5 of this bill
99 reduces the portion of a budgeted ending fund balance of a county school district fund
100 which is not subject to collective bargaining from 16.6 percent to 12 percent.

101 Existing law establishes certain accounts relating to education, including the Educational
102 Trust Account, the Bullying Prevention Account, the Account for Instruction in Financial

103 Literacy, the Account for Computer Education and Technology, the Grant Fund for Incentives
 104 for Licensed Educational Personnel and the Great Teaching and Leading Fund. (NRS
 105 120A.610, 388.1325, 388.895, 391.369, 391A.400, 391A.500) **Sections 31 and 39** of this bill
 106 eliminate these accounts. **Sections 21, 25 and 27-30** of this bill make conforming changes
 107 relating to the elimination of such accounts. **Section 38** of this bill provides for the reversion
 108 or transfer of money in such accounts that has not been committed for expenditure before July
 109 1, 2021.

Section 3 of Senate Bill No. 439 First Reprint 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~~ *budgeted* ending fund balance of the county school district fund
 8 exceeds 16.6 percent of the total ~~actual~~ *budgeted* expenditures for the fund. The
 9 interest and income earned on the money in the Account, after deducting any
 10 applicable charges, must be 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 ~~the~~ :
 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.

NEW section 32.5 of Senate Bill No. 439 First Reprint is hereby added as follows:

Sec. 32.5. 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 subsections 3 and 4 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 16.67 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 ~~4252~~:

(a) A budgeted ending fund balance of not more than ~~16.67~~ 12 percent of the total budgeted expenditures for a county school district fund:

~~(1)~~ (1) Is not subject to negotiations with an employee organization; and

~~(2)~~ (2) 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; and

(b) Any portion of a budgeted ending fund balance which exceeds 16.6 percent of the total budgeted expenditures for a county school district fund:

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

(2) 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; and

(3) Except as otherwise provided in section 77 of chapter 624, Statutes of Nevada 2019, at page 4252, must be transferred to the Education Stabilization Account pursuant to NRS 387.1213.

Section 35 of Senate Bill No. 439 First Reprint is hereby amended as follows:

1 **Sec. 35.** ~~[Section 77 of chapter 624, Statutes of Nevada 2019, at page 4252,~~
2 ~~is hereby amended to read as follows:~~

3 ~~— Sec. 77. Notwithstanding the provisions of subsection 1 of section 3~~
4 ~~of this act, if the ending fund balance of a county school district fund~~
5 ~~exceeds 16.6 percent of the total [budgeted] *actual* expenditures for the~~
6 ~~fund for the fiscal year which ends on June 30, 2020, the county school~~
7 ~~district may maintain an ending fund balance for its county school district~~
8 ~~fund in the succeeding fiscal year which does not exceed the ending fund~~
9 ~~balance for the fiscal year which ends on June 30, 2020, and any amount by~~
10 ~~which the ending fund balance exceeds that amount must be transferred to~~
11 ~~the Education Stabilization Account created by section 3 of this act. Until~~
12 ~~the ending fund balance of such a county school district fund reaches 16.6~~
13 ~~percent or less of the total [budgeted] *actual* expenditures for the fund, the~~
14 ~~ending fund balance for such a county school district fund in each~~
15 ~~subsequent fiscal year may not exceed the ending fund balance for the~~
16 ~~county school district fund in the immediately preceding fiscal year, and~~
17 ~~any amount by which the ending funding balance exceeds that amount must~~
18 ~~be transferred to the Education Stabilization Account created by section 3~~
19 ~~of this act.] (Deleted by amendment.)~~