

SENATE BILL No. 82—COMMITTEE ON EDUCATION  
(ON BEHALF OF THE STATE TREASURER)

PREFILED NOVEMBER 20, 2018

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Referred to Committee on Education

**SUMMARY**—Revises provisions relating to education.  
(BDR 31-479)

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

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

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AN ACT relating to education; revising the membership of the Board of Trustees of the College Savings Plans of Nevada; revising provisions relating to the administration of the Nevada Higher Education Prepaid Tuition Trust Fund; revising provisions governing the Nevada College Kick Start Program; revising provisions relating to the Endowment Account in the State General Fund; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 The Board of Trustees of the College Savings Plans of Nevada was created  
2 under existing law to oversee the Nevada Higher Education Prepaid Tuition  
3 Program and the Nevada College Savings Program. (NRS 353B.005, 353B.090,  
4 353B.310) Existing law provides that the State Treasurer or his or her designee  
5 serves as an ex officio nonvoting member of the Board. (NRS 353B.005) **Section 1**  
6 of this bill revises the membership of the Board to: (1) provide that the State  
7 Treasurer serves as a voting member of the Board; and (2) reduce the number of  
8 voting members appointed by the Governor from three to two.

9 Existing law: (1) creates the Nevada Higher Education Prepaid Tuition Trust  
10 Fund; and (2) requires the State Treasurer to administer the Trust Fund. Existing  
11 law also requires that any employees hired by the State Treasurer to administer  
12 the Nevada Higher Education Prepaid Tuition Program be paid out of the assets of  
13 the Trust Fund. (NRS 353B.140, 353B.150) **Section 2** of this bill eliminates the  
14 requirement to pay such employees out of the assets of the Trust Fund.

15 Under existing law, the Board is required to establish the Nevada College Kick  
16 Start Program to create college savings accounts for pupils who are enrolled in  
17 kindergarten in public schools in Nevada and are residents of Nevada.



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18 (NRS 353B.335) **Section 3** of this bill requires the Board to determine the  
19 appropriate method for accounting for the money in such an account.

20 Existing law requires the State Treasurer to establish an Endowment Account in  
21 the State General Fund to carry out the State Treasurer's duties with respect to the  
22 Nevada College Savings Program. The Endowment Account is required to be used  
23 for the deposit of any money received by the Nevada College Savings Program that  
24 is not received pursuant to a savings trust agreement and which the State Treasurer  
25 determines is not necessary for certain administration and marketing activities. The  
26 State Treasurer is authorized to expend money in the Endowment Account for  
27 purposes related to the funding of college savings accounts under the Nevada  
28 College Kick Start Program, the Governor Guinn Millennium Scholarship Program,  
29 administrative and marketing costs related to the Nevada Higher Education Prepaid  
30 Tuition Program and the Nevada College Savings Program and programs for the  
31 financial education of residents of this State. (NRS 353B.350) **Section 4** of this bill:  
32 (1) increases the amount of money the State Treasurer is authorized to expend from  
33 the Endowment Account for marketing costs related to the Nevada Higher  
34 Education Prepaid Tuition Program and the Nevada College Savings Program; and  
35 (2) authorizes the State Treasurer to expend money in the Endowment Account for  
36 any other costs that assist residents of Nevada to attain postsecondary education  
37 which have been approved by the Board.

38 Existing law authorizes the Board to accept and expend on behalf of the  
39 Nevada College Savings Trust Fund money provided by a private entity for  
40 administrative costs and marketing, but specifies that such money is not part of the  
41 Trust Fund. (NRS 353B.360) **Section 5** of this bill expands such authority to allow  
42 the Board to apply for and accept grants and to accept any gift, bequest, devise or  
43 other donation provided by a public entity for administrative costs or costs of  
44 marketing the Nevada College Savings Program, including the Nevada College  
45 Kick Start Program. **Section 5** requires all such money accepted by the Board from  
46 public and private sources be deposited in the Endowment Account and **section 4**  
47 provides that the money does not count against the limitation in existing law on  
48 expenditures from the Endowment Account for the costs of marketing.

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

1       **Section 1.** NRS 353B.005 is hereby amended to read as  
2 follows:

3       353B.005 1. There is hereby created a Board of Trustees of  
4 the College Savings Plans of Nevada.

5       2. The Board consists of ~~5~~

6       ~~(a) Five voting~~ **five** members composed of:

7       ~~(1)~~ **(a) The State Treasurer, who may name a designee to**  
8 **serve on the Board on his or her behalf.**

9       ~~(b)~~ **(b) The Director of the Office of Finance, who may name a**  
10 **designee to serve on the Board on his or her behalf.**

11       ~~(2)~~ **(c) The Chancellor of the System, who may name a**  
12 **designee to serve on the Board on his or her behalf.**

13       ~~(3) Three~~



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1       (d) **Two** members appointed by the Governor. A member who is  
2 appointed by the Governor must possess knowledge, skill and  
3 experience in the field of:

4            (I) Accounting;  
5            (II) Finance;  
6            (III) Investment management; or  
7            (IV) Marketing.

8        ~~(b) The State Treasurer or his or her designee, who serves ex  
9 officio as a nonvoting member.]~~

10      3. A member of the Board who is appointed by the Governor  
11 pursuant to ~~subparagraph (3) of~~ paragraph ~~(a)~~ (d) of  
12 subsection 2:

13        (a) Serves for a term of 4 years ~~or until his or her successor  
14 is appointed;~~

15        (b) Except as otherwise provided in paragraph (c), may be  
16 reappointed by the Governor; and

17        (c) Except as otherwise provided in this paragraph, may serve  
18 for only two terms. A member who is appointed to fill a vacancy in  
19 an unexpired term that is not longer than 3 years may serve two  
20 terms in addition to the unexpired term.

21      4. The ~~voting~~ members of the Board shall elect a Chair of the  
22 Board from among their number. ~~The term of office of the Chair is  
23 1-year.]~~

24      5. Each member of the Board serves without compensation,  
25 except that each member is entitled to receive:

26        (a) The per diem allowance and travel expenses provided for  
27 state officers and employees generally; and

28        (b) Reimbursement for any other actual and reasonable expense  
29 incurred while performing his or her duties.

30      6. As used in this section, the term “College Savings Plans of  
31 Nevada” includes the Nevada Higher Education Prepaid Tuition  
32 Program set forth in NRS 353B.010 to 353B.190, inclusive, and the  
33 Nevada College Savings Program set forth in NRS 353B.300 to  
34 353B.370, inclusive, including the Nevada College Kick Start  
35 Program.

36      **Sec. 2.** NRS 353B.150 is hereby amended to read as follows:

37      353B.150 1. The State Treasurer shall administer the Trust  
38 Fund.

39        2. As Administrator of the Trust Fund, the State Treasurer:

40            (a) Shall maintain the financial records of the Trust Fund;

41            (b) Shall invest the property in the Trust Fund pursuant to the  
42 policies for investment established by the Board pursuant to  
43 NRS 353B.160;

44            (c) Shall manage any account associated with the Trust Fund;



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1       (d) Shall maintain any instruments that evidence investments  
2 made with property from the Trust Fund;

3       (e) May contract with vendors for any good or service that is  
4 necessary to carry out the provisions of NRS 353B.010 to  
5 353B.190, inclusive;

6       (f) May hire such employees as are necessary to carry out the  
7 provisions of NRS 353B.010 to 353B.190, inclusive ; ~~, who must~~  
8 ~~be paid out of the assets of the Trust Fund;~~ and

9       (g) May perform any other duties necessary to administer the  
10 Trust Fund.

11      **Sec. 3.** NRS 353B.335 is hereby amended to read as follows:

12      353B.335 1. The Board shall establish the Nevada College  
13 Kick Start Program to provide for the creation of ~~a college savings~~  
14 **an** account for each pupil who is a resident of this State upon  
15 commencement of his or her enrollment in kindergarten at a public  
16 school in this State. Within the limits of money available for this  
17 purpose, the Board shall ~~deposit~~ **make** money ~~in~~ **available to**  
18 **each** such ~~an~~ account to be used to pay a portion of the costs of  
19 higher education of the pupil. **The Board shall determine the**  
20 **appropriate method for accounting for the money in such an**  
21 **account.**

22      2. The Board shall adopt regulations for the implementation of  
23 the Program, including, without limitation, regulations regarding:

24       (a) Enrollment in the Program, including without limitation,  
25 opting in or opting out of the Program;

26       (b) Procedures for the parent or guardian of a pupil to access the  
27 account of the pupil created pursuant to subsection 1;

28       (c) The time within which the money in the account created  
29 pursuant to subsection 1 must be used; and

30       (d) Distributions from an account created pursuant to  
31 subsection 1.

32      3. The Board may apply for and accept any gift, donation,  
33 bequest, grant or other source of money to carry out the Program.

34      4. The Board ~~shall~~ **may** transfer to the Endowment Account  
35 established pursuant to NRS 353B.350 the balance in the account of  
36 a pupil created pursuant to subsection 1 that:

37       (a) Has not been accessed by a parent or guardian of the pupil in  
38 the manner prescribed in the regulations adopted pursuant to  
39 subsection 2 by the time the pupil is enrolled in grade 5.

40       (b) Is otherwise remaining after expiration of the time prescribed  
41 in the regulations adopted pursuant to subsection 2 within which the  
42 money in the account must be used.



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1       **Sec. 4.** NRS 353B.350 is hereby amended to read as follows:  
2        353B.350 1. The Trust Fund and any account established by  
3        the State Treasurer pursuant to this section must be administered by  
4        the State Treasurer.

5        2. The State Treasurer shall establish such accounts as he or  
6        she determines necessary to carry out his or her duties pursuant to  
7        NRS 353B.300 to 353B.370, inclusive, including, without  
8        limitation:

9           (a) A Program Account in the Trust Fund; and  
10          (b) An Administrative Account and an Endowment Account in  
11        the State General Fund.

12        3. The Program Account must be used for the receipt,  
13        investment and disbursement of money pursuant to savings trust  
14        agreements.

15        4. The Administrative Account must be used for the deposit  
16        and disbursement of money to administer and market the Nevada  
17        College Savings Program and to supplement the administration and  
18        marketing of the Nevada Higher Education Prepaid Tuition Program  
19        set forth in NRS 353B.010 to 353B.190, inclusive.

20        5. In addition to the money transferred pursuant to NRS  
21        353B.335 ~~is and deposited pursuant to NRS 353B.360~~, the  
22        Endowment Account must be used for the deposit of any money  
23        received by the Nevada College Savings Program that is not  
24        received pursuant to a savings trust agreement and, in the  
25        determination of the State Treasurer, is not necessary for the use of  
26        the Administrative Account. ~~The~~ Except as otherwise provided in  
27        NRS 353B.360, the money in the Endowment Account may be  
28        expended for any purpose related to:

29           (a) The funding of ~~College savings~~ accounts created under the  
30        Nevada College Kick Start Program established pursuant to  
31        NRS 353B.335;

32           (b) The Governor Guinn Millennium Scholarship Program  
33        created pursuant to NRS 396.926, including, without limitation, the  
34        costs of administering the Program, but such costs must not exceed  
35        an amount equal to 3 percent of the anticipated annual revenue to  
36        the State of Nevada from the settlement agreements with and civil  
37        actions against manufacturers of tobacco products anticipated for  
38        deposit in the Trust Fund;

39           (c) The administrative costs, as approved by the Legislature or  
40        the Interim Finance Committee, of activities related to the Nevada  
41        Higher Education Prepaid Tuition Program set forth in NRS  
42        353B.010 to 353B.190, inclusive, and the Nevada College Savings  
43        Program set forth in NRS 353B.300 to 353B.370, inclusive,  
44        including the Nevada College Kick Start Program;



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1       (d) The costs of marketing related to the Nevada Higher  
2 Education Prepaid Tuition Program set forth in NRS 353B.010 to  
3 353B.190, inclusive, and the Nevada College Savings Program set  
4 forth in NRS 353B.300 to 353B.370, inclusive, including the  
5 Nevada College Kick Start Program, but such costs must not exceed  
6 an amount equal to ~~10~~ 10 percent of the money in the Endowment  
7 Account, *other than money deposited pursuant to NRS 353B.360*,  
8 that was received during the first fiscal year of the immediately  
9 preceding biennium by the Nevada College Savings Program, was  
10 not received pursuant to a savings trust agreement and, in the  
11 determination of the State Treasurer, was not necessary for the use  
12 of the Administrative Account; ~~or~~

13       (e) The costs of providing programs for the financial education  
14 of residents of this State, but such costs must not exceed an amount  
15 equal to 3 percent of the money in the Endowment Account that was  
16 received during the first fiscal year of the immediately preceding  
17 biennium by the Nevada College Savings Program, was not received  
18 pursuant to a savings trust agreement and, in the determination of  
19 the State Treasurer, was not necessary for the use of the  
20 Administrative Account ~~or~~; or

21       (f) *Any other costs that assist the residents of this State to  
22 attain postsecondary education which have been approved by the  
23 Board.*

24       **Sec. 5.** NRS 353B.360 is hereby amended to read as follows:  
25       353B.360 The Board may *apply for and accept a grant and*  
26 ~~may accept [and expend on behalf of the Trust Fund money]~~ *any*  
27 ~~gift, bequest, devise or other donation~~ provided by *a public or*  
28 ~~private [entities]~~ *source for [direct expenses]* *administrative costs or*  
29 *costs of marketing the Nevada College Savings Program set forth*  
30 *in NRS 353B.300 to 353B.370, inclusive, including the Nevada*  
31 *College Kick Start Program*, in accordance with the provisions of  
32 NRS 353.150 to 353.245, inclusive. Such money ~~is not a part of~~  
33 ~~must be deposited in the [Trust Fund]~~ *Endowment Account*  
34 *established pursuant to subsection 2 of NRS 353B.350.*

35       **Sec. 6.** 1. The terms of the members of the Board of Trustees  
36 of the College Savings Plans of Nevada created by NRS 353B.005  
37 who were appointed pursuant to sub-paragraph (3) of paragraph (a)  
38 of subsection 2 of NRS 353B.005, as that section existed on  
39 June 30, 2019, and who are incumbent on June 30, 2019, expire on  
40 that date.

41       2. On or before July 1, 2019, the Governor shall appoint two  
42 members of the Board of Trustees of the College Savings Plans of  
43 Nevada created by NRS 353B.005 pursuant to paragraph (d) of  
44 subsection 2 of NRS 353B.005, as amended by section 1 of this act,  
45 to terms commencing on July 1, 2019.



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1       **Sec. 7.** 1. This section and section 6 of this act become  
2 effective upon passage and approval.

3       2. Sections 1 to 5, inclusive, of this act become effective on  
4 July 1, 2019.

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