
ASSEMBLY BILL NO. 426—ASSEMBLYMEN HETTRICK, MARVEL,
GUSTAVSON, GRIFFIN, BEERS, ANDONOV, BROWN,
GOICOECHEA, GRADY, HARDY, KNECHT, MABEY AND
SHERER

MARCH 17, 2003

Referred to Committee on Education

SUMMARY—Requires school districts to reimburse University and
Community College System of Nevada for cost of
required remedial education of certain graduates of
high schools in district. (BDR 34-1200)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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

AN ACT relating to education; requiring school districts to
reimburse the University and Community College System
of Nevada for the cost of required remedial education for
certain graduates of high schools in the district; creating
the School Accountability Trust Fund; and providing
other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 387 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.
3 **Sec. 2. 1. *Each year, except as limited by this section, the***
4 ***University and Community College System of Nevada is entitled to***
5 ***receive from each school district in this state the cost of remedial***
6 ***education provided to a student who graduated from a high school***
7 ***in that district if the student attended school in that school district***
8 ***for at least 1 year before graduating.***
9 **2. *The Board of Regents of the University of Nevada, at the***
10 ***end of each fiscal year, shall notify each school district and the***
11 ***State Board of the amount owing from each school district***



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1 *pursuant to this section for remedial education provided during*
2 *the year. The State Board, to the extent that money is available in*
3 *the School Accountability Trust Fund for expenditure, shall*
4 *transfer to each school district the amount it owes to the*
5 *University and Community College System of Nevada. If there is*
6 *not sufficient money in the School Accountability Trust Fund to*
7 *pay the entire amount owing, all available money must be*
8 *allocated to the school districts in the proportion that the number*
9 *of credits of remedial education that was provided to students from*
10 *each district bears to the total number of credits of remedial*
11 *education that was provided to students from all the districts.*

12 *3. A school district shall transfer all money received pursuant*
13 *to subsection 2 along with such money of the school district as is*
14 *necessary to satisfy the obligation of the school district pursuant to*
15 *subsection 1 to the University and Community College System of*
16 *Nevada.*

17 *4. For the purposes of this section, the cost of remedial*
18 *education shall be deemed to be the lower division instructional*
19 *cost per credit multiplied by the number of credits of remedial*
20 *education provided.*

21 **Sec. 3. 1.** *The School Accountability Trust Fund is hereby*
22 *created in the State Treasury. The State Board shall administer*
23 *the Fund. All money received and held by the State Treasurer for*
24 *the purpose of the Fund must be deposited in the Fund.*

25 *2. The State Board may accept gifts, grants and donations*
26 *from any source for deposit in the Fund. All legislative*
27 *appropriations, gifts and grants to the Fund become a part of the*
28 *principal of the Fund. Any interest or income on money in the*
29 *Fund must be credited to the Fund. The money which represents*
30 *the principal of the Fund must not be spent and only the interest*
31 *and income earned on the principal may be used to carry out the*
32 *provisions of this section.*

33 *3. The interest and income earned from money in the Fund*
34 *must be used by the State Board to reimburse local school districts*
35 *for the payments required pursuant to section 2 of this act. If the*
36 *interest and income earned from money in the Fund in any fiscal*
37 *year exceeds the amount necessary to make the payments required*
38 *by section 2 of this act, school districts may apply to the State*
39 *Board for grants from the unspent interest and income for the*
40 *fiscal year for any purpose related to education. The State Board*
41 *shall apportion such grants equitably among the school districts*
42 *that apply for grants.*

43 **Sec. 4.** *The State Controller shall, on July 1, 2003, transfer*
44 *\$20,000,000 from the State Distributive School Account to the*



- 1 School Accountability Trust Fund created pursuant to section 3 of
- 2 this act.
- 3 **Sec. 5.** This act becomes effective on July 1, 2003.

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