SENATE BILL NO. 506—COMMITTEE ON EDUCATION
(ON BEHALF OF THE OFFICE OF THE GOVERNOR)

MARCH 27, 2017

Referred to Committee on Education

SUMMARY—Revises provisions relating to education savings accounts and education funding. (BDR 34-1101)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation included in Executive Budget.

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

AN ACT relating to education; repealing, reenacting and revising provisions relating to the education savings accounts program; declaring the intention of the Legislature regarding the program; creating the Office of Educational Choice within the Department of Education; providing for the appointment of a Director of the Office; creating an account in the State General Fund to carry out the education savings account program; setting the maximum number of first-time applicants who may apply for the program each school year; imposing certain duties on the Director of the Office relating to the administration of the program; providing that certain pupils participating in the program are not included in determining the average daily enrollment and computing basic support for a school district; making appropriations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:
1 Senate Bill No. 302 (S.B. 302) of the 78th Session of the Nevada Legislature established the education savings accounts program, pursuant to which grants of money are made to certain parents on behalf of their children to defray the cost of instruction outside the public school system. (Chapter 332, Statutes of Nevada 2015, p. 1824; NRS 353B.700-353B.930) Following a legal challenge of S.B. 302, 5 the Nevada Supreme Court held in Schwartz v. Lopez, 132 Nev. Adv. Op. 73, 382 P.3d 886 (2016), that the legislation was valid under Section 2 of Article 11 of the
Nevada Constitution, which requires a uniform system of common schools, and 
under Section 10 of Article 11 of the Nevada Constitution, which prohibits the use 
of public money for a sectarian purpose. However, the Nevada Supreme Court 
found that the Legislature did not make an appropriation for the support of the 
education savings accounts program and held that the use of any money 
appropriated for K-12 public education for the education savings accounts program 
would violate Sections 2 and 6 of Article 11 of the Nevada Constitution. The Court 
enjoined the enforcement of section 16 of S.B. 302, which amended NRS 387.124 
to require that all money deposited in education savings accounts be subtracted 
from each school district’s quarterly apportionments from the State Distributive 
School Account.

In response to the Schwartz decision, section 39 of this bill appropriates money 
to fund the operation of the education savings accounts program for the 2017-2019 
biennium. Section 4 of this bill amends existing law to remove the provisions 
which were enjoined by the Nevada Supreme Court in Schwartz. Section 42 of this 
bill repeals the existing provisions relating to the program and reenacts the 
provisions with some revisions. Existing law gives the State Treasurer the 
responsibility to oversee the program. (NRS 353B.820, 353B.850) Section 14 of 
the bill instead creates the Office of Educational Choice within the Department of 
Education with a Director who is responsible for the administration of the program.

In addition, sections 21, 35 and 36 of this bill make the Office responsible for the 
administration of the Nevada Educational Choice Scholarship Program which 
provides certain tax incentives to organizations that provide grants for certain 
pupils to attend schools which require some type of payment. (NRS 388D.270) All 
responsibilities previously carried out by the State Treasurer are required by this 
bill to be carried out by the Director. Section 41 of this bill makes the regulations 
adopted by the State Treasurer continue in effect until the Director amends or 
replaces them, and allows the Director to enforce the regulations. In addition, any 
existing contracts made by the State Treasurer become binding upon the Director.

The appropriation for the education savings accounts program in section 39 of 
this bill is made to the Office of Educational Choice and will be deposited to the 
Account for Educational Choice, which is created in the State General Fund by 
section 22 of this bill. Section 22 requires the Account to be administered by the 
Director of the Office of Educational Choice and authorizes the Director to accept 
gifts and grants for deposit in the Account. Section 22 also: (1) restricts the use of 
the money in the Account to making grants under the education savings accounts 
program, to pay for the administrative costs of the Office of Educational Choice 
and for other purposes authorized by the Legislature; and (2) authorizes any money 
in the Account for expenditure as a continuing appropriation for such purposes.

Section 25 of this bill requires the reversion of any balance remaining in an 
education savings account that has been terminated or not renewed to the Account 
for Educational Choice.

Sections 23 and 40 of this bill limit the number of grants that may be made in a 
school year to first-time applicants in a school district under the education savings 
accounts program. In addition, when more applications are received than money is 
available, section 27 of this bill requires grants to be awarded in the order in which 
applications are approved. Section 24 of this bill requires the Director of the Office 
of Educational Choice to comply with the State Budget Act in administering the 
program and, as part of the budgeting process, to estimate the amount of money 
required for the program for each biennium. Section 25 of this bill allows the 
Director to enter into an agreement to establish an education savings account 
without a guarantee that money will be deposited into the account. No agreement 
may obligate the State to make a grant in excess of the amount appropriated or 
authorized for the education savings accounts program.
Under existing law, for a child’s parents to be eligible to enter into an agreement to establish an education savings account for the child, the child must be required by law to attend public school and must have been enrolled in a public school in Nevada for not less than 100 school days without interruption during the period immediately preceding the establishment of the education savings account. (NRS 353B.850) During the 29th Special Session of the Nevada Legislature, the Legislature passed a concurrent resolution that declared and expressed that it was the Legislature’s purpose and intent in enacting the education savings account program in S.B. 302 to allow the establishment of education savings accounts for children who are at least 5 years of age and less than 7 years of age and children of active duty members of the military, regardless of whether those children had been enrolled in a public school in Nevada for at least 100 school days without interruption preceding the establishment of an education savings account for such a child. (File Number 6, Statutes of Nevada 2015, 29th Special Session, p. 72; NAC 385.5527) Section 25 of this bill codifies the Legislature’s stated purpose and intent concerning the participation of those children in the education savings account program. Section 25 also changes the requirement from 100 school days without interruption to two consecutive quarters of public school or its equivalent.

Existing law limits the use of money deposited in an education savings account to payment of certain instruction, materials and services provided by persons, programs or entities that participate in the education savings accounts program, who are known as participating entities. (NRS 353B.870) A person, program or entity who wishes to become a participating entity is required to submit an application to the Director of the Office of Educational Choice for approval. The Director may refuse to allow a participating entity to continue participating in the program in certain circumstances. (NRS 353B.900) Sections 13, 16 and 30 of this bill allow the Director to approve as a participating entity in the program a person or entity that is located outside Nevada or that meets criteria established by the Director for participation in the program.

Existing law requires each school district to report to the Department of Education on a quarterly basis the average daily enrollment of pupils in the school district. The enrollment of pupils in each school district is used to calculate the basic support guarantee that will be provided per pupil for each district. Existing law also includes a “hold harmless” provision, pursuant to which a school district with a significant decline in enrollment is protected against a corresponding reduction in apportionments from the State Distributive School Account. (NRS 387.1223) Section 3 of this bill provides that children in the school district who are receiving grants from the education savings accounts program are not to be included in the count of pupils in a school district in determining enrollment or for the purpose of computing basic support.

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

Section 1. NRS 385.007 is hereby amended to read as follows:

385.007 As used in this title, unless the context otherwise requires:

1. “Achievement charter school” means a public school operated by a charter management organization, as defined in NRS 388B.020, an educational management organization, as defined in NRS 388B.030, or other person pursuant to a contract with the
Achievement School District pursuant to NRS 388B.210 and subject
to the provisions of chapter 388B of NRS.
2. “Department” means the Department of Education.
3. “Homeschooled child” means a child who receives
instruction at home and who is exempt from compulsory attendance
pursuant to NRS 392.070, but does not include an opt-in child.
4. “Limited English proficient” has the meaning ascribed to it
5. “Opt-in child” means a child for whom an education savings
account has been established pursuant to NRS 353B.850, section
25 of this act, who is not enrolled full-time in a public or private
school and who receives all or a portion of his or her instruction
from a participating entity, as defined in NRS 353B.750, section
16 of this act.
6. “Public schools” means all kindergartens and elementary
schools, junior high schools and middle schools, high schools,
charter schools and any other schools, classes and educational
programs which receive their support through public taxation and,
except for charter schools, whose textbooks and courses of study are
under the control of the State Board.
7. “State Board” means the State Board of Education.
8. “University school for profoundly gifted pupils” has the
meaning ascribed to it in NRS 388C.040.
Sec. 2. NRS 387.045 is hereby amended to read as follows:
387.045 Except as otherwise provided in NRS 353B.700 to
353B.930, inclusive, sections 19 to 33, inclusive, of this act:
1. No portion of the public school funds or of the money
specially appropriated for the purpose of public schools shall be
devoted to any other object or purpose.
2. No portion of the public school funds shall in any way be
segregated, divided or set apart for the use or benefit of any
sectarian or secular society or association.
Sec. 3. 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, this section,
the basic support of each school district must be computed by:
(a) Multiplying the basic support guarantee per pupil established
for that school district for that school year by the sum of:
(1) Six-tenths the count of pupils enrolled in the kindergarten
department, 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.

(2) The count of pupils enrolled in grades 1 to 12, inclusive, 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.

(3) The count of pupils not included under subparagraph (1) or (2) who are enrolled full-time in a program of distance education provided by that school district, 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.

(4) 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 \[NRS 353B.750, section 16 of this act,\] 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 a school district or another charter school or receiving a portion of his or her instruction from a participating entity, as defined in \[NRS 352B.750, section 16 of this act,\] based on the average daily enrollment of those pupils during the quarter.

(5) The count of pupils not included under subparagraph (1), (2), (3) or (4), 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.

(6) 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.

(7) 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.
(8) 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 (2).

(b) Adding the amounts computed in paragraph (a).

3. Except as otherwise provided in this section, 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 apportionments from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124. For the purposes of this subsection, any decrease in the average daily enrollment of pupils in a school district or a charter school that is attributable to any child receiving a grant pursuant to sections 19 to 33, inclusive, of this act must not be used in determining whether this subsection applies to the school district or charter school.

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 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 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 pursuant to this section.

9. Except as otherwise provided in subparagraph (4) of paragraph (a) of subsection 2, any child receiving a grant pursuant to sections 19 to 33, inclusive, of this act must not be counted in determining the average daily enrollment of pupils or for the purpose of computing basic support pursuant to this section.

Sec. 4. 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 of each year, the Superintendent of Public Instruction shall apportion the State Distributive School Account in the State General Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating one-fourth of their respective yearly apportionments less any amount set aside as a reserve. 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 and all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils located in the county and 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. 5. NRS 388.850 is hereby amended to read as follows:
388.850 1. A pupil may enroll in a program of distance education unless:
(a) Pursuant to this section or other specific statute, the pupil is not eligible for enrollment or the pupil’s enrollment is otherwise prohibited;
(b) The pupil fails to satisfy the qualifications and conditions for enrollment adopted by the State Board pursuant to NRS 388.874; or
(c) The pupil fails to satisfy the requirements of the program of distance education.
2. A child who is exempt from compulsory attendance and is enrolled in a private school pursuant to chapter 394 of NRS or is being homeschooled is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether the child is otherwise eligible for enrollment pursuant to subsection 1.
3. An opt-in child who is exempt from compulsory attendance is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether the child is otherwise eligible for enrollment pursuant to subsection 1, unless the opt-in child receives only a portion of his or her instruction from a participating entity as authorized pursuant to section 25 of this act.

4. If a pupil who is prohibited from attending public school pursuant to NRS 392.264 enrolls in a program of distance education, the enrollment and attendance of that pupil must comply with all requirements of NRS 62F.100 to 62F.150, inclusive, and 392.251 to 392.271, inclusive.

Sec. 6. NRS 388A.471 is hereby amended to read as follows:

388A.471  1. Except as otherwise provided in subsection 2, upon the request of a parent or legal guardian of a child who is enrolled in a public school of a school district or a private school, or a parent or legal guardian of a homeschooled child or opt-in child, the governing body of the charter school shall authorize the child to participate in a class that is not otherwise available to the child at his or her school or homeschool or from his or her participating entity, as defined in section 16 of this act, or participate in an extracurricular activity at the charter school if:

(a) Space for the child in the class or extracurricular activity is available;

(b) The parent or legal guardian demonstrates to the satisfaction of the governing body that the child is qualified to participate in the class or extracurricular activity; and

(c) The child is:

(1) A homeschooled child and a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 388D.070; or

(2) An opt-in child and a notice of intent of an opt-in child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 388D.140.

2. If the governing body of a charter school authorizes a child to participate in a class or extracurricular activity pursuant to subsection 1, the governing body is not required to provide transportation for the child to attend the class or activity. A charter school shall not authorize such a child to participate in a class or activity through a program of distance education provided by the charter school pursuant to NRS 388.820 to 388.874, inclusive.

3. The governing body of a charter school may revoke its approval for a child to participate in a class or extracurricular activity at a charter school pursuant to subsection 1 if the governing
body determines that the child has failed to comply with applicable statutes, or applicable rules and regulations. If the governing body so revokes its approval, neither the governing body nor the charter school is liable for any damages relating to the denial of services to the child.

4. The governing body of a charter school may, before authorizing a homeschooled child or opt-in child to participate in a class or extracurricular activity pursuant to subsection 1, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

Sec. 7. NRS 388B.290 is hereby amended to read as follows:

388B.290  1. During the sixth year that a school operates as an achievement charter school, the Department shall evaluate the pupil achievement and school performance of the school. The Executive Director shall provide the Department with such information and assistance as the Department determines necessary to perform such an evaluation. If, as a result of such an evaluation, the Department determines:

(a) That the achievement charter school has made adequate improvement in pupil achievement and school performance, the governing body of the achievement charter school must decide whether to:

(1) Convert to a public school under the governance of the board of trustees of the school district in which the school is located;

(2) Seek to continue as a charter school subject to the provisions of chapter 388A of NRS by applying to the board of trustees of the school district in which the school is located, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education to sponsor the charter school pursuant to NRS 388A.220; or

(3) Remain an achievement charter school for at least 6 more years.

(b) That the achievement charter school has not made adequate improvement in pupil achievement and school performance, the Department shall direct the Executive Director to notify the parent or legal guardian of each pupil enrolled in the achievement charter school that the achievement charter school has not made adequate improvement in pupil achievement and school performance. Such notice must include, without limitation, information regarding:

(1) Public schools which the pupil may be eligible to attend, including, without limitation, charter schools, programs of distance education offered pursuant to NRS 388.820 to 388.874, inclusive, and alternative programs for the education of pupils at risk of dropping out of school pursuant to NRS 388.537;
(2) The opportunity for the parent to establish an education savings account pursuant to \[NRS 353B.850\] \textit{section 25 of this act} and enroll the pupil in a private school, have the pupil become an opt-in child or provide for the education of the pupil in any other manner authorized by \[NRS 353B.900; section 30 of this act;\] (3) Any other alternatives for the education of the pupil that are available in this State; and (4) The actions that may be considered by the Department with respect to the achievement charter school and the manner in which the parent may provide input.

2. Upon deciding that the achievement charter school has not made adequate improvement in pupil achievement and school performance pursuant to paragraph (b) of subsection 1, the Department must decide whether to:

(a) Convert the achievement charter school to a public school under the governance of the board of trustees of the school district in which the school is located; or
(b) Continue to operate the school as an achievement charter school for at least 6 more years.

3. If the Department decides to continue to operate a school as an achievement charter school pursuant to subsection 2, the Executive Director must:

(a) Terminate the contract with the charter management organization, educational management organization or other person that operated the achievement charter school;
(b) Enter into a contract with a different charter management organization, educational management organization or other person to operate the achievement charter school after complying with the provisions of NRS 388B.210;
(c) Require the charter management organization, educational management organization or other person with whom the Executive Director enters into a contract to operate the achievement charter school to appoint a new governing body of the achievement charter school in the manner provided pursuant to NRS 388B.220, and must not reappoint more than 40 percent of the members of the previous governing body; and
(d) Evaluate the pupil achievement and school performance of such a school at least each 3 years of operation thereafter.

4. If an achievement charter school is converted to a public school under the governance of the board of trustees of a school district pursuant to paragraph (a) of subsection 1, the board of trustees must employ any teacher, administrator or paraprofessional who wishes to continue employment at the school and meets the requirements of chapter 391 of NRS to teach at the school. Any administrator or teacher employed at such a school who was
employed by the board of trustees as a postprobationary employee
before the school was converted to an achievement charter school
and who wishes to continue employment at the school after it is
converted back into a public school must be employed as a
postprobationary employee.

5. If an achievement charter school becomes a charter school
sponsored by the school district in which the charter school is
located, the State Public Charter School Authority or a college or
university within the Nevada System of Higher Education pursuant
to paragraph (a) of subsection 1, the school is subject to the
provisions of chapter 388A of NRS and the continued operation of
the charter school in the building in which the school has been
operating is subject to the provisions of NRS 388A.378.

6. As used in this section, “postprobationary employee” has the
meaning ascribed to it in NRS 391.650.

Sec. 8. Chapter 388D of NRS is hereby amended by adding
thereto the provisions set forth as sections 9 to 33, inclusive, of this
act.

Sec. 9. As used in NRS 388D.250 to 388D.280, inclusive, and
sections 9 to 33, inclusive, of this act, unless the context otherwise
requires, the words and terms defined in sections 10 to 18,
inclusive, of this act have the meanings ascribed to them in those
sections.

Sec. 10. “Account for Educational Choice” means the
Account for Educational Choice created by section 15 of this act.

Sec. 11. “Director” means the Director of the Office of
Educational Choice.

Sec. 12. “Education savings account” means an account
established for a child pursuant to section 25 of this act.

Sec. 13. “Eligible institution” means:
1. A university, state college or community college within the
Nevada System of Higher Education; or
2. Any other college or university that:
(a) Is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3); and
(b) Is accredited by a regional accrediting agency recognized
by the United States Department of Education.

Sec. 14. “Office of Educational Choice” means the Office of
Educational Choice created by section 21 of this act.

Sec. 15. “Parent” means the parent, custodial parent, legal
guardian or other person in this State who has control or charge
of a child and the legal right to direct the education of the child.

Sec. 16. “Participating entity” means a person who has been
approved by the Director pursuant to section 30 of this act to serve
as a participating entity pursuant to sections 19 to 33, inclusive, of this act.

Sec. 17. “Program of distance education” has the meaning ascribed to it in NRS 388.829.

Sec. 18. “Resident school district” means the school district in which a child would be enrolled based on his or her residence.

Sec. 19. In enacting sections 19 to 33, inclusive, of this act, it is the intent of the Legislature to provide additional resources for the support of education and assist parents, including, without limitation, the parents of children who are pupils with disabilities and parents in low-income households, in meeting the unique educational needs of the children in their care.

Sec. 20. The Director shall adopt any regulations necessary or convenient to carry out the provisions of sections 19 to 33, inclusive, of this act.

Sec. 21. 1. The Office of Educational Choice is hereby created within the Department.

2. The Director of the Office of Educational Choice:
   (a) Is appointed by, is responsible to and serves at the pleasure of the Superintendent of Public Instruction.
   (b) Is in the unclassified service of the State.
   (c) Shall devote his or her entire time to the duties of the Office and shall not engage in any other gainful employment or occupation.

3. The Director may, with the approval of the Superintendent of Public Instruction and within the limits of legislative appropriation, appoint and fix the compensation of such assistants as are necessary to enable the Director to carry out the duties assigned pursuant to this section. Any such assistant is in the classified service of the State.

4. The Director is responsible for the administration of:
   (a) The provisions of sections 19 to 33, inclusive, of this act, and all other provisions of law relating to the functions of the Office; and
   (b) The Nevada Educational Choice Scholarship Program established pursuant to NRS 388D.250 to 388D.280, inclusive.

Sec. 22. 1. The Account for Educational Choice is hereby created in the State General Fund. The Director shall administer the Account.

2. The interest and income earned on:
   (a) The money in the Account, after deducting any applicable charges; and
   (b) Unexpended appropriations made to the Account from the State General Fund,

* must be credited to the Account.
3. The money in the Account may be used by the Director only to make grants pursuant to sections 19 to 33, inclusive, of this act, to pay for the administrative costs of the Office of Educational Choice and for any other purpose authorized by the Legislature, and is hereby authorized for expenditure as a continuing appropriation for such purposes.

4. The Director may accept gifts and grants from any source for deposit in the Account and may expend such gifts and grants from the Account pursuant to subsection 3.

5. Any money remaining in the Account at the end of a fiscal year, including, without limitation, any unexpended appropriations made to the Account from the State General Fund does not revert to the State General Fund, and the balance in the Account from gifts and grants must be carried forward to the next fiscal year.

6. Support for the Account must be provided by legislative appropriation from the State General Fund together with all money derived from other sources authorized by law to be deposited in the Account.

Sec. 23. 1. For any school year, the Director shall not enter into an agreement with or make a grant of money to a first-time applicant in a school district after the total number of first-time applicants in the school district to whom grants are made for that school year pursuant to sections 19 to 33, inclusive, of this act equals or exceeds 5 percent of the average daily enrollment of pupils in that school district for the quarter that was reported on or before October 1 of the immediately preceding school year by the school district to the Department of Education pursuant to NRS 387.1223.

2. If more applications for grants are received in a school year from qualified first-time applicants in a school district than the maximum number authorized for approval in that school district for that school year pursuant to subsection 1, grants must be awarded in the order of the number assigned to the agreement entered into pursuant to section 25 of this act.

3. As used in this section, “first-time applicant” means an applicant who has not received a grant of money pursuant to sections 19 to 33, inclusive, of this act during any part of the immediately preceding school year.

Sec. 24. 1. The administrative and operating budget to carry out the provisions of sections 19 to 33, inclusive, of this act and any changes made to the budget must be submitted by the Director for approval in the manner prescribed by the State Budget Act.
2. On or before September 1 of each even-numbered year, the Director shall prepare and submit to the Chief of the Budget Division of the Office of Finance an estimate of the expenditure requirements to carry out the provisions of sections 19 to 33, inclusive, of this act for each of the next 2 fiscal years. The estimate must be classified according to the projected number of recipients of grants in each fiscal year who are pupils with a disability, as defined in NRS 388.417, children with a household income that is less than 185 percent of the federally designated level signifying poverty, and all other recipients.

Sec. 25. 1. Except as otherwise provided in this section, the parent of any child may apply to the Director to establish an education savings account if one of the following requirements is satisfied:

(a) The child is required by NRS 392.040 to attend a public school and has been enrolled in a public school in this State during the period immediately preceding the establishment of an education savings account pursuant to this section for not less than two consecutive quarters of the school year, or, if the child has been enrolled in a public school in this State that uses a system of enrollment other than quarters, for a number of school days equivalent to two consecutive quarters of public school, as determined by the Director.

(b) The child is eligible to be enrolled in a public school in this State and a parent of the child is a member of the Armed Forces of the United States who is on active duty.

(c) The child is eligible to be enrolled in a public school in this State and will be at least 5 years of age and less than 7 years of age on or before September 30 of the school year for which the application is submitted.

2. A parent may not apply to establish an education savings account for a child who will be homeschooled or who will remain enrolled full-time in a public school, regardless of whether such a child receives instruction from a participating entity. A parent may establish an education savings account for a child who receives a portion of his or her instruction from a public school and a portion of his or her instruction from a participating entity.

3. To establish an education savings account for a child pursuant to this section, the parent of the child must enter into a written agreement with the Director, in the manner and on a form prescribed by the Director. An agreement may only be allowed if the child of the parent will receive instruction from a participating entity for the school year for which the agreement applies.

4. Except as otherwise provided in this section, the Director shall enter into or renew an agreement with the parent of a child...
for the establishment of an education savings account if the child satisfies the requirements of this section and the parent applies to the Director in the manner provided by the Director. The Director shall make the application available on the Internet website of the Office of Educational Choice.

5. A number must be assigned to each agreement that is entered into pursuant to this section which corresponds to the order in which the application is approved. The number assigned to an agreement remains the same with any renewal to the agreement, except that if an agreement is not renewed for a school year for any reason other than lack of adequate money in the Account for Educational Choice, a new number must be assigned if it is later renewed as though it were a new agreement.

6. An agreement entered into pursuant to this section must include a copy of the provisions of sections 19 to 33, inclusive, of this act and the requirements set forth therein must be included as requirements in the agreement.

7. An agreement entered into pursuant to this section is valid for 1 school year but may be terminated early. If the agreement is terminated early, the child may not receive instruction from a public school in this State until the end of the period for which the last deposit was made into the education savings account pursuant to section 27 of this act, except to the extent the pupil was allowed to receive instruction from a public school under the agreement.

8. An agreement terminates automatically if the child no longer resides in this State. In such a case, any money remaining in the education savings account of the child reverts to the Account for Educational Choice.

9. The Director shall provide to a parent who enters into or renews an agreement pursuant to this section a written explanation of the authorized uses, pursuant to section 28 of this act, of the money in an education savings account and the responsibilities of the parent and the Director pursuant to the agreement and sections 19 to 33, inclusive, of this act.

10. An agreement entered into with the Director pursuant to this section and the establishment of an education savings account pursuant to section 27 of this act do not guarantee a grant of money or that money will be deposited into the account except to the extent of legislative appropriation and authorization. No agreement may obligate the State to make a grant of money in excess of the amount appropriated or authorized by law for that purpose.

11. Any agreement that violates any of the provisions of sections 19 to 33, inclusive, of this act, or a regulation adopted pursuant thereto is void.
Sec. 26. 1. A parent may enter into a separate agreement pursuant to section 25 of this act for each child of the parent. Not more than one education savings account may be established for a child.

2. A parent who fails to enter into an agreement to establish an education savings account for his or her child pursuant to section 25 of this act for any school year for which the child is required by NRS 392.040 to attend a public school in this State or is eligible to be enrolled in a public school in this State does not preclude the parent of the child from entering into an agreement for a subsequent school year.

3. An agreement entered into pursuant to section 25 of this act may be renewed for any school year for which the child is required by NRS 392.040 to attend a public school in this State or is eligible to be enrolled in a public school in this State. Failure to renew an agreement for any school year does not preclude the parent of the child from renewing the agreement for any subsequent school year.

Sec. 27. 1. If an agreement is entered into pursuant to section 25 of this act, an education savings account must be established by the parent on behalf of the child. The account must be maintained with a financial management firm qualified by the Director pursuant to section 29 of this act.

2. Within the limits of legislative appropriation and authorization, if a parent enters into or renews such an agreement, a grant of money on behalf of the child must be deposited by the Director into the education savings account of the child.

3. Except as otherwise provided in subsections 4 and 5, the grant required by subsection 2 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 per pupil; and

   b) For all other children, 90 percent of the statewide average basic support per pupil.

4. 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 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.
5. If there are more applications for grants for a school year than there is money available, grants must be awarded in the order of the number assigned to the agreement entered into pursuant to section 25 of this act. An agreement which is not renewed because there is not enough money to award the grant retains the number assigned to the agreement and priority for future grants.

6. The Director may deduct not more than 3 percent of each grant for the administrative costs of implementing the provisions of sections 19 to 33, inclusive, of this act.

7. The Director shall deposit the money for each grant in quarterly installments pursuant to a schedule determined by the Director.

8. 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 section 25 of this act is renewed.
   (b) When an agreement entered into pursuant to section 25 of this act 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 Account for Educational Choice at the end of the last day of the agreement.

Sec. 28. 1. Money deposited in an education savings account must be used only to pay for:
   (a) Tuition and fees at a school that is a participating entity in which the child is enrolled;
   (b) Textbooks required for a child who enrolls in a school that is a participating entity;
   (c) Tutoring or other teaching services provided by a tutor or tutoring facility that is a participating entity;
   (d) Tuition and fees for a program of distance education that is a participating entity;
   (e) Fees for any national norm-referenced achievement examination, advanced placement or similar examination or standardized examination required for admission to a college or university;
   (f) If the child is a pupil with a disability, as that term is defined in NRS 388.417, fees for any special instruction or special services provided to the child;
   (g) Tuition and fees at an eligible institution that is a participating entity;
   (h) Textbooks required for the child at an eligible institution that is a participating entity or to receive instruction from any other participating entity;
   (i) Fees for the management of the education savings account, as described in section 29 of this act;
(j) Transportation required for the child to travel to and from a participating entity or any combination of participating entities up to but not to exceed $750 per school year; or
(k) Purchasing a curriculum or any supplemental materials required to administer the curriculum.

2. A participating entity that receives a payment authorized by subsection 1 shall not:
   (a) Refund any portion of the payment to the parent who made the payment, unless the refund is for an item that is being returned or an item or service that has not been provided; or
   (b) Rebate or otherwise share any portion of the payment with the parent who made the payment.

3. A parent who receives a refund pursuant to subsection 2 shall deposit the refund in the education savings account from which the money refunded was paid.

4. Nothing in this section shall be deemed to prohibit a parent or child from making a payment for any tuition, fee, service or product described in subsection 1 from a source other than the education savings account of the child.

Sec. 29. 1. The Director shall qualify one or more private financial management firms to manage education savings accounts and shall establish reasonable fees, based on market rates, for the management of education savings accounts.

2. An education savings account must be audited randomly each year by a certified or licensed public accountant. The Director may provide for additional audits of an education savings account as it determines necessary.

3. If the Director determines that there has been substantial misuse of the money in an education savings account, the Director may:
   (a) Freeze or dissolve the account, subject to any regulations adopted by the Director providing for notice of such action and opportunity to respond to the notice; and
   (b) Give notice of his or her determination to the Attorney General or the district attorney of the county in which the parent resides.

Sec. 30. 1. The following persons may become a participating entity by submitting an application demonstrating that the person is:
   (a) A private school licensed pursuant to chapter 394 of NRS or exempt from such licensing pursuant to NRS 394.211;
   (b) An eligible institution;
   (c) A program of distance education that is not operated by a public school or the Department of Education;
(d) A tutor or tutoring facility that meets the criteria established by the Director to serve as a participating entity;

(e) The parent of a child; or

(f) Any other person who provides educational services and meets the criteria established by the Director to serve as a participating entity.

2. The Director shall approve an application submitted pursuant to subsection 1 or request additional information to demonstrate that the person meets the criteria to serve as a participating entity. If the applicant is unable to provide such additional information, the Director may deny the application.

3. If it is reasonably expected that a participating entity will receive, from payments made from education savings accounts, more than $50,000 during any school year, the participating entity shall annually, on or before the date prescribed by the Director by regulation:

(a) Post a surety bond in an amount equal to the amount reasonably expected to be paid to the participating entity from education savings accounts during the school year; or

(b) Provide evidence satisfactory to the Director that the participating entity otherwise has unencumbered assets sufficient to pay to the Director an amount equal to the amount described in paragraph (a).

4. Each participating entity that accepts payments made from education savings accounts shall provide a receipt for each such payment to the parent who makes the payment.

5. The Director may refuse to allow an entity described in subsection 1 to continue to participate in the grant program pursuant to sections 19 to 33, inclusive, of this act if the Director determines that the entity:

(a) Has routinely failed to comply with the provisions of sections 19 to 33, inclusive, of this act; or

(b) Has failed to provide any educational services required by law to a child receiving instruction from the entity if the entity is accepting payments made from the education savings account of the child.

6. If the Director takes an action described in subsection 5 against an entity described in subsection 1, the Director shall provide immediate notice of the action to each parent of a child receiving instruction from the entity who has entered into or renewed an agreement pursuant to section 25 of this act and on behalf of whose child a grant of money has been deposited pursuant to section 27 of this act.

Sec. 31. 1. Each participating entity that accepts payments for tuition and fees made from education savings accounts shall:
(a) Ensure that each child on whose behalf a grant of money has been deposited pursuant to section 27 of this act and who is receiving instruction from the participating entity takes:

(1) Any examinations in mathematics and English language arts required for pupils of the same grade pursuant to chapter 389 of NRS; or

(2) Norm-referenced achievement examinations in mathematics and English language arts each school year;

(b) Provide for value-added assessments of the results of the examinations described in paragraph (a); and

(c) Subject to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, provide the results of the examinations described in paragraph (a) to the Department of Education or an organization designated by the Department pursuant to subsection 4.

2. The Department of Education shall:

(a) Aggregate the examination results provided pursuant to subsection 1 according to the grade level, gender, race and family income level of each child whose examination results are provided; and

(b) Subject to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, make available on the Internet website of the Department:

(1) The aggregated results and any associated learning gains; and

(2) After 3 school years for which examination data has been collected, the graduation rates, as applicable, of children whose examination results are provided.

3. The Director shall administer an annual survey of parents who enter into or renew an agreement pursuant to section 25 of this act. The survey must ask each parent to indicate the number of years the parent has entered into or renewed such an agreement and to express:

(a) The relative satisfaction of the parent with the grant program established pursuant to sections 19 to 33, inclusive, of this act; and

(b) The opinions of the parent regarding any topics, items or issues that the Director determines may aid the Director in evaluating and improving the effectiveness of the grant program established pursuant to 19 to 33, inclusive, of this act.

4. The Department may arrange for a third-party organization to perform the duties of the Department prescribed by this section.

Sec. 32. 1. The Director shall annually make available a list of participating entities, other than any parent of a child.
2. Subject to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, the Department shall annually require the resident school district of each child on whose behalf a grant of money is made pursuant to section 27 of this act to provide to the participating entity any educational records of the child.

Sec. 33. Except as otherwise provided in sections 19 to 33, inclusive, of this act, nothing in the provisions of sections 19 to 33, inclusive, of this act shall be deemed to limit the independence or autonomy of a participating entity or to make the actions of a participating entity the actions of the State Government.

Sec. 34. NRS 388D.110 is hereby amended to read as follows:

388D.110  1. The parent of an opt-in child shall provide notice to the school district where the child would otherwise attend or the charter school in which the child was previously enrolled, as applicable, that the child is an opt-in child as soon as practicable after entering into an agreement to establish an education savings account pursuant to section 25 of this act. Such notice must also include:

(a) The full name, age and gender of the child; and
(b) The name and address of each parent of the child.

2. The superintendent of schools of a school district or the governing body of a charter school, as applicable, shall accept a notice provided pursuant to subsection 1 and shall not require any additional assurances from the parent who filed the notice.

3. The school district or the charter school, as applicable, shall provide to a parent who files a notice pursuant to subsection 1, a written acknowledgement which clearly indicates that the parent has provided the notification required by law and that the child is an opt-in child. The written acknowledgment shall be deemed proof of compliance with Nevada’s compulsory school attendance law.

Sec. 35. NRS 388D.270 is hereby amended to read as follows:

388D.270  1. A scholarship organization must:

(a) Be exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).
(b) Not own or operate any school in this State, including, without limitation, a private school, which receives any grant money pursuant to the Nevada Educational Choice Scholarship Program.
(c) Accept donations from taxpayers and other persons and may also solicit and accept gifts and grants.
(d) Not expend more than 5 percent of the total amount of money accepted pursuant to paragraph (c) to pay its administrative expenses.
(e) Provide grants on behalf of pupils who are members of a household that has a household income which is not more than 300 percent of the federally designated level signifying poverty to allow those pupils to attend schools in this State chosen by the parents or legal guardians of those pupils, including, without limitation, private schools. The total amount of a grant provided by the scholarship organization on behalf of a pupil pursuant to this paragraph must not exceed $7,755 for Fiscal Year 2015-2016.

(f) Not limit to a single school the schools for which it provides grants.

(g) Except as otherwise provided in paragraph (e), not limit to specific pupils the grants provided pursuant to that paragraph.

2. The maximum amount of a grant provided by the scholarship organization pursuant to paragraph (e) of subsection 1 must be adjusted on July 1 of each year for the fiscal year beginning that day and ending June 30 in a rounded dollar amount corresponding to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year. On May 1 of each year, the [Department of Education Director] shall determine the amount of increase required by this subsection, establish the adjusted amounts to take effect on July 1 of that year and notify each scholarship organization of the adjusted amounts. The [Department—of Education Director] shall also post the adjusted amounts on [its] the Internet website of the Office of Educational Choice.

3. A grant provided on behalf of a pupil pursuant to subsection 1 must be paid directly to the school chosen by the parent or legal guardian of the pupil.

4. A scholarship organization shall provide each taxpayer and other person who makes a donation, gift or grant of money to the scholarship organization pursuant to paragraph (c) of subsection 1 with an affidavit, signed under penalty of perjury, which includes, without limitation:

   (a) A statement that the scholarship organization satisfies the requirements set forth in subsection 1; and

   (b) The total amount of the donation, gift or grant made to the scholarship organization.

5. Each school in which a pupil is enrolled for whom a grant is provided by a scholarship organization shall maintain a record of the academic progress of the pupil. The record must be maintained in such a manner that the information may be aggregated and reported for all such pupils if reporting is required by the regulations of the [Department of Education Director].

6. The [Department of Education Director]:

[Signature]
[Signature]

[Stamp]
(a) Shall adopt regulations prescribing the contents of and procedures for applications for grants provided pursuant to subsection 1.

(b) May adopt such other regulations as the [Department] Director determines necessary to carry out the provisions of this section.

7. As used in this section, “private school” has the meaning ascribed to it in NRS 394.103.

Sec. 36. NRS 388D.280 is hereby amended to read as follows: 388D.280 A scholarship organization which receives a donation, gift or grant of money described in NRS 388D.270 shall report to the [Department of Education] Director on or before January 31 of each year, on a form prescribed by the [Department] Director:

1. The name, address and contact information of the scholarship organization;
2. The total number of such donations, gifts and grants received by the scholarship organization during the immediately preceding calendar year;
3. The total dollar amount of such donations, gifts and grants received during the immediately preceding calendar year;
4. The total number of pupils for whom the scholarship organization made grants during the immediately preceding calendar year pursuant to NRS 388D.270;
5. The total dollar amount of such grants made during the immediately preceding calendar year; and
6. For each school for which such a grant was made during the immediately preceding calendar year:
   (a) The name and address of the school;
   (b) The number of pupils enrolled in the school for whom such a grant was made; and
   (c) The total dollar amount of such grants provided for pupils enrolled in the school.

Sec. 37. NRS 392.033 is hereby amended to read as follows: 392.033 1. The State Board shall adopt regulations which prescribe the courses of study required for promotion to high school, including, without limitation, English language arts, mathematics, science and social studies. The regulations may include the credits to be earned in each course.

2. Except as otherwise provided in subsection 4, the board of trustees of a school district shall not promote a pupil to high school if the pupil does not complete the course of study or credits required for promotion. The board of trustees of the school district in which the pupil is enrolled may provide programs of remedial study to complete the courses of study required for promotion to high school.
3. The board of trustees of each school district shall adopt a procedure for evaluating the course of study or credits completed by a pupil who transfers to a junior high or middle school from a junior high or middle school in this State or from a school outside of this State.

4. The board of trustees of each school district shall adopt a policy that allows a pupil who has not completed the courses of study or credits required for promotion to high school to be placed on academic probation and to enroll in high school. A pupil who is on academic probation pursuant to this subsection shall complete appropriate remediation in the subject areas that the pupil failed to pass. The policy must include the criteria for eligibility of a pupil to be placed on academic probation. A parent or guardian may elect not to place his or her child on academic probation but to remain in grade 8.

5. A homeschooled child or opt-in child who enrolls in a public high school shall, upon initial enrollment:
   (a) Provide documentation sufficient to prove that the child has successfully completed the courses of study required for promotion to high school through an accredited program of homeschool study recognized by the board of trustees of the school district or from a participating entity, as applicable;
   (b) Demonstrate proficiency in the courses of study required for promotion to high school through an examination prescribed by the board of trustees of the school district; or
   (c) Provide other proof satisfactory to the board of trustees of the school district demonstrating competency in the courses of study required for promotion to high school.

6. As used in this section, “participating entity” has the meaning ascribed to it in NRS 353B.7504, section 16 of this act.

Sec. 38. 1. There is hereby appropriated from the State General Fund to the Office of Educational Choice created by section 21 of this act for expenses to administer the Education Savings Account Program pursuant to sections 19 to 33, inclusive, of this act and the Educational Choice Scholarship Program the following sums:
   For the Fiscal Year 2017-2018.......................... $723,646
   For the Fiscal Year 2018-2019.......................... $891,444

2. There is hereby appropriated from the State General Fund to the Office of Educational Choice created by section 21 of this act to be used only for grants made pursuant to sections 19 to 33, inclusive, of this act the following sums:
   For the Fiscal Year 2017-2018.......................... $24,276,354
   For the Fiscal Year 2018-2019.......................... $34,108,556
3. The sums appropriated by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2019, by the entity to which the appropriation is made 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 20, 2019, by either the entity to which the money was appropriated 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 20, 2019.

Sec. 39. 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. 40. For the purposes of section 23 of this act and notwithstanding the provisions of that section, the limitation on the total number of first-time applicants in any school district for whom a grant may be made pursuant to sections 19 to 33, inclusive, of this act for the 2017-2018 school year must be calculated on the basis of the average daily enrollment of pupils for the quarter in the 2016-2017 school year that was reported on or before July 1, 2017, by the school district to the Department of Education pursuant to NRS 387.1233. As used in this section, “first-time applicant” has the meaning ascribed to it in section 23 of this act.

Sec. 41. 1. Any regulations adopted by the State Treasurer to carry out the provisions of NRS 353B.700 to 353B.930, inclusive, before the effective date of this act remain in force until amended by the Director of the Office of Educational Choice created by section 21 of this act. The regulations may be enforced by the Director as though the Director had adopted the regulations.

2. Any contract or other agreement entered into by the State Treasurer relating to the provisions of NRS 353B.700 to 353B.930, inclusive, before the effective date of this act is binding upon the Office of Educational Choice.

3. As soon as practicable after the effective date of this act, the State Treasurer shall:
   (a) Assign a number to each agreement that was entered into for the establishment of an education savings account that corresponds to the order in which the application was approved.
   (b) Transfer the agreements, all information and data relating to the agreements and any other documents or information requested by the Director.

Sec. 43. 1. This section and sections 2 to 22, inclusive, 24 to 38, inclusive, 40, 41 and 42 of this act become effective upon passage and approval.

2. Section 23 of this act becomes effective upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of that section, and on July 1, 2017, for all other purposes.

3. Section 39 of this act becomes effective on July 1, 2017.

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