

**MINUTES OF THE
JOINT SUBCOMMITTEE ON K-12/HUMAN SERVICES
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-fourth Session
April 24, 2007**

The Joint Subcommittee on K-12/Human Services of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order at 8:15 a.m. on Tuesday, April 24, 2007. Chair Barbara K. Cegavske presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator William J. Raggio
Senator Dina Titus
Senator Bernice Mathews

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Debbie Smith, Chair
Assemblywoman Sheila Leslie
Assemblywoman Barbara E. Buckley
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblywoman Valerie E. Weber

STAFF MEMBERS PRESENT:

Bob Atkinson, Senior Program Analyst
Joi Davis, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Melinda Martini, Program Analyst
Mark W. Stevens, Assembly Fiscal Analyst
Michael Archer, Committee Secretary

OTHERS PRESENT:

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education
Paul LaMarca, Assistant Deputy, Assessment, Program Accountability and Curriculum, Department of Education

CHAIR CEGAVSKE:

Today, we will be hearing budget accounts for the Department of Education (NDE).

JOI DAVIS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

We will first discuss the Proficiency Testing budget account (B/A).

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EDUCATION
K-12 EDUCATION

NDE - Proficiency Testing – Budget Page K-12 ED-35 (Volume I)
Budget Account 101-2697

Please refer to the handout entitled "Joint Subcommittee on K-12 and Human Services Closing List #5." ([Exhibit C](#), original on file in the Research Library). The *Executive Budget* recommends an increase of \$330,000 in each year of the 2007-2009 biennium for the writing assessment program. A list of five reasons the NDE is requesting this additional funding is located on page 2 of [Exhibit C](#). The Subcommittee may wish to issue a Letter of Intent directing the NDE to provide the Interim Finance Committee (IFC) with the results of a Request for Information (RFI) to obtain information on what services vendors could provide and the cost of implementing an electronic format for the scoring of the writing assessment.

The Governor also recommends an increase of \$93,558 in fiscal year (FY) 2007-2008 and \$421,911 in FY 2008-2009 for continued administration of the norm-referenced testing (NRT) contract. These increases are due to inflation and appear appropriate and reasonable to staff.

On page 3 of [Exhibit C](#) is a description of recommended increases in the High School Proficiency Examination (HSPE) and the criterion reference test (CRT) contract in the amounts of \$338,128 in FY 2007-2008 and \$354,023 in FY 2008-2009. While most of this increase is due to inflation, some is the result of the inclusion of science questions on the HSPE which is required for 11th graders beginning in the 2007-2008 school year.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-2697 AS RECOMMENDED BY THE GOVERNOR; TO REQUIRE A LETTER OF INTENT DIRECTING THE NDE TO ISSUE AN RFI TO OBTAIN INFORMATION ON WHAT SERVICES VENDORS COULD PROVIDE, THE COST OF IMPLEMENTING AN ELECTRONIC FORMAT FOR THE SCORING OF THE WRITING ASSESSMENT AND REPORT TO THE IFC BY JUNE 2008; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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Ms. DAVIS:
We will now discuss B/A 101-2705.

NDE - Teacher Education and Licensing – Budget Page K-12 ED-40 (Volume I)
Budget Account 101-2705

Decision module E-250 involves a request for one teacher licensing analyst position and one administrative assistant III position.

E-250 Working Environment and Wage – Page K-12 ED-43

The chart on page 5 of [Exhibit C](#) shows the number of applications processed by each of the two NDE offices. The Las Vegas office has a backlog of at least one month in the processing of licenses. This backlog will be reduced if the teacher licensing analyst position is filled.

The administrative assistant III position is requested to assist the program officer and administrator with clerical support in the southern office. These position requests appear reasonable to staff.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-2705 AS RECOMMENDED BY THE GOVERNOR WITH ONE TEACHER LICENSING ANALYST POSITION AND ONE ADMINISTRATIVE ASSISTANT III POSITION IN THE LAS VEGAS OFFICE; TO GRANT THE NDE AUTHORIZATION TO APPROACH THE IFC FOR APPROVAL TO FUND THE NEW WEB-BASED SYSTEM THROUGH THE LICENSING RESERVE; AND, IF FEDERAL FUNDING IS NO LONGER AVAILABLE FOR THE CONVERSION PROJECT, THE NDE MAY APPROACH THE IFC FOR APPROVAL TO FUND THE REMAINDER OF THE CONVERSION PROJECT THROUGH THE TESTING RESERVE; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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Ms. DAVIS:

We will now review B/A 101-2605.

NDE - Drug Abuse Education – Budget Page K-12 ED-46 (Volume I)
Budget Account 101-2605

The Governor recommends the full-time education consultant position in this account be reduced to a half-time position because of a reduction in federal funding. Budget Amendment 101 would retain this existing full-time position by transferring \$51,465 in FY 2007-2008 and \$53,606 in FY 2008-2009 as a sub-grant from either the General Fund, the Governor's Initiative for Methamphetamine Education and Prevention (IMEP) or increased caseload funding for prevention and treatment in the Substance Abuse Prevention and Treatment Agency (SAPTA) (B/A 3170). It is recommended that this full-time position be placed in B/A 101-2719 where a combination of funding from this budget account and the SAPTA account would pay for the position.

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NDE - Education Staffing Services – Budget Page K-12 ED-25 (Volume I)
Budget Account 101-2719

ASSEMBLYWOMAN LESLIE:

I would not want to see this money taken from the treatment side of the program or the IMEP which are already underfunded.

SENATOR RAGGIO:

Staff recommends we should utilize funds from the SAPTA account because if federal funding later becomes available, we will be eligible for it.

ASSEMBLYWOMAN LESLIE:

I would be in favor of the funding coming from the SAPTA, as long as it does not come from the treatment side.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-2605 AS RECOMMENDED BY THE GOVERNOR WITH THE FULL-TIME EDUCATION CONSULTANT POSITION BEING RESTORED AND PLACED IN B/A 2719 EDUCATION STAFFING SERVICES, AND THE FUNDING FOR THAT POSITION BE FROM THE SAPTA ACCOUNT (B/A 3170) AND B/A 2605, BUT NOT INCLUDING FUNDS FOR TREATMENT; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN LESLIE.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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MELINDA MARTINI (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

We will now discuss B/A 101-2713.

NDE - Elementary & Secondary ED Titles II, V, & VI – Budget Page K-12 ED-73
(Volume I)
Budget Account 101-2713

This account provides authority to fund the System for Accountability Information in Nevada (SAIN). The NDE requests authority of \$442,365 in federal Title VI funds in each fiscal year of the 2007-2009 biennium. This recommended funding appears reasonable to staff.

CHAIR CEGAUSKE:

How far is the SAIN from being completed?

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KEITH RHEAULT, PH.D. (Superintendent of Public Instruction, Department of Education):

The requirements and reports the NDE and the Legislature want are already developed and ready to be used at the school-district level and eventually at the teacher level.

PAUL LAMARCA (Assistant Deputy, Assessment, Program Accountability and Curriculum, Department of Education):

We could provide access to the school districts at any time. Our time line calls for implementation by September 2007. Implementation is currently pending development of a three-tier security structure. We expect teacher-level access before September 2008, pending necessary funding to complete the work.

CHAIR CEGAVSKE:

Is the Clark County School District trying to connect their system with yours? Will the two systems be hooked up at some point?

MR. LAMARCA:

Clark County uses an integrated data management system (IDMS). Although there is compatibility in terms of the information that is stored in both systems, and the source of that information is similar, IDMS is a separate system. I do not know if the two systems will ever be able to share information.

ASSEMBLYWOMAN SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-2713 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR RAGGIO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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BOB ATKINSON, (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

We will now discuss B/A 101-2720.

NDE - Education Support Services – Budget Page K-12 ED-28 (Volume I)
Budget Account 101-2720

This budget account is entirely funded by indirect costs and includes three new information technology (IT) positions as described on page 13 of [Exhibit C](#). In addition to these three positions, an administrative assistant III position is being requested to assist the NDE personnel analyst with increasing workload, including a severe backlog in employee evaluations. All closing items in this account appear reasonable to staff.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-2720 AS RECOMMENDED BY THE GOVERNOR AND

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TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS
NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. MARTINI:
We will now review B/A 101-2699.

NDE - Other State Education Programs – Budget Page K-12 ED-8 (Volume I)
Budget Account 101-2699

Decision unit E-305 seeks funding for school support teams in
non-Title I schools.

E-305 Improve Pupil Achievement – Page K-12 ED-12

The Governor recommends General Fund support of \$1.17 million in
FY 2007-2008 and \$2.51 million in FY 2008-2009 to fund school support
teams in non-Title I schools. Until now, there has been no State funding
considered by the Legislature because there have been no non-Title I schools
demonstrating need for improvement for three or more consecutive years. Does
the Subcommittee wish to approve funding to support school support teams in
non-Title I schools as recommended by the Governor? If approved,
Senate Bill (S.B.) 184 should be amended to remove the duplicate appropriation.
Staff believes the request is reasonable.

[Senate Bill 184](#): Revises provisions governing education. (BDR 34-419)

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE
TO APPROVE FUNDING FOR SCHOOL SUPPORT TEAMS IN
NON-TITLE I SCHOOLS AS RECOMMENDED BY THE GOVERNOR IN
B/A 101-2699; AND TO RECOMMEND THE REMOVAL OF THE
DUPLICATE APPROPRIATION FROM S.B. 184.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. MARTINI:
The next issue for the Subcommittee's consideration is the State appropriation
to the SAIN system. The Governor recommends a General Fund appropriation of

\$321,161 in FY 2007-2008 and \$336,173 in FY 2008-2009. This appears reasonable to staff.

If the Subcommittee chooses to approve this funding, it may wish to provide a Letter of Intent directing the NDE to provide semiannual reports about the accomplishments of the SAIN program, including the progress of linking the teacher databases to the SAIN, to the IFC and Legislative Committee on Education (LCE).

ASSEMBLYWOMAN SMITH:

The SAIN is one of the most important programs we will be considering. I suggest we ask for quarterly, rather than semiannual, reports from the NDE.

ASSEMBLYWOMAN SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE STATE FUNDING FOR THE SAIN SYSTEM; TO PROVIDE A LETTER OF INTENT DIRECTING THE NDE TO SUPPLY QUARTERLY REPORTS TO THE FISCAL STAFF FOR DISTRIBUTION TO THE IFC AND LCE ABOUT THE ACCOMPLISHMENTS OF THE SAIN PROGRAM, INCLUDING THE PROGRESS OF LINKING THE TEACHER DATABASES TO THE SAIN.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN LESLIE.

ASSEMBLYWOMAN BUCKLEY:

Was there a deficit associated with this program requiring additional funding?

MS. MARTINI:

I have not heard anything from the NDE indicating this amount would not be sufficient.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. MARTINI:

This budget also includes funding for the peer mediation program. The Governor recommends \$30,668 in each year of the 2007-2009 biennium to continue this program which represents the base expenditures for FY 2005-2006. In FY 2006-2007, the NDE anticipates spending \$48,348 on the peer mediation program. This will include six additional projects.

The Subcommittee should consider one of two options:

- Option 1 would have the Subcommittee approve funding of \$30,688 in each fiscal year of the 2007-2009 biennium, as recommended by the Governor.
- Option 2 would have the Subcommittee increase funding for the peer mediation program to \$48,348 in each fiscal year of the 2007-2009 biennium, based upon the anticipated utilization of the program during

FY 2006-2007. This would require an increase of \$17,680 from the General Fund for each fiscal year.

In either Option 1 or 2, the Subcommittee should consider whether to continue to authorize the NDE to utilize 5 percent of the funds for technical support of the peer mediation program. Also, you may wish to provide a Letter of Intent directing the NDE to supply a preliminary report to the LCE on or before September 1, 2008, showing the effectiveness of the program during the 2007-2009 biennium. A final report should be submitted to the 2009 Legislature on or before February 1, 2009.

ASSEMBLYWOMAN LESLIE:

I recommend we approve Option 2. I would not want to reduce our already meager contribution to the peer mediation program. The anecdotal evidence is strong that peer mediation reduces violence within the school system. I am in favor of the suggested Letter of Intent. Analytical reports about this program will likely support its effectiveness.

SENATOR RAGGIO:

Though peer mediation has the potential to be a good program, the NDE has not utilized all the funding we previously authorized. Consequently, I support Option 1 which will continue the program. I also support authorization for the NDE to utilize 5 percent of the funds for technical support of the peer mediation program. I would like to see a report on this because we do not really have any measure of the program, other than a few comments from high school principals.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING OF \$30,688 IN EACH FISCAL YEAR OF THE 2007-2009 BIENNIUM AS RECOMMENDED BY THE GOVERNOR; TO CONTINUE TO AUTHORIZE THE NDE TO UTILIZE 5 PERCENT OF THE FUNDS FOR TECHNICAL SUPPORT OF THE PEER MEDIATION PROGRAM; AND TO PROVIDE A LETTER OF INTENT DIRECTING THE NDE TO SUPPLY A PRELIMINARY REPORT SHOWING THE EFFECTIVENESS OF THE PROGRAM DURING THE 2007-2009 BIENNIUM TO THE LCE ON OR BEFORE SEPTEMBER 1, 2008, WITH A FINAL REPORT SUBMITTED TO THE 2009 LEGISLATURE ON OR BEFORE FEBRUARY 1, 2009.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN GANSERT.

ASSEMBLYWOMAN LESLIE:

I will not support this motion. There were good reasons outlined on page 16 of [Exhibit C](#) why the NDE did not spend the full amount previously appropriated. Historically, they have spent the full amount.

ASSEMBLY: THE MOTION FAILED. (ASSEMBLYMEN SMITH, LESLIE, BUCKLEY AND DENIS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN LESLIE MOVED IN AN ASSEMBLY-ONLY MOTION TO RECOMMEND TO THE FULL COMMITTEE TO INCREASE FUNDING FOR THE PEER MEDIATION PROGRAM TO \$48,348 IN EACH FISCAL YEAR OF THE 2007-2009 BIENNIUM BASED UPON THE ANTICIPATED UTILIZATION OF THE PROGRAM DURING FY 2006-2007; TO CONTINUE TO AUTHORIZE THE NDE TO UTILIZE 5 PERCENT OF THE FUNDS FOR TECHNICAL SUPPORT OF THE PEER MEDIATION PROGRAM; AND TO PROVIDE A LETTER OF INTENT DIRECTING THE NDE TO SUPPLY A PRELIMINARY REPORT SHOWING THE EFFECTIVENESS OF THE PROGRAM DURING THE 2007-2009 BIENNIUM TO THE LCE ON OR BEFORE SEPTEMBER 1, 2008, WITH A FINAL REPORT SUBMITTED TO THE 2009 LEGISLATURE ON OR BEFORE FEBRUARY 1, 2009.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN GANSERT AND WEBER VOTED NO.)

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MS. MARTINI:

The Governor recommends \$10.78 million over the coming biennium to continue the State-funded Educational Technology program. A needs assessment of education technology was conducted by the NDE in the fall of 2006. The results are listed on page 17 of [Exhibit C](#). Technology infrastructure was determined to be the primary need.

Does the Subcommittee wish to approve funding to support educational technology as recommended by the Governor? If so, staff suggests two options for your consideration.

- Option 1 would approve the Governor's recommendation that all funding, except \$440,000 for the KLVX satellite and \$550,000 for library databases, be contained as a single pool of resources to allow the Commission on Educational Technology greater flexibility in awarding funds.
- Option 2 would approve funding across the five categories of need by using percentages obtained through the needs assessment.

Also, does the Subcommittee wish to consider requesting the NDE to provide an interim report outlining the Commission on Educational Technology, the State Board of Education and the NDE's plan for improving Nevada's ratings based on the Technology Counts 2007 report?

SENATOR RAGGIO:

Decision unit E-306 funds Public Broadcasting. In addition, S.B. 290, if passed, will provide \$600,000 for Public Broadcasting. Why is the public television station KLVX being singled out for additional funding?

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ASSEMBLYMAN DENIS:

This funding is used to create programs geared to learning.

CHAIR CEGAVSKE:

Why is this station being budgeted separately from the other public broadcast stations in the State? Does KLVX fall under the public broadcasting guidelines?

DR. RHEAULT:

Yes, KLVX falls under the public broadcasting guidelines. The reason this station is budgeted separately is because KLVX is charged with broadcasting educational television into all the rural areas of Nevada. They have received this separate funding for the last two biennia and are continually upgrading their capability to get TV signals into additional rural areas.

CHAIR CEGAVSKE:

Who approves the program content that goes to the rural areas?

DR. RHEAULT:

The funding comes through the Commission on Educational Technology.

SENATOR RAGGIO:

Does the public broadcasting television station KNPB, at the University of Nevada, Reno, broadcast to rural areas?

DR. RHEAULT:

I will have to find out if KNPB does the same kind of broadcasting as KLVX.

SENATOR RAGGIO:

There are several sources of funding for public broadcasting both in this budget and in pending legislation. Before we make a decision on this, we need an analysis by staff of how this money is currently distributed, and if we added more money, how that would be distributed.

ASSEMBLYMAN DENIS:

KLVX works with KNPB on developing programs for educational technology.

ASSEMBLYWOMAN SMITH:

I agree that such a report is necessary before we decide this issue.

MS. MARTINI:

We will now discuss decision unit E-304.

E-304 Improve Pupil Achievement – Page K-12 ED-12

Assembly Bill (A.B.) No. 580 of the 73rd Session appropriated \$1 million in each fiscal year of the 2005-2007 biennium to establish Advisory Technical Skills committees and provide for the support of Career and Technical Education programs.

The *Executive Budget* recommends General Fund appropriations of \$1 million in each fiscal year of the upcoming biennium to continue this program. The funding appears reasonable to staff.

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ASSEMBLYWOMAN BUCKLEY:

I support funding for this program. It keeps students in school and is embraced by the business community. I would like to see the appropriation increased and suggest we delay our decision on this issue until after the next revenue forecast.

CHAIR CEGAVSKE:

We will hold this issue until we have more information.

MS. MARTINI:

Another major closing issue in B/A 101-2699 is continued funding for the 5-percent salary increase for speech pathologists. The Governor originally did not include funding for this increase. However, a recent modification of the *Executive Budget* now includes a General Fund appropriation of \$597,268 in FY 2007-2008 and \$706,444 in FY 2008-2009 to support this program.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING FOR THE SPEECH PATHOLOGIST PROGRAM AS RECOMMENDED BY THE GOVERNOR.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN BUCKLEY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. MARTINI:

The Governor recommends two supplemental appropriations. One is for the Nationally Certified School Counselors program and the other is for the new teacher signing bonus program. Both of these are included in S.B. 182 which is pending before the Legislature. This is informational only and no decision needs to be made by the Subcommittee.

[Senate Bill 182](#): Makes a supplemental appropriation to the Department of Education, other state education programs, to fund the Counselor National Board Certification Program and teacher signing bonuses. (BDR S-1250)

SENATOR RAGGIO:

The NDE reported that of the approximately \$1.5 million recommended for the new teacher signing bonus in FY 2006-2007, \$898,000 will go to newly-hired kindergarten teachers to implement the State-funded full-day kindergarten program. This means there are costs in addition to what we have already funded.

MS. MARTINI:

The Governor is recommending \$7.2 million in FY 2007-2008 and \$7.6 million in FY 2008-2009 for the new teacher signing bonus program. The NDE has asked for clarification from the Subcommittee on what would constitute a "new hire." The NDE has been allowing payment for signing bonuses to

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teachers with previous teaching experience in Nevada as long as they were not employed during the previous school year by a Nevada school district or charter school and have not previously received a signing bonus.

SENATOR RAGGIO:

I think this is a fair utilization of the signing bonus money.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING FOR THE NEW TEACHER SIGNING BONUS AND TO CONCUR WITH THE NDE QUALIFICATIONS FOR PAYING THAT BONUS.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN GANSERT.

SENATOR TITUS:

Would retired teachers, who return to teaching, be eligible for this bonus?

MS. MARTINI:

They would not be eligible.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. MARTINI:

In decision unit E-301, the Governor recommends \$120,000 in each fiscal year of the 2007-2009 biennium to continue funding for Career and Technical Student Organizations. The Governor also recommends adding a new organization, the Health Occupations Student Association, at an additional cost of \$20,000 in each fiscal year.

E-301 Improvement Pupil Achievement – Page K-12 ED-12

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING TO CONTINUE CAREER AND TECHNICAL STUDENT ORGANIZATIONS; WITH THE ADDITION OF THE HEALTH OCCUPATIONS STUDENT ASSOCIATION AT AN ADDITIONAL COST OF \$20,000 IN EACH FISCAL YEAR AS RECOMMENDED BY THE GOVERNOR.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. ATKINSON:

We will now discuss B/A 101-2615.

NDE - School Remediation Trust Fund – Budget Page K-12 ED-16 (Volume I)
Budget Account 101-2615

Funding in this account is carried forward to the succeeding year. The NDE estimates approximately \$17.2 million of the 2005-2007 biennium funding will be returned to the trust fund and then balanced forward into the 2007-2009 biennium.

On page 21 of [Exhibit C](#) is a chart showing funding recommended by the Governor in each category. The *Executive Budget* recommends \$25 million in FY 2007-2008 and \$26.5 million in FY 2008-2009 to continue the ongoing costs of the teachers for the State-funded full-day kindergarten program. This does not provide for expansion of this program to additional schools.

The NDE indicates there will be nine additional elementary schools, not currently funded for full-day kindergarten, which meet the 55.1-percent free- and reduced-lunch criteria for State-funded full-day kindergarten. They estimate the cost for implementing full-day kindergarten in these schools to be \$2.68 million over the coming biennium. The Subcommittee may wish to ask the NDE if it would be feasible to implement full-day kindergarten in the nine schools in FY 2007-2008, or if FY 2008-2009 would allow them more time to plan for that. If implementation in FY 2007-2008 is feasible, the Subcommittee might also consider allocating \$2.68 million of the \$17.2 million balance being forwarded from the last fiscal year to provide full-day kindergarten in those nine schools. This would leave \$14.5 million of the balance to reduce the General Fund support in the account or for other purposes.

SENATOR RAGGIO:

I would like to hear from the NDE as to when they could implement full-day kindergarten in those nine schools. Is this funding being recommended for the schools that were originally eligible under the initial appropriation, or have they been added as a result of onetime grants or funding through S.B. No. 404 of the 73rd Session?

DR. RHEAULT:

Of the nine additional elementary schools meeting the 55.1-percent free- or reduced-lunch criteria for State-funded full-day kindergarten, eight could implement full-day kindergarten this fall. One school in Washoe County has not yet advised me of their status, but I believe they will also be able to implement this program in the fall.

We require 100 percent of "highly-qualified" teachers in each classroom. In kindergarten we do not always have "highly-qualified" applicants. Many of them are first-time teachers we have hired from states with no reciprocity agreements. Consequently, they must pass a test before we can certify them as "highly qualified."

CHAIR CEGAVKSE:

How many substitute teachers are currently teaching in kindergarten classes?

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DR. RHEAULT:

I do not know, but will provide you with that information.

SENATOR RAGGIO:

Did some schools utilize money from S.B. No. 404 of the 73rd Session to implement full-day kindergarten, and are they included in the current request for funding? If we allow this to happen, there will be a gradual increase in the number of full-day kindergartens before there is a decision to implement full-day kindergarten.

DR. RHEAULT:

In addition to the 114 schools funded by the original appropriation of \$22 million, there are 11 schools which utilize funding from S.B. No. 404 of the 73rd Session to offer one or more sections of full-day kindergarten.

SENATOR RAGGIO:

A total of \$51,475,579 is being recommended for continuation of the full-day kindergarten program in "at-risk" schools. Does that funding also include these 11 elementary schools?

DR. RHEAULT:

No, they are not included.

CHAIR CEGAUSKE:

We will hold this issue until more information is available.

MS. MARTINI:

We will now discuss programs for Innovation and Prevention of Remediation. For the 2007-2009 biennium, the Governor is recommending \$55.4 million to continue the innovative and remediation programs in Grades K-6, and \$14.2 million for remediation programs in Grades 7-12. During the 2005-2007 biennium, the NDE reports 45 percent of the funds were used for instructional support programs, 28 percent for administrative support and 27 percent for direct instruction. If all the personnel funded through grants from the Commission on Educational Excellence in the current biennium were continued during the 2007-2009 biennium, the cost would be approximately \$47.1 million. If the Governor's recommendations are approved, this would leave \$8.3 million for maintenance costs of existing programs, additional programs or additional staff to support programs for Innovation and the Prevention of Remediation. If the balance forwarded from prior years is continued in the account, without a reduction in the recommended General Fund support, an additional \$14.5 million would also be available for these purposes. If none is allocated for full-day kindergarten, the amount would be \$17.2 million.

ASSEMBLYWOMAN BUCKLEY:

The programs funded through S.B. No. 404 of the 73rd Session are excellent. The bulk of the funding made it to classrooms, allowing local educators to decide how to best use it for student achievement. We must find funding to continue these programs.

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CHAIR CEGAVSKE:

I agree, these programs are very important.

SENATOR RAGGIO:

We are all pleased with many of the results produced by funding provided in S.B. No. 404 of the 73rd Session. However, I disagree that this funding has been shortchanged. Too much of the funding has been directed away from other programs to fund full-day kindergarten. Given the projected revenue shortfalls, we will have some serious problems funding the Distributive School Account (DSA). We need to do a more effective analysis of applications for this funding to be sure they are innovative programs which address the educational concerns we have.

ASSEMBLYWOMAN SMITH:

Funding from S.B. No. 404 of the 73rd Session was an excellent idea. Not everything worked perfectly, but we will learn lessons from that experience and improve the programs this Session. The money we spent on full-day kindergarten was well spent. If we stay with this program, and find additional sources of funding, it will be beneficial for our schools and our students.

SENATOR TITUS:

We should never have mingled money from S.B. No. 404 of the 73rd Session with other sources to fund full-day kindergarten. However, last session we made a policy decision to fund full-day kindergarten in elementary schools meeting the 55.1-percent free- and reduced-lunch criteria, and we have an obligation to do that.

CHAIR CEGAVSKE:

We need more information about how well these grants are being administered and utilized. We will revisit this issue when these questions are answered.

MS. MARTINI:

On page 23 of [Exhibit C](#) is a description of the Best Practices Conference. The *Executive Budget* recommends \$33,394 in FY 2007-2008 and \$32,554 in FY 2008-2009 to support the administrative expenses of the Commission on Educational Excellence. The Commission was not authorized through S.B. No. 404 of the 73rd Session to use money in the School Remediation Trust Fund for travel to observe the programs or attend Best Practices Conferences. During the current biennium, the LCE provided the Commission with approximately \$47,000 over the biennium for travel to coordinate Best Practices Conferences and to review programs. The NDE requests \$55,430 be relocated from the grants category to the administrative category for this purpose, and, if S.B. 185 is approved, that staff be authorized to make necessary adjustments.

[Senate Bill 185](#): Revises provisions governing the Commission on Educational Excellence. (BDR 34-426)

SENATOR RAGGIO:

The NDE should have the opportunity to observe these programs. Senate Bill 185 would appropriate \$50,000 for this purpose. This is a sufficient level of funding and should not be exceeded.

ASSEMBLYWOMAN SMITH:

The Best Practices Conference is beneficial to this process. The NDE will be providing demonstrations of these best practices for the Subcommittee in the future.

MR. ATKINSON:

This account was created as an interest-bearing account, yet no interest has been credited. Staff discussed this with the personnel at the Office of the State Treasurer and was advised a slight change in the wording of the *Nevada Revised Statutes* (NRS) 385.379 would allow them to post interest to the account. We suggest this language be included in the DSA funding bill.

MR. ATKINSON:

Page 26 of [Exhibit C](#) lists the nine items we will be discussing in B/A 101-2610.

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Budget Account 101-2610

The *Executive Budget* recommends a supplemental appropriation for retiree health insurance subsidies of \$2.2 million for FY 2005-2006 and \$6 million for FY 2006-2007. This funding would be distributed to school districts to reimburse actual costs of providing health insurance subsidies to the school district retirees who are participants of the Public Employees' Benefits Program (PEBP).

The *Executive Budget* recommends continuation of the special funding line item for retiree health insurance in the amounts of \$18.4 million in FY 2007-2008 and \$21.5 million in FY 2008-2009. Staff has reviewed these amounts and considers them accurate. As long as funding is guaranteed by the State, the long-term liability for this retiree subsidy would appear on the State's financial statements, rather than the school districts' financial statements. And, as long as the State continues to guarantee funding for these subsidies, through the special funding line item and supplemental appropriations, the school districts have little incentive to manage this subsidy.

It is difficult to project an accurate amount for this expenditure because neither the State nor the school districts control the number of district retirees who participate in the program. A provision in S.B. 544 would limit participation to entities whose active employees participate in the program.

Senate Bill 544: Makes various changes relating to the Public Employees' Benefits Program. (BDR 23-126)

If this bill is approved, the existing participants will be "grandfathered" in, and the number of retirees receiving the subsidy will stabilize. This will make projections of the amount of these subsidies much easier.

If the Subcommittee wishes to continue funding through a special line item, no further action would be necessary. However, if the Subcommittee chooses to provide funding through basic support, staff will make the necessary adjustments to the account.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE CONTINUED FUNDING FOR RETIREE HEALTH INSURANCE SUBSIDIES THROUGH BASIC SUPPORT AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR RAGGIO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. ATKINSON:

Decision unit E-301 recommends high-impact and at-risk retirement credits be reallocated to empowerment schools.

E-301 Improvement Pupil Achievement – Page K-12 ED-5

Under NRS 391.165, the board of trustees of each school district is required to purchase one-fifth of a year of service credit for each year a teacher is employed at a school designated as demonstrating need for improvement, or has at least 65 percent of the pupils enrolled in a free- or reduced-lunch status. If the funding is not provided for that purpose, either the statute requiring each school district to purchase service credits would need to be changed or it would be something the school districts would have to pay.

Please see pages 27 and 28 of [Exhibit C](#) for a list of bills affecting retirement credits and empowerment schools. If these bills are passed, staff will need to reproject the amount needed for retirement credits or the options to those retirement credits. The NDE indicates about \$7 million of the amount budgeted in each year of the current biennium for retirement credits will not be expended by the program.

The Governor recommends the reallocation of \$29.7 million in FY 2007-2008 and \$31.1 million in FY 2008-2009 to fund a new program of empowerment schools. The amount of this funding to be redirected to the empowerment program is based on the amounts budgeted for the current biennium, rather than for anticipated expenditures. Staff developed revised projections of the cost of the retirement credit program for the upcoming biennium and determined that the FY 2007-2008 amount could be reduced by \$6.7 million.

ASSEMBLYWOMAN SMITH:

As a result of the compromise on empowerment schools, I would like the Budget Division to provide more information about the intention to withdraw the \$60 million from the empowerment proposal, and instead use funding from S.B. No. 404 of the 73rd Session for the empowerment program.

SENATOR RAGGIO:

The school empowerment bills have been redirected to the Committee on Finance; consequently, no decision has yet been made on funding.

SENATOR TITUS:

Are any incentives provided for teachers to continue their educations and obtain graduate credits? Perhaps this would appeal more to younger teachers than retirement incentives.

DR. RHEAULT:

This was discussed during the 2005 Legislative Session but was not funded.

CHAIR CEGAUSKE:

We will hold our decision on funding for high-impact and at-risk retirement credits reallocated to empowerment schools and now discuss the Early Childhood Education (ECE) program.

MS. MARTINI:

The Governor is recommending \$3.3 million in each year of the coming biennium to continue the ECE program. In funding the ECE programs, the 2005 Legislature continued to require the funds be restricted to items directly related to the instruction of pupils and to require evaluations of all the programs. If the Subcommittee wishes to approve funding to continue the ECE program as recommended by the Governor, staff suggests the adoption of two possible options.

- Option A would have the Subcommittee direct the NDE, through a Letter of Intent, to provide results of the effectiveness of the program in terms of objective statistical analysis and not utilize subjective terms such as "a little better."
- Option B would have the Subcommittee direct the NDE to increase the expected performance level of all the outcome indicators for the program.

ASSEMBLYWOMAN SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING FOR EARLY CHILDHOOD EDUCATION AS RECOMMENDED BY THE GOVERNOR; TO DIRECT THE NDE THROUGH A LETTER OF INTENT TO PROVIDE RESULTS CONCERNING THE EFFECTIVENESS OF THE PROGRAM IN TERMS OF OBJECTIVE STATISTICAL ANALYSIS AND NOT UTILIZE SUBJECTIVE TERMS; AND TO INCREASE THE EXPECTED PERFORMANCE LEVEL OF ALL THE OUTCOME INDICATORS FOR THE PROGRAM.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN LESLIE.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. MARTINI:

The Governor recommends \$141.2 million in FY 2007-2008 and \$153.7 million in FY 2008-2009 for funding for class-size reduction (CSR). These amounts are intended to maintain the CSR program at its current pupil-teacher ratios and

continue the 23.5 teachers in selected "high-risk" kindergartens. Funds specifically set aside for at-risk kindergartens were not distributed separately, and criteria for allocating those positions have not been established.

If the Subcommittee chooses to approve funding for continuing the CSR program recommended by the Governor, including funding for the 23.5 teachers for at-risk kindergarten, staff has prepared three possible options.

- Option A would have the Subcommittee require the Superintendent of Public Instruction, through a Letter of Intent, to develop criteria for the selection of schools that receive funding for at-risk kindergarten programs. The criteria should be developed on or before August 1, 2007, and provided to staff to forward to the LCE.
- Option B would have the Subcommittee require the NDE to place at-risk kindergarten funds in a separate funding category so that the funds may be monitored separately from general CSR funds.
- Option C would have the Subcommittee require a report be submitted to the Legislature on or before February 1, 2009, describing the impact of these at-risk kindergarten funds on student achievement.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING TO CONTINUE FUNDING FOR CLASS-SIZE REDUCTION AND THE FUNDING OF 23.5 TEACHERS FOR AT-RISK KINDERGARTEN PROGRAMS; TO REQUIRE THE SUPERINTENDENT OF PUBLIC INSTRUCTION, THROUGH A LETTER OF INTENT, TO DEVELOP CRITERIA FOR THE SELECTION OF SCHOOLS WHO QUALIFY FOR FUNDING OF AT-RISK KINDERGARTEN PROGRAMS AND PROVIDE THAT INFORMATION TO THE LCE ON OR BEFORE AUGUST 1, 2007; TO REQUIRE THE NDE TO PLACE AT-RISK KINDERGARTEN FUNDS IN A SEPARATE FUNDING CATEGORY SO THE FUNDS MAY BE MONITORED SEPARATELY FROM THE GENERAL CSR FUNDS; TO REQUIRE A REPORT BE SUBMITTED TO THE LEGISLATURE ON OR BEFORE FEBRUARY 1, 2009, DESCRIBING THE IMPACT OF AT-RISK KINDERGARTEN FUNDS ON STUDENT ACHIEVEMENT; AND TO REQUIRE A REPORT FROM THE NDE ABOUT THE NUMBER OF SUBSTITUTE TEACHERS BEING USED IN THE AT-RISK KINDERGARTEN CLASSES.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. ATKINSON:

In approving the DSA budget each year, the Legislature establishes a minimum that must be expended on textbooks, instructional supplies and instructional hardware. These are often referred to as "fenced" items. Since the "fencing"

requirement was approved, the amount has increased from \$173.34 per pupil in FY 2003-2004 to \$219.82 in FY 2008-2009 if the Governor's recommendation is approved. As a result of the school districts' concerns with this requirement, staff developed two options for consideration by the Subcommittee.

- Option 1 would allow purchases of "fenced" items, other than those made with basic support, to be counted toward meeting the minimum. This would still require the minimum to be met; however, federal and other funds could be used to meet the requirement.
- Option 2 would allow the portion of large textbook adoptions and other "fenced" items that would cause a district to significantly exceed the minimum requirements, to be reclassified as sub-line items outside the "fencing" requirement.

On page 31 of [Exhibit C](#) is a description of currently pending legislation that would allow the districts more flexibility in meeting the minimum requirements.

SENATOR RAGGIO:

The reason this was originally set up in the DSA was because of complaints that teachers had to purchase books with their own money. I want to keep the minimum requirement to ensure textbooks will be purchased. I also would like the minimum amount to be adjusted to account for normal inflation costs and large cyclical purchases, or extraordinary purchases, which would not be used to calculate a higher minimum requirement.

SENATOR MATHEWS:

I am concerned if we allow for other options to the minimum, the textbook money will be used for purposes other than designated. I would not be in favor of either of these options.

SENATOR RAGGIO:

I would suggest we hold our decision on this issue until staff can produce some language which incorporates our concerns about this.

CHAIR CEGAVSKE:

We will hold this issue and now discuss the Utility Inflation issue in this budget account.

MR. ATKINSON:

The *Executive Budget* does not include funding for inflation in utilities. Staff has calculated the cost of inflationary adjustments. For the DSA, the total inflationary adjustment for the coming biennium will be \$9,545,197. Staff suggests providing a pool of money to the IFC for 80 percent of this amount to be allocated to school districts which experience higher-than-anticipated utility costs.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING FOR UTILITY INFLATION; AND TO PROVIDE THE IFC WITH 80 PERCENT OF THIS AMOUNT TO BE ALLOCATED TO SCHOOL DISTRICTS WHICH EXPERIENCE HIGHER-THAN-ANTICIPATED UTILITY COSTS.

THE MOTION WAS SECONDED BY SENATOR TITUS.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. ATKINSON:

We will now discuss the hold-harmless provision. The chart on page 32 of [Exhibit C](#) shows the cost of the hold-harmless provision for the last six years. Beginning in FY 2001-2002, the hold-harmless provision was increased from one year to two years. The current statutes also include charter schools. If the Subcommittee wishes to change the number of years included in the hold-harmless provision, or to change the applicability of hold harmless to charter schools, legislation will be required.

SENATOR RAGGIO:

The current provisions seem adequate. Charter schools should be included in the provisions.

ASSEMBLYWOMAN SMITH:

It is time to do something about the hold-harmless provisions. It may be a good time to start phasing them out. We need to treat charter schools equally, though they are in a different situation because they have the ability to control their numbers, unlike the school districts.

CHAIR CEGAVSKE:

Charter schools need to be treated equally.

SENATOR RAGGIO:

Charter schools do not always have the ability to control their own numbers. They still must hire teachers who will remain under contract even if enrollment drops. We cannot make charter schools second-class schools.

ASSEMBLYWOMAN SMITH:

I do not intend to make charter schools second-class schools. However, charter schools do have an ability to control their enrollment numbers in a way school districts do not.

ASSEMBLYWOMAN LESLIE:

I have always been in favor of reducing the hold-harmless provisions for charter schools. The reason charter schools lose enrollment is because parents opt to move their children back to public schools or to another charter school. Giving those schools money for students they are losing in those circumstances has never made sense to me.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ADOPT A PROVISION THAT WOULD ALLOW SCHOOL DISTRICTS' INDIVIDUAL AND CHARTER SCHOOLS TO BE HELD HARMLESS FOR ONE YEAR IF A DECLINE IN ATTENDANCE IS LESS THAN 5 PERCENT,

AND FOR TWO YEARS IF THE DECLINE IN ATTENDANCE IS MORE THAN 5 PERCENT.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN GANSERT.

ASSEMBLYWOMAN BUCKLEY:

Does your motion include a request that the charter schools will be treated as a whole, like the public school districts, or as individual charter schools?

SENATOR RAGGIO:

I intended it to cover individual charter schools.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. MARTINI:

We will now discuss the Regional Professional Development Programs (RPDP). On page 33 of [Exhibit C](#) is a chart describing the enhancement for the Southern Nevada RPDP. Staff recommends the Subcommittee approve reductions as supported by the Southern Nevada RPDP, resulting in a reduction in the General Fund of \$937,540 over the 2007-2009 biennium. This would provide General Fund support to the Southern Nevada RPDP in the amount of \$14.2 million over the biennium which is a 35-percent increase over the \$10.5 million approved by the 2005 Legislature.

The chart at the top of page 34 of [Exhibit C](#) shows enhancements for the Northwestern Nevada RPDP. This RPDP will eliminate one position and combine the K-6 and 7-12 mathematics teacher into a single position. If approved, this will result in a reduction of \$72,072 in FY 2007-2008 and \$74,955 in FY 2008-2009.

The Northeastern Nevada RPDP offered to reduce its funding request for training in the school improvement process and expansion of teacher training. However, staff recommends the Subcommittee approve funding as recommended by the Governor.

The Western Nevada RPDP did not request any enhancements. Staff recommends the Subcommittee approve funding as recommended by the Governor.

The Governor recommends \$100,000 in each fiscal year of the 2007-2009 biennium for an external evaluation of the RPDPs. The Governor recommends \$120,000 in each fiscal year of the 2007-2009 biennium for administrator training, as determined by the Statewide Coordinating Council. The RPDPs indicated this could be reduced to \$100,000 for each year. Staff recommends the Subcommittee approve the reductions as supported by the RPDPs for the Statewide Coordinating Council, resulting in a reduction in the General Fund of \$40,000 over the 2007-2009 biennium.

ASSEMBLYWOMAN SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING OF THE SOUTHERN NEVADA RDPD WITH REDUCTIONS SUPPORTED BY THE RDPD RESULTING IN A GENERAL FUND SAVINGS OF \$147,027 OVER THE 2007-2009 BIENNIUM; AND TO APPROVE FUNDING OF THE NORTHWESTERN NEVADA RDPD WITH REDUCTIONS SUPPORTED BY THE NORTHWESTERN NEVADA RDPD RESULTING IN A GENERAL FUND SAVINGS OF \$937,540 OVER THE 2007-2009 BIENNIUM; TO APPROVE FUNDING FOR THE NORTHEASTERN NEVADA RDPD AS RECOMMENDED BY THE GOVERNOR; TO APPROVE FUNDING FOR THE WESTERN NEVADA RDPD AS RECOMMENDED BY THE GOVERNOR; TO APPROVE THE GOVERNOR'S RECOMMENDATION OF \$100,000 IN EACH YEAR OF THE 2007-2009 BIENNIUM FOR EXTERNAL EVALUATION OF THE RPDPS WITH STAFF REVIEWING AND EXPANDING THE OUTCOME MEASURES FOR THE EVALUATION; AND TO APPROVE THE REDUCTIONS AS SUPPORTED BY THE RPDPS FOR THE STATEWIDE COORDINATING COUNCIL FOR ADMINISTRATOR TRAINING, RESULTING IN A GENERAL FUND SAVINGS OF \$40,000 OVER THE 2007-2009 BIENNIUM.

THE MOTION WAS SECONDED BY SENATOR RAGGIO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. ATKINSON:

We will now discuss the revenue projections which support the DSA. This is informational only. The most recent projections indicate the Local School Support Tax will be \$20.1 million less than projected at the November 30, 2006, meeting of the Economic Forum for FY 2006-2007. When combined with the potential impacts of the Leadership in Energy and Environmental Design (LEED) legislation, the shortfall is projected at \$45.6 million for FY 2007-2008 and \$35.5 million for FY 2008-2009. The property-tax revenues are anticipated to be approximately \$15 million less than the amount included in the *Executive Budget* for FY 2007-2008 and \$16.7 million less for FY 2008-2009.

If these estimates hold, additional General Fund support of \$59.2 million in FY 2007-2008 and \$50.6 million in FY 2008-2009 would be required to maintain the level of support recommended by the Governor.

ASSEMBLYWOMAN SMITH:

We must give our K-12 funding a high priority and seek alternative sources of funding to avoid making further cuts in these programs.

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CHAIR CEGAVSKE:
There being no further business before this Subcommittee, this meeting is adjourned at 10:06 a.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE: _____

Assemblywoman Debbie Smith, Chair

DATE: _____