MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON K-12 EDUCATION/HIGHER EDUCATION

Seventy-Sixth Session
March 24, 2011

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on K-12 Education/Higher Education was called to order by Chairwoman Debbie Smith at 7:43 a.m. on Thursday, March 24, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Debbie Smith, Chairwoman
Assemblyman Marcus Conklin, Vice Chair
Assemblyman Paul Aizley
Assemblyman Tom Grady
Assemblyman Pat Hickey
Assemblywoman April Mastroluca
Assemblyman John Oceguera

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Steven A. Horsford, Chair
Senator Barbara K. Cegavske
Senator Moises (Mo) Denis
Senator Ben Kieckhefer

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Joi Davis, Senior Program Analyst
Julie Waller, Program Analyst
Jordan Butler, Committee Secretary
Cynthia Wyett, Committee Assistant

Dwight Jones, Superintendent, Clark County School District (CCSD), introduced Jeff Weiler, Chief Financial Officer, CCSD, to the Subcommittee.

Referring to a slide-show presentation (Exhibit C), Mr. Jones indicated that the CCSD was projected to have a $400 million shortfall for its fiscal year (FY) 2011-12 budget. The projection assumed that the CCSD would lose $196 million in state funds, $35 million in room tax revenues, $48 million in property tax revenues, and $62 million in rollover funds. The projection also calculated that an additional $68 million would be expended for employee contractual provisions such as step-pay increases, educational increments, and retirement contributions.

Regarding the projected $400 million shortfall, Mr. Jones said the CCSD gathered public feedback in March 2011 through school community meetings, town hall meetings, and an Internet survey. The CCSD also met with its Board of Trustees on March 17, 2011, to review the public feedback the District received.

Mr. Jones reported that the CCSD's Internet survey, conducted between March 1, 2011, and March 15, 2011, received 12,958 responses. The responses were summarized on page 5 of Exhibit C. Mr. Jones highlighted that most of the responses preferred reductions to literary specialists, English language learner facilitators, and the CCSD's central office administration to balance the CCSD's budget. The survey responses demonstrated support for athletics and extracurricular activities. Mr. Jones added that 65 percent of the responses indicated a willingness to pay higher taxes to fund K-12 education.

Mr. Jones brought the Subcommittee's attention to page 5 of Exhibit C, which enumerated tentative recommendations for the CCSD's FY 2011-12 budget. Mr. Jones advised that all of the recommendations, if approved, would have "a profound impact on employees in classrooms." The tentative recommendations included:

- Consolidating school bell times. The recommendation would save the CCSD an estimated $10 million.

- Passing along 50 percent of the cost of Public Employees' Retirement System increases to employees. The recommendation would save the CCSD approximately $14.5 million.

- Freezing step-pay increases and education increments for CCSD employees, resulting in a projected savings of $39.9 million.

- Increasing employees' contributions to their health insurance plans. The recommendation would save the CCSD an estimated $23.2 million.

- Employee salary reductions totaling approximately $128.3 million.

- A $48.7 million reduction, or 20 percent, of the CCSD's central administration office's budget. Mr. Jones advised that a larger reduction was possible if employee concessions were not agreed upon.

- A $2.1 million reduction, or 3 percent, of funds allocated for staff counselors and school support staff.

- Class-size increases ranging from three to seven students per class. Mr. Jones indicated that in light of the $400 million shortfall, the CCSD could not avoid recommending class-size increases. The recommendation would save the CCSD approximately $114.6 million.

Mr. Jones advised that the aforementioned recommendations to reduce employees' salaries and benefits would be subjected to union negotiations. Mr. Jones was optimistic that the CCSD would reach an agreement with union groups.

Mr. Jones said the CCSD's recommended budget for FY 2011-12 was a $411 million reduction, or 19.8 percent, from its FY 2010-11 budget. The recommended budget would result in the elimination of 2,486 to 5,428 positions out of a total of 25,486 positions. Mr. Jones explained that 5,428 positions would be eliminated if union groups could not agree to concessions with the CCSD. Furthermore, according to the financial advisory and market analysis firm Applied Analysis, 2,486 position eliminations could equate to 5,593 total jobs lost—direct, indirect, and induced—in Clark County.

These lost jobs would result in an annual economic output loss of approximately $889 million.

Mr. Jones told the Subcommittee that the CCSD Board of Trustees believed that if the CCSD was forced to use excess debt service reserves for operating purposes, the CCSD would likely need to raise property taxes or offer higher and longer interest payments on its bonds. Both circumstances would have "adverse negative effects" on the CCSD.

Having finished his presentation, Mr. Jones invited questions from Subcommittee members.

Senator Horsford asked for clarification whether the recommendation to reduce the CCSD's central administration office's budget by 20 percent would include reductions at the school level.

Mr. Jones answered that the recommendation did not include reductions at the school level.

Senator Horsford asked whether the CCSD had a range of employee salary concessions that it was recommending.

Mr. Jones confirmed that the CCSD had specific salary concession figures in mind, but he advised that the figures were preliminary and still required the Board of Trustees' input. Mr. Jones said he would provide the Subcommittee with recommended salary concession figures once they were solidified.

Senator Horsford remarked that he respected the CCSD's process of conferring with the Board of Trustees before publicizing salary concession recommendations. Senator Horsford opined that he would prefer that the CCSD recommend salary concessions to administrative-level employees and other employee groups to spare the salaries of teachers and education support staff.

Senator Horsford asked whether the elimination of at least 2,486 direct positions was recommended in conjunction with salary concessions, increased class sizes, and central administrative office reductions.

Mr. Jones responded in the affirmative.

Mr. Weiler expanded upon Mr. Jones's response, reiterating that the CCSD's recommendation to eliminate 2,486 positions would ripple through the local economy and result in 5,593 job losses in Clark County.

Senator Horsford said the projected direct and indirect job losses were "an alarming cumulative impact put together. It is significant."

Chairwoman Smith asked Mr. Jones to explain the recommendation to increase class sizes in more detail.

Mr. Jones reported that the feedback the CCSD received indicated support for increasing class sizes by three students to help balance the CCSD's budget. However, a three student increase in every class would not sufficiently meet the CCSD's $400 million shortfall. The CCSD's budget recommended increasing each class in grades 1 and 2 from 18 students to 21 students; grade 3 from 21 students to 24 students; grade 4 and 5 from 30 students to 35 students; and in grades 6 through 12, the increase could be from 32 students to 39 students.

Referring to page 3 of Exhibit C, Senator Cegavske asked for clarification regarding a $62 million "fund balance no longer available."

Mr. Weiler answered that the CCSD had saved money by holding positions vacant and limiting purchases in the last several years. These savings were used as rollover funds to balance the CCSD's budgets for FY 2009-10 and FY 2010-11. Mr. Weiler said there were no longer any savings to roll over into the CCSD's budget for FY 2011-12.

Senator Horsford voiced disappointment that responses from the CCSD's Internet survey indicated a preference to support athletics and extracurricular activities over literacy specialists and English language learner facilitators, particularly when many students' reading skills were subpar.

In response to Senator Horsford, Assemblywoman Mastroluca noted that parents often responded to education surveys on a personal level rather than on a holistic level. Assemblywoman Mastroluca said decisions regarding education funding were better suited for legislators because legislators approached education holistically.

In response to Senator Horsford, Mr. Jones remarked that the Internet survey responses did not necessarily indicate that athletics and extracurricular activities

were more important than literacy skills. Instead, the responses indicated the perceived importance of athletics and extracurricular activities in students' connection with their schools, which could contribute to lower dropout rates.

Senator Cegavske asked about the recommendation to consolidate school bell times.

Mr. Weiler replied that adjusting school bell times at approximately 110 schools would reduce the number of school buses and bus drivers necessary for student transportation, saving the CCSD approximately $10 million in bus driver salaries and fuel expenditures.

Senator Cegavske asked whether the CCSD had planned to consolidate school bell times before it was faced with a $400 million budget shortfall for FY 2011-12.

Mr. Jones said since being appointed superintendent, he had urged the CCSD's Transportation Department to collaborate with school principals to make student transportation more efficient and effective.

Heath Morrison, Superintendent, Washoe County School District (WCSD), said that the WCSD had set aggressive targets to improve graduation rates in Washoe County. He reported that the WCSD's graduation rate had increased by 7 percent in the 2009-2010 school year after five years of little growth, but the WCSD and its Board of Trustees sought to continue improving graduation rates for the future. Dr. Morrison said The Executive Budget, if approved, would stymie teachers' instructional capacity and graduation rate targets.

Dr. Morrison told the Subcommittee that the recommended reductions to Nevada K-12 education were some of the largest recommended reductions in the United States: $630 million of the Distributive School Account; $425 million sweeping of excess school district debt service reserves; $19 million in General Funds; and a $120 million repurposing of room tax revenue.

Regarding the WCSD, Dr. Morrison advised that the WCSD anticipated an estimated $75 million reduction of its budget for each fiscal year of the 2011-2013 biennium. Dr. Morrison emphasized that the WCSD's budget had already been reduced by $37 million for FY 2010-11.

To fill the $75 million shortfall in the WCSD's budget for each fiscal year of the 2011-2013 biennium, Dr. Morrison reported that he was prepared to

recommend reductions to the WCSD's central administration office, deferral of textbook purchases, negotiations with union groups for salary and benefit concessions, and increased class sizes by an average of five students per class. Dr. Morrison said increased class sizes could result in the elimination of 500 to 600 positions, which would not help the WCSD with its aggressive graduation rate targets.

Dr. Morrison advised that reductions to Nevada K-12 education were not the only solution to the State of Nevada's budget shortfall. Dr. Morrison indicated that the Local School Support Tax, currently at 2.6 percent, would be reduced to 2.25 percent after June 30, 2011, because of a sunset provision. If the Local School Support Tax was maintained at 2.6 percent, Nevada's 17 school districts would receive approximately $120 million, including a projected $19 million to the WCSD. Dr. Morrison urged the Subcommittee to consider extending or eliminating the sunset date of the Local School Support Tax.

Assemblyman Conklin remarked that the Local School Support Tax sunset was a tax rate reduction and a cut to Nevada K-12 education.

Dr. Morrison concurred with Assemblyman Conklin, saying the Tax sunset was one component of WCSD's $75 million shortfall, CCSD's $400 million shortfall, and Nevada K-12 education's total $630 million shortfall.

William Roberts, Superintendent of Nye County School District (NCSD) and President of the Nevada Association of School Superintendents, said that Nevada K-12 education had sustained major budget reductions in the previous three years, forcing schools closures, the elimination of extracurricular activities, the reduction of high school elective courses, and staff eliminations throughout the state.

Dr. Roberts reported that in the last two and a half years, the NCSD had shuttered two schools, eliminated four administrators and two principals, and reduced the NCSD's classified staff by 10 percent, or 80 positions. The NCSD had also deferred textbook purchases and began a "pay-for-play" policy for athletic programs in response to previous budget reductions.

Dr. Roberts advised that The Executive Budget, if approved, would mean more layoffs, increased class sizes, and extended deferrals of textbook purchases. A recent survey demonstrated that Elko County would need to eliminate 64 teacher positions and 35 administrative, classified positions; Mineral County School District would need to eliminate 10 to 12 teachers and additional

classified staff; and White Pine School District would need to reduce 10 percent of its teaching staff and 30 percent of its administrative staff. Dr. Roberts added that because school districts in rural Nevada counties were often one of the top three employers in those counties, staff eliminations would be felt throughout the counties.

Dr. Roberts said at the Investing in Nevada's Education, Students and Teachers 2011 conference, boards of trustee members, superintendents, and other education leaders called upon the Legislature and the Governor to maintain Nevada K-12 education funding at 2009 legislatively-approved levels. The State of Nevada's Blue Ribbon Task Force also called for K-12 education reform.

Assemblyman Hickey asked for more information regarding the NCSD's "pay-for-play" athletics program and how the NCSD helped indigent students participate.

Dr. Roberts responded that the NCSD communicated with seven Nye County communities to determine a fee of $35 per student per season. The seven communities agreed that if students or their families could not afford the $35 fee, the local communities would raise the funds to allow the students to participate in athletics programs. Dr. Roberts added that the seven communities raised $17,000 during the 2009-2010 school year for indigent students.

Chairwoman Smith remarked that the recommended budget reductions to Nevada K-12 education were currently forcing some school districts to consider "pay-for-K" kindergarten programs.

Caroline McIntosh, Superintendent of the Lyon County School District (LCSD) and Secretary-Treasurer of the Nevada Association of School Boards, told the Subcommittee that 250 individuals recently attended an LCSD school board meeting to show their appreciation for LCSD schools and teachers. Ms. McIntosh told the Subcommittee that the LCSD's graduation rate was 86 percent and that its autism program was flourishing.

Ms. McIntosh advised that declining student enrollment was exacerbating the LCSD's budget difficulties. She indicated that while Lyon County was once the fastest growing county in Nevada, student enrollment had declined by approximately 9.5 percent over the last four years, and it was expected to decline an additional 3 percent from FY 2010-11 to FY 2011-12. The decline would reduce state funding to the LCSD and result in the layoffs of 35 teachers.

Ms. McIntosh noted that other rural Nevada counties were also faced with budget reductions exacerbated by declining student enrollment.

Assemblyman Grady asked whether the LCSD had recently built schools to meet Lyon County's population growth but were now considering shuttering schools because of declining student enrollment.

Ms. McIntosh confirmed that while the LCSD built new schools in Dayton and Fernley, the LCSD was considering shuttering schools in other areas of Lyon County.

Chairwoman Smith remarked that the consideration to shutter schools in Lyon County was the reason that 250 individuals recently attended an LCSD school board meeting. Chairwoman Smith said it was difficult for communities to experience school closures.

Ms. McIntosh concurred with Chairwoman Smith.

Chairwoman Smith thanked the superintendents for their testimonies and requested that they provide the Assembly Committee on Ways and Means and the Senate Committee on Finance with additional information on their districts as they arose.

Chairwoman Smith reminded audience members that there was a Subcommittee hearing in Fallon at 5:30 p.m.

Dr. Roberts noted that the NCSD recently hosted a school board meeting in Round Mountain, and many participants said they would be attending the Subcommittee hearing in Fallon.

Senator Horsford requested that Dr. Roberts collect data from each of Nevada's superintendents regarding how The Executive Budget, if approved, would affect the number of jobs, the number of programs, and class-size figures in each county.

Dr. Roberts said he would provide that data to the Subcommittee.

DEPARTMENT OF EDUCATION
COMMISSION ON POSTSECONDARY EDUCATION (101-2666)
BUDGET PAGE POSTSEC EDUCATION-1

David Perlman, Administrator, Commission on Postsecondary Education, submitted written testimony (Exhibit D) in support of the recommendations for budget account 2666, Commission on Postsecondary Education, for the record.

Mr. Perlman explained that the Commission was the state's regulatory agency responsible for the oversight of vocational schools and private colleges and universities in Nevada. The agency ensured that the private institutions of which Nevadans attend provided legitimate educations taught by qualified individuals. The agency also protected private institution students from financial loss through bonding requirements and the recovery fund should an institution shutter without notice.

Mr. Perlman said despite the current economic downturn, the private education industry continued to prosper. Between 1990 and 2010, the number of schools managed by the Commission increased 251 percent, enrollment increased 288 percent, tuition income increased by more than 900 percent, and the number of complaints processed decreased by 80 percent.

Mr. Perlman indicated that since 1975, the Commission had served as the state's approving agency for private educational institutions where military veterans could study by using their Veterans Affairs educational benefits. Eligible veterans were currently able to receive $1,325 per month in housing allowances and $18,500 per year for tuition and textbooks. Mr. Perlman said the educational benefits for veterans had increased in the last few years, which the U.S. Department of Veterans Affairs had followed with new guidelines that consequently tasked the Commission with increased oversight responsibilities.

Mr. Perlman noted that although the Commission had not increased its fees since 1990, its fee revenues and Veterans Affairs contract nearly matched the Commission's cost to the State General Fund.

Having finished his opening remarks, Mr. Perlman called for questions from the Subcommittee.

Senator Horsford disclosed for the record that he currently served as chief executive officer for the Culinary Training Academy, an institution in Las Vegas that was licensed by the Commission.

Regarding the dramatic growth of private institutions and student enrollment, Chairwoman Smith opined that budget reductions to community colleges would naturally encourage students to enroll in private institutions.

Mr. Perlman concurred, saying education institutions tended to thrive in economic downturns.

Assemblyman Aizley asked for more information regarding the type of institutions that the Commission regulated.

Mr. Perlman replied that the agency regulated a myriad of institutions such as medical assistance programs, dental assistance programs, and for-profit universities, including the University of Phoenix. Mr. Perlman added that the Commission recently licensed a fire training program offered by the University of Illinois.

Senator Kieckhefer asked whether the Commission collected statistics on the private institutions including average tuition costs and graduation rates.

Mr. Perlman responded in the affirmative. He said he would provide those statistics to the Subcommittee.

Chairwoman Smith asked about complaints resolved with the Commission.

Mr. Perlman answered that the Commission preferred resolving complaints at the agency level without having to proceed through a formal hearing process. Mr. Perlman said the complaint process sometimes became lengthy and involved because the complaints were complex or private institutions did not respond to complaints promptly. If complaints proceeded through a formal hearing process, they were not resolved quickly because the Commission only heard formal complaints once every three months.

Chairwoman Smith asked for more information regarding the Commission's performance indicator of reviews on active private institutions. Chairwoman Smith pointed out that in fiscal year (FY) 2009-10, the Commission had projected to review 50 percent of active private institutions but only reviewed 39 percent.

Mr. Perlman advised the Commission had experienced difficulties in conducting reviews on 50 percent of active private institutions, particularly because the Commission had been reduced from 5 full-time equivalent (FTE) positions to 4 FTE. Mr. Perlman explained that the Commission was now reviewing private institutions' finances to confirm that the private institutions were paying a $4 fee per student upon initial enrollment. With expedited reviews, Mr. Perlman hoped that the Commission would exceed 50 percent.

Assemblyman Hickey asked whether the Commission had ever discussed its operations with the state's public education institutions or the Nevada System of Higher Education.

Mr. Perlman responded in the negative.

Assemblyman Grady asked whether Mr. Perlman could provide the Subcommittee with a list of private institutions and their enrollment figures.

Mr. Perlman said he would provide the Subcommittee with that information.

Assemblyman Aizley asked for more information regarding the private institutions and whether they were accredited by other organizations, whether they offered scholarships, and whether they refunded fees to students who withdrew.

Mr. Perlman advised that many of the private institutions were nationally or regionally accredited. Regarding refunds, Mr. Perlman said the Commission mandated that private institutions prorate refunds to withdrawn students up to 60 percent. He added that if private institutions did not provide the education for which students contracted, the private institutions were required to refund 100 percent of costs to the students.

Senator Denis asked how many student complaints were processed in FY 2009-10.

Mr. Perlman replied that there were 12 complaints in FY 2009-10. One of the complaints proceeded through a formal hearing process.

Senator Denis asked how many students were enrolled in Nevada's private institutions.

Mr. Perlman answered that there were nearly 33,000 enrolled students in FY 2009-10.

Chairwoman Smith asked whether the Commission charged inspection or certification fees to private institutions.

Mr. Perlman said that fees were assessed in accordance with *Nevada Revised Statutes* 394.540, which included a $1,500 fee for new licenses, a $750 fee for a change of ownership, and a $500 fee for adding or

changing programs. Mr. Perlman reiterated that once private institutions are licensed, private institutions pay a $4 fee per student upon initial enrollment. The fee revenues are deposited in the State General Fund.

Chairwoman Smith requested that Mr. Perlman work with the Fiscal Analysis Division to explain the Commission's reduction in staffing levels despite increases in student enrollment and private institutions.

Mr. Perlman agreed to Chairwoman Smith's request.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2666.

DEPARTMENT OF EDUCATION
NDE – EDUCATION STATE PROGRAMS (101-2673)
BUDGET PAGE K-12 EDUCATION-27

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, submitted a slide-show presentation (Exhibit E, Exhibit F, and Exhibit G) for the record. Dr. Rheault introduced Greg Weyland, Deputy Superintendent for Administrative and Fiscal Services, Department of Education, to the Subcommittee.

Dr. Rheault advised that budget account 2673, Education State Programs, funded the Department of Education's operations. The account provided support for the State Board of Education, the administrative duties of the Superintendent of Public Instruction, management of the Department, and technical expertise of professionals in various education subjects.

Dr. Rheault discussed the following recommendations for the account:

- Decision unit Enhancement (E) 903 recommended transferring two positions, an administrative services officer position and an education consultant position, to budget account 2719, Education Staffing Services. The transfer would reduce the funding of the two positions from 100 percent State General Fund to 50 percent, a General Fund savings of $84,657 in fiscal year (FY) 2011-12 and $85,776 in FY 2012-13.

- E904 recommended transferring an education programs professional position to budget account 2709, Discretionary Grants-Restricted. The

transfer would reduce State General Funds by $83,882 in FY 2011-12 and $85,010 in FY 2012-13.

- It was recommended to eliminate school support teams (SSTs) for non-Title I schools. Dr. Rheault said the Department had consistently reduced funding to SSTs in previous years, but to meet the agency's 10 percent budget reduction as requested by the Governor, the Department recommended outright eliminating SSTs. The elimination would result in a $270,000 decrease of State General Funds in each fiscal year of the 2011-2013 biennium.

Chairwoman Smith asked how many non-Title I schools were projected to be designated in need of improvement.

Dr. Rheault confessed that while he did not have specific figures, the projections appeared dismal. The federal No Child Left Behind Act based designations on the proficiency levels of students. Approximately 50 percent of Nevada schools had received the designation of being in need of improvement for FY 2010-11. Dr. Rheault said the *Nevada Revised Statutes* previously required schools to receive SST support after three years of demonstrating a need for improvement, but the Department modified those regulations in NRS 385.3745 for schools to require SSTs after four years. Effective July 1, 2010, SSTs were no longer required for non-Title I schools in need of improvement.

Senator Kieckhefer asked why SSTs were a state function and not a function of school districts.

Dr. Rheault replied that the No Child Left Behind Act required Title I schools, not non-Title I schools, to have SSTs after demonstrating a need of improvement. When the requirement for Title I schools was created, the State of Nevada decided to revise the *Nevada Revised Statutes* and mandate SSTs for all schools that demonstrated a need of improvement.

Senator Denis noted that the account featured one performance indicator, an indicator that measured student enrollment. Senator Denis asked why the Department only included one performance indicator with the account.

Dr. Rheault reported that the Department had difficulty creating performance indicators because of the mixture of staff and services supported by the

account. Dr. Rheault said the Department would consider other performance measures to include.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2673.

DEPARTMENT OF EDUCATION
EDUCATION SUPPORT SERVICES (101-2720)
BUDGET PAGE K-12 EDUCATION-39

Greg Weyland, Deputy Superintendent for Administrative and Fiscal Services, Department of Education, explained that budget account 2720 supported the Department's administrative services, which included grant accounting and reporting, auditing, accounts payable and receivable, payroll, personnel, budgeting, purchasing, and information technology. Mr. Weyland said the account was funded by indirect cost assessments charged against the administrative expenditures of other Department budget accounts.

Mr. Weyland pointed to decision unit Enhancement (E) 905 that recommended the transfer of an administrative assistant 3 position to budget account 2706, Other Unrestricted Accounts, to support the Office of Charter Schools within the Department. The transfer would cost $59,406 for FY 2011-12 and $60,380 for FY 2012-13 in charter school fees. Mr. Weyland explained that because the position supported charter schools, it should be supported by charter school fees.

Mr. Weyland also discussed E910, a recommendation to transfer an administrative assistant from budget account 2719, Education Staffing Services, to this account. The position and associated operating costs recommended for the transfer totaled $41,538 for FY 2011-12 and $42,489 for FY 2012-13. Mr. Weyland said the transfer was recommended to properly align funding with the duties of the position.

Having finished his opening remarks, Mr. Weyland invited questions from the Subcommittee.

Chairwoman Smith asked about a recommendation to eliminate a personnel analyst position.

Mr. Weyland answered that the Department recommended eliminating a personnel analyst position within the Department of Education as a result of

centralizing personnel services for certain agencies within the Division of Human Resource Management, a new division proposed to be created within the Department of Administration.

Chairwoman Smith asked whether the current personnel analyst was slated to retire.

Mr. Weyland responded in the affirmative, saying the individual was scheduled to retire at the end of March 2011.

Chairwoman Smith asked Mr. Weyland for his opinion on the recommended centralization of personnel services within the proposed Division of Human Resource Management.

Mr. Weyland said while he was unsure what the direct effects would be, he was assured by the Department of Personnel that the proposed Division would provide adequate support to the Department of Education. Mr. Weyland added that the centralization would require organization and new procedures to avoid delays in personnel support.

Chairwoman Smith asked how the Department anticipated conducting training activities with a recommended $96 for the 2011-2013 biennium.

Mr. Weyland replied that the recommended $96 for training activities would provide little to no training. Instead, Mr. Weyland said, the Department sought to hire the most highly-qualified staff as possible so that additional training would not be necessary.

Chairwoman Smith referred to the account's recommended reserve balance of $1.4 million for the end of the 2011-2013 biennium. The indirect costs to be charged to each of the Department's budget accounts, which were negotiated annually between the Department of Education and the U.S. Department of Education, were recommended to be 20.5 percent in restricted indirect costs and 23 percent in unrestricted indirect costs. The approved indirect cost rates for FY 2010-11 were 14 percent for restricted direct costs and 16.2 percent for unrestricted indirect costs. Chairwoman Smith asked why the projected indirect cost rates for the 2011-2013 biennium were higher than for FY 2010-11, particularly when the account had a substantial balance forward of reserves that should serve to reduce indirect cost rates.

Mr. Weyland advised that the Department anticipated more expenditures for the 2011-2013 biennium than in prior years. The Department planned to use its reserves for these expenditures, which would deplete the Department's level of reserves and consequently increase the indirect cost rates.

Senator Denis asked for more information regarding the Department's performance indicators for the account. He remarked that the Department had projected to conduct 6 Pupil Enrollment Attendance Audits (PEAA) district site visits for FY 2009-10, but the Department actually conducted 80. The Department projected that it would conduct 11 PEAA district desk audits, but it actually conducted 1. The Department had also projected to conduct 100 A-133 financial reviews, but it actually conducted 16.

Mr. Weyland said there were discrepancies between projection and actual figures because the Department had hired additional audit staff. The Department was currently focusing on conducting PEAA audits, but Mr. Weyland said the Department planned to focus on A-133 audits in the future.

Senator Denis remarked that the Department did not appear to be planning to improve its performance because it projected to conduct 16 A-133 financial reviews for each fiscal year of the 2011-2013 biennium. Senator Denis asked whether the Department would revise its performance indicator projections.

Mr. Weyland responded in the affirmative. He reiterated the Department's commitment to conducting more A-133 financial reviews in the future.

Senator Denis asked whether the Department was able to revise its performance indicators for the account to include other functions.

Mr. Weyland answered that the Department had not included other performance indicators in the past. Mr. Weyland noted, however, that the Department could consider new performance indicators around the Department's administrative service support.

Having no further questions from the Subcommittee, Chairwoman Smith closed discussion on budget account 2720.

DEPARTMENT OF EDUCATION
PROFICIENCY TESTING (101-2697)
BUDGET PAGE K-12 EDUCATION-46

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, told the Subcommittee that budget account 2697 primarily supported student assessments to Nevada's students, including the High School Proficiency Exam, the Criterion-Referenced Tests, and the Writing Assessment. Dr. Rheault said the account also supported the System of Accountability Information in Nevada (SAIN) program, which administered all the assessments.

Dr. Rheault emphasized that the account supported 9 full-time equivalent positions.

Dr. Rheault referred to a recommendation to eliminate the Norm-Referenced Tests. The Norm-Referenced Tests had intended to measure Nevada's students against other states' students, but because the U.S. Department of Education had mandated all states to participate in the National Assessment of Educational Progress, the Norm-Referenced Tests became redundant. The Norm-Referenced Tests' redundancy, along with budget reductions, led to its suspension in the 25th Special Session (2008). Dr. Rheault said the Norm-Referenced Tests had not been administered since 2008, but it was still required pursuant to *Nevada Revised Statutes* 389.015. The Budget Division submitted bill draft request (BDR) 34-1174, a proposal to permanently eliminate the Tests from the *Nevada Revised Statutes.* Dr. Rheault noted that the Norm-Referenced Tests had cost the state approximately $950,000 per fiscal year.

Chairwoman Smith asked whether the Department would need to administer the Norm-Referenced Tests if BDR 34-1174 was not passed.

Dr. Rheault replied that the Department had a contract with McGraw-Hill, an assessment firm, when the Norm-Referenced Tests were suspended. The contract, however, contained a provision that allowed the Department to suspend the contract as needed. If BDR 34-1174 was not passed and funding was allocated to administer the Norm-Referenced Tests, Dr. Rheault said the Department would need to renegotiate a contract with McGraw-Hill.

Senator Horsford voiced concern that the Department spent more than 50 percent of its funds on student assessment. Senator Horsford asked with whom did the Department contract assessment services and whether the Department negotiated the price of those contracts.

Dr. Rheault indicated that the Department had a contract with Measured Progress for approximately the last six years. Dr. Rheault considered

Measured Progress "a great partner." Regarding the contract, the Department had renegotiated with Measured Progress during the 2007-2009 biennium.

Senator Horsford clarified that the renegotiation between the Department and Measured Progress had resulted in a 4.1 percent reduction from the previous contract for a three-year extension.

Senator Horsford asked whether there was an alternative method of assessing students. Senator Horsford doubted that bombarding students with assessments while classrooms lacked qualified teachers contributed to students' education.

Dr. Rheault advised that the Department could do a better job with the assessments it required. He told the Subcommittee that the Department was implementing the Nevada Growth Model of Achievement, a line-criterion referenced test, which would assess students' learning from grade to grade in different subject matters. With the Growth Model, the Department would be able to analyze the assessment data it had previously been collecting.

Senator Horsford asked how much of the contract with Measured Progress was associated with the High School Proficiency Exam.

Dr. Rheault responded that approximately $800,000 of the contract was spent on the High School Proficiency Exam each fiscal year.

Senator Horsford remarked that although the Nevada Education Reform Act of 1997 mandated the state to administer the High School Proficiency Exam, Senator Horsford reiterated that students would not be able to perform well on the Exam if school districts were not providing qualified teachers in classrooms.

Senator Horsford asked how much the Department spent on the SAIN program and with whom the program was contracted.

Dr. Rheault answered that the Department had received a longitudinal data system grant through the federal government to reform the current system and implement the Growth Model. The contract for the SAIN program was approximately $250,000, of which $150,000 would be contributed by the state. Clark County had agreed to be the oversight facilitator of the contract. Dr. Rheault added that the Department was currently working on a component of the SAIN system with the Clark County School District and Washoe County

School District that would finalize an online website system to be available for all schools by August 2011.

Chairwoman Smith asked Dr. Rheault to elaborate on the SAIN system.

Dr. Rheault said the Department recommended $425,501 over the 2011-2013 biennium for operations and maintenance of the SAIN program, a 28 percent reduction from the $590,554 approved for the 2009-2011 biennium. Dr. Rheault noted that the longitudinal data system grant paid for the licensing fees, technology, and programs associated with the SAIN program through fiscal year (FY) 2012-13. The Department anticipated requesting more state funding for the SAIN program in the next legislative session once the federal grant was expended.

Chairwoman Smith opined that the SAIN program was an important program because it was essential to connecting student achievement to teacher performance. Chairwoman Smith expressed concern with the recommended 28 percent reduction in funds allocated to the SAIN program from the 2009-2011 biennium to the 2011-2013 biennium.

Dr. Rheault reiterated that the longitudinal data system grant covered the SAIN program's licensing fees. Dr. Rheault advised that the Department of Education now had a larger information technology unit that provided programming and other technical services. Previously, the Department of Education had to contract information technology services through the Department of Information Technology. With the additional staff, Dr. Rheault assured the Subcommittee that the Department would be able to maintain the SAIN program.

Chairwoman Smith asked for the status of providing linkage between K-12 student data and the Nevada System of Higher Education (NSHE).

Dr. Rheault advised that the Department had concentrated on the teacher licensing database and finishing the SAIN program to facilitate the Growth Model. The teacher licensing database would be completed in the next six months. With these current priorities, Dr. Rheault said linking K-12 student data and the NSHE would be one of the Department's last projects to complete.

Chairwoman Smith asked when the Department anticipated linking K-12 student data and the NSHE.

Dr. Rheault told the Subcommittee that the Department would begin working on the linkage in fall 2011, but the work would not culminate in a permanent solution that the Department wanted. Dr. Rheault said with the Department's federal grants being expended, the Department would be limited in what it could accomplish with the linkage. He added that the federal government may extend the federal grants to the Department for an additional year.

Chairwoman Smith asked for more information regarding the connections between teachers and the Regional Professional Development Program (RPDP).

Dr. Rheault indicated that those connections were not a part of the SAIN program. The Department was not currently working to connect the RPDPs to teachers, but if it became a priority and was funded, the Department would be able to begin inputting training data. In the state of Utah, for example, school districts recorded teachers' training, streamlining the teacher licensing process.

Chairwoman Smith commented that it seemed reasonable to connect the RPDPs to teachers because the Legislature had always funded and valued the RPDPs. In a climate of recommended budget reductions, however, Chairwoman Smith said the connection may be difficult to undertake.

Chairwoman Smith asked for an update regarding the Growth Model.

Carol Crothers, Assistant Deputy, Assessment, Program Accountability and Curriculum, Department of Education, reported that the Department had worked for the last three years to build a foundation for the Growth Model. Along with compiling data sets and policies for the Growth Model, the Department had researched different growth models used nationwide that would accommodate Nevada's current assessment system and future assessment systems in conjunction with the Smarter Balanced Assessment Consortium. Ms. Crothers said the growth model it decided upon was the same growth model as the state of Colorado's. She added that the Department was currently aligning its public reporting system with the Clark County School District and Washoe County School District to be more similar to Colorado's public reporting system.

Chairwoman Smith asked Ms. Crothers to explain growth models for the benefit of new Subcommittee members.

Ms. Crothers explained that while the Criterion-Referenced Tests and High School Proficiency Exams provided end-of-the-year assessments, the

Department was developing the Nevada Growth Model of Achievement to assess students' achievement from year to year using the SAIN system. The Growth Model monitored individual students, not the performance of schools or adequate yearly progress metrics. Ms. Crothers said the Department was preparing to report growth percentiles down to the subpopulation level and teacher level pursuant to Assembly Bill No. 14 of the 75th Session (2009). The Growth Model currently had a strong foundation with which to begin.

Senator Horsford asked for the timeline of student assessments.

Ms. Crothers replied that assessments were conducted on the 120th day of students' instruction in an academic year. With the Growth Model, the Department would be able to report on the growth of students' achievement every August.

Senator Horsford asked when teachers received the results of their students' achievement.

Ms. Crothers answered that teachers currently received their students' achievement results before the end of the academic school year. She advised, however, that the results were static and did not provide students' growth from year to year.

Senator Horsford asked how Growth Model data would help principals and teachers improve instruction for students. Senator Horsford noted that by August, a new academic year would begin and students would be learning from new teachers.

Ms. Crothers responded that the assessments would need to be conducted earlier than the 120th day of instruction for principals and teachers to receive Growth Model data before the end of the academic school year.

Senator Horsford asked whether the Growth Model would allow assessments to be conducted earlier in the academic school year. Senator Horsford remarked that legislators often received complaints that teachers' performance could not be evaluated if assessment results were released during a new academic school year.

Ms. Crothers confirmed that the Growth Model would be able to accommodate assessments conducted earlier or later in the academic school year. She added that while the static assessment results took three weeks to process,

developing growth model data was an elaborate process of cleaning the data, loading the data into the Department's Student Information System, and validating it by the school districts.

Dr. Rheault told the Subcommittee that Growth Model data would be provided to students' teachers and principals in August so the teachers would be aware of their performance and areas in need of improvement. The Growth Model data would also be provided to students' new teachers at the beginning of the academic school year.

Chairwoman Smith commented that the discussion had separated into two issues, a discussion on the evaluation process and whether assessments should be conducted earlier or later in the academic school year.

Dr. Rheault advised that he thought the only way to evaluate teachers was to evaluate them in a given year using their students' growth data from the previous year.

Chairwoman Smith said legislators had debated the assessment date for years. If the assessment date was earlier in the academic school year, the assessments would need to be revised to account for subject matter that students had not yet been taught.

Ms. Crothers concurred with Chairwoman Smith, saying a change in the assessment date would reset assessment standards to accommodate scores representing a new instructional period.

Dr. Rheault indicated that the Assembly Committee on Education recently discussed Assembly Bill 113, a bill that proposed to move the Criterion-Referenced Tests' date from the 120th day of the academic school year to the 150th day. Dr. Rheault said teachers and parents testified that by conducting the Criterion-Referenced Tests later, the Tests would serve as a better indicator of proficiency because students were more proficient later in the academic school year.

Senator Kieckhefer expressed appreciation over the discussion of using the Growth Model to evaluate teachers' performance. Senator Kieckhefer wondered whether it was also valuable to evaluate the efficacy of funding on students' achievement.

Referring to Senate Bill 11, Senator Kieckhefer asked whether the SAIN program was able to analyze student data by English language learner students, disabled students, homeless students, transient students, and so on.

Ms. Crothers confirmed that the Department's Student Information System was able to analyze students based upon their demographic characteristics.

In response to Assemblyman Aizley, Ms. Crothers said the Growth Model used a normative approach. Students of particular performance levels were compared with students of the same performance level to identify growth within the group.

Assemblyman Aizley requested more information on the Growth Model's approach.

Senator Cegavske asked whether the Department was collaborating with the Nevada System of Higher Education on Common Core State Standards (CCSS).

Ms. Crothers reported that the Department developed the Common Core State Standards Steering Committee, which consisted of the Department, school districts, RPDPs, state-sponsored charter schools, and NSHE staff, to transition the State of Nevada to the CCSS. Ms. Crothers added that the Steering Committee had laid the groundwork for the collaboration between the Department and NSHE to implement the CCSS.

Senator Cegavske asked whether the Department sought to teach university professors the CCSS so preservice teachers would be familiar with the CCSS upon entering the classroom.

Ms. Crothers responded in the affirmative.

Senator Cegavske asked why the Department recommended eliminating the Norm-Referenced Tests instead of the Criterion-Referenced Tests.

Dr. Rheault answered that the No Child Left Behind Act required achievement-level testing, which the Criterion-Referenced Tests satisfied. He reiterated that the National Assessment of Educational Progress test, a test required by the U.S. Department of Education, compared students on a state level, making the Norm-Referenced Tests redundant. Dr. Rheault also reiterated that the elimination of the Norm-Referenced Tests would result in a savings of approximately $950,000 per year to the State General Fund.

Senator Cegavske asked whether the Norm-Referenced Tests were administered more than the other assessments.

Dr. Rheault told Senator Cegavske that the Norm-Referenced Tests were required by the *Nevada Revised Statutes* to be administered.

Senator Cegavske voiced concern about whether the Criterion-Referenced Tests provided too much flexibility in how students were considered proficient. She added that former State Senator William Raggio supported the Norm-Referenced Tests and felt that they should continue to be administered.

Chairwoman Smith clarified for the record that the Norm-Referenced Tests were suspended following the 25th Special Session (2008). Chairwoman Smith said the Criterion-Referenced Tests assessed students against the state's academic standards in reading and mathematics.

Assemblyman Grady asked Ms. Crothers whether the Growth Model followed students if they transferred schools.

Ms. Crothers advised that the Department's Student Information System was statewide, so students' scores remained with students when they transferred schools or school districts.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2697.

DEPARTMENT OF EDUCATION
TEACHER EDUCATION AND LICENSING (101-2705)
BUDGET PAGE K-12 EDUCATION-52

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, explained that budget account 2705, Teacher Education and Licensing, supported the hiring of staff to administer and oversee the licensing of teachers, administrators, and other educational personnel in Nevada. The account had been 100 percent supported by licensing, renewal, and endorsement fees since 2001. Prior to 2001, the account had a small appropriation of $20,000 to $30,000 from the State General Fund. At the start of the 1990s, however, the account was funded 100 percent by the State General Fund.

Dr. Rheault indicated that the recommended budget would fund 12.5 full-time equivalent positions, three in Carson City with the remaining positions in Las Vegas. In total, the Department recommended $1,659,509 for fiscal year (FY) 2011-12 and $1,559,756 for FY 2012-13.

Dr. Rheault said the Office of Teacher Licensure had experienced a decrease in revenue associated with a decrease in renewal and initial licenses during the 2009-2011 biennium. Despite the recent decrease and prior years of stagnant growth, the school districts had hired approximately 1,000 teachers during FY 2010-11 to date. Dr. Rheault noted that in FY 2008-09, the Office issued 4,451 initial licenses, which included new substitute teacher licenses. In FY 2009-10, the Office issued 3,672 new licenses, a decrease of approximately 800 licenses from the prior fiscal year. Dr. Rheault emphasized, however, that the number of renewed licenses had increased. In FY 2008-09 and FY 2009-10, the number of renewed licenses respectively issued was 6,301 and 6,454. The number of endorsements had also increased.

Dr. Rheault remarked that the Office was closely monitoring the account's revenues. To increase efficiency, the Office had completely digitized teacher licensure files, but the project was a costly one which used federal funds and grants.

Dr. Rheault commented that he had the Office's director review potential recommendations to revise license fees. The Office currently issued 5-year, 6-year, and 10-year licenses, all at the same price. The Department believed it would be fair to charge $16 per year for each year of the licenses issued. For example, a 5-year license would cost $80, and a 10-year license would cost $160. Dr. Rheault advised that the Commission on Professional Standards in Education, not the Department, had the authority to revise the license fees. He said that license fees were the last area that the Department wanted to revise to balance the Office's budget. Dr. Rheault added that the State of Nevada was one of the only states in the country to have its Office funded 100 percent by license fees.

Citing a discrepancy between Dr. Rheault's license figures and those provided to the Subcommittee, Chairwoman Smith requested that Dr. Rheault update the Fiscal Analysis Division with the Office's figures.

Chairwoman Smith asked whether the Department was comfortable with the Office's projected reserve level of $141,859 at the end of the 2011-2013 biennium.

Dr. Rheault replied that the Department was somewhat nervous about the projected reserve level. He said the Department was closely monitoring the reserve and would perhaps recommend license fee increases as early as summer 2011 to ensure that the reserve was maintained. Dr. Rheault said a 5 percent furlough for the Office's staff had helped maintain the reserve for the last three years.

Chairwoman Smith asked for clarification whether the Office intended to restructure its fees during the 2011-2013 biennium.

Dr. Rheault answered that he personally did not intend to restructure license fees. License fee revenues for FY 2010-11 were projected to be similar to revenues for FY 2009-10. Dr. Rheault said the Department would wait for actual revenue figures for spring 2011 and summer 2011 before considering recommending license fee increases.

Senator Denis asked for the status of enhancements to the teacher licensure database.

Dr. Rheault reported that Phase I of enhancing the teacher licensure database was completed. Phase II was projected to be completed in August 2011 or September 2011 and would be funded with longitudinal data system grant funding.

In response to Senator Denis, Dr. Rheault responded that Phase II was a series of enhancements that expanded the ability of school districts' human resources departments to access personal teacher licensure data. Dr. Rheault noted that human resources departments were currently able to access the personal teacher licensure data on a basic level.

In response to Senator Denis, Dr. Rheault said the teacher licensure database was currently transitioning from a FoxPro software system to a .Net system. It was slated for completion in August 2011 or September 2011.

Senator Denis asked how much of the longitudinal data system grant was used to fund the teacher licensure database enhancements.

Dr. Rheault answered that while he did not currently have specific figures, the grant funds were used to hire contractors to complete the project.

Senator Denis asked whether there were projects that would not be completed because the Department was allocating longitudinal data system grant funds elsewhere.

Dr. Rheault replied that the longitudinal data system grant was scheduled to end on September 30, 2011, the end of the federal fiscal year. He said the grant would have $200,000 to $300,000 remaining by then, and if the federal government extended the grant for an additional federal fiscal year—which was likely—the Department would be able to complete its projects using the grant.

Senator Denis asked why the new telephone system approved for the Las Vegas office in FY 2009-10 had not been installed.

Dr. Rheault said he would work with the Fiscal Analysis Division regarding Senator Denis's question.

Chairwoman Smith asked whether the Office completed digitizing teacher licensure files.

Dr. Rheault confirmed that the project was completed.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2705.

DEPARTMENT OF EDUCATION
GEAR UP (101-2678)
BUDGET PAGE K-12 EDUCATION-67

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, told the Subcommittee that budget account (BA) 2678, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), supported disadvantaged middle school students from middle school to high school and higher education institutes. The state was currently participating in GEAR UP's second six-year period of funding.

Dr. Rheault explained that GEAR UP was supported completely with federal funds, of which 50 percent was reserved for scholarships for eligible GEAR UP students who enrolled in higher education institutions. The GEAR UP was operated by the Department in conjunction with the Office of the Governor, the Office of the State Treasurer, and the Nevada System of Higher Education.

Dr. Rheault clarified that although The Executive Budget listed funding for 4 full-time equivalent (FTE) positions, there were only 3 FTE positions. Dr. Rheault said the Department sought to eliminate a fourth position within the GEAR UP work program budget.

Chairwoman Smith asked for further clarification regarding the fourth position within GEAR UP.

Greg Weyland, Deputy Superintendent for Administrative and Fiscal Services, Department of Education, advised that there was an administrative assistant 4 position that had been funded by the Leveraging Educational Assistance Program (LEAP), Supplemental Leveraging Education Assistance Partnership (SLEAP), and GEAR UP. With the federal funding for the LEAP and the SLEAP in question, The Executive Budget recommended transferring the position into budget account 101-2678 to provide support for GEAR UP. The Department sought to absorb the position and subsequently transfer an existing administrative assistant 3 position into budget account 2715, Individuals with Disabilities–IDEA, in GEAR UP's work program budget.

Chairwoman Smith asked whether the workload at GEAR UP justified the recommendation of an additional position.

Mr. Weyland reiterated that the Department sought to maintain GEAR UP at 3 FTE positions.

Chairwoman Smith said there was a discrepancy between the Department's testimony and the information provided to the Subcommittee. She requested that the Department work with the Fiscal Analysis Division to settle the discrepancy.

Chairwoman Smith asked about the Department's strategies to increase the number of GEAR UP students eligible for scholarships and ensure those students maintained their scholarships.

Dr. Rheault commented that the Department recently completed a six-year report on all GEAR UP participants. Dr. Rheault said he would provide the report to the Subcommittee. He added that GEAR UP achieved excellent results on the number of students that graduated from high school and enrolled in higher education institutions.

Chairwoman Smith told Dr. Rheault that the Subcommittee already had the six-year GEAR UP report. She expressed concern that 107 students became ineligible for GEAR UP scholarships after the spring 2010 semester, an increase from 32 students after the spring 2009 semester. She requested that Dr. Rheault work with the Fiscal Analysis Division regarding GEAR UP strategies.

Chairwoman Smith asked whether the Department was preparing for a third cohort of GEAR UP students.

Dr. Rheault confirmed that the second cohort of GEAR UP was funded through FY 2011-12. Dr. Rheault said the federal government encouraged the Department to apply a year early for a third cohort of GEAR UP funding. If that funding were awarded to the Department, a third cohort would begin in FY 2012-13.

In response to Chairwoman Smith, Dr. Rheault said the Department was very confident it would receive funding for a third cohort because the federal government encouraged the Department to apply early for the funding.

Senator Horsford remarked that he supported GEAR UP.

Senator Horsford asked whether there was a difference between GEAR UP funding awarded to the state and GEAR UP funding awarded to the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno (UNR).

Dr. Rheault replied that there were differences between GEAR UP funding for the state and for the two universities. The UNLV's GEAR UP funding, for example, supported teacher training and instruction at schools for programs targeting at-risk students. While the state's GEAR UP funding tracked student achievement and supported scholarships for GEAR UP students, the UNLV's GEAR UP funding did not. Dr. Rheault said he would provide the Subcommittee with a summary of the differences between the state's program and the universities'.

Senator Kieckhefer asked where GEAR UP funding was directed to provide counseling, advising, academic planning, career planning, and tutoring services.

Dr. Rheault explained that 50 percent of GEAR UP funding was directed to schools that fit a criterion of having a high percentage of at-risk or economically

disadvantaged students. The funding followed the students through their middle school, high school, and higher education institutions.

Senator Kieckhefer asked how schools used GEAR UP funding once they received it, whether the schools directed a portion to school counselors or whether they hired new employees to facilitate the program.

Dr. Rheault responded that approximately $1.5 million was allocated to schools statewide, which was not conducive to support staffing. The fund primarily supported programmatic services such as additional tutoring. Dr. Rheault said he would provide the Subcommittee with information regarding what GEAR UP funding supported at the school level.

In response to Senator Cegavske, Dr. Rheault said he vaguely remembered that GEAR UP in northern Nevada had problems during the 75th Session (2009). Dr. Rheault said he would have a discussion with the director of GEAR UP and provide Senator Cegavske with information regarding those problems.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2678.

DEPARTMENT OF EDUCATION
OTHER UNRESTRICTED ACCOUNTS (101-2706)
BUDGET PAGE K-12 EDUCATION-73

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, told the Subcommittee that budget account (BA) 101-2706, Other Unrestricted Accounts, was primarily comprised of federal grants including the National Cooperative Statistics grant, the National Assessment of Education Progress Task Order grant, and the Learn and Serve America grant. Dr. Rheault emphasized that the account also housed fees supporting state-sponsored charter schools and private schools.

Dr. Rheault explained that the Department assessed administrative fees to state-sponsored charter schools that were collected per fiscal quarter. Ten charter schools were currently responsible for paying administrative fees. The fees supported the Office of Charter Schools, an agency within the Department with four employees and two currently vacant positions.

Dr. Rheault advised that along with other bills reforming the Office of Charter Schools, the Department was working on a bill draft request that would

transform the Office into a new charter school institute, which would be in the form of a board or a commission.

Regarding private schools, Dr. Rheault said the Department assessed a private school license fee to pay for conducting on-site reviews when new private schools were licensed within the state. Private school fee revenues did not pay for the private school consultant position supported in the account.

Chairwoman Smith asked Dr. Rheault to discuss the account's projected charter school reserves.

Dr. Rheault reported that the Office of Charter Schools was currently collecting more revenues than it was expending. Expenditures would increase, however, when the two currently vacant positions were filled. Dr. Rheault emphasized that the Office needed charter school reserves at the beginning of each fiscal year because the Office collected fees on a quarterly basis, creating an occasional cash flow concern.

Dr. Rheault indicated that the Office was considering sponsoring the school data computer system that was currently supported by the 10 state-sponsored charter schools. There were also other proposals to use the Office's excess revenues. If the revenues continued to be in excess, the 2 percent and 1.5 percent administrative fees respectively assessed to new charter schools and continuing charter schools may be modified. Assembly Bill 171, for example, proposed to reduce administrative fees for continuing charter schools from 1.5 percent to 1 percent. Dr. Rheault added that the more revenue the Office received from charter schools, the more services the Office wanted to provide.

Chairwoman Smith asked why two positions in the Office were currently vacant.

Dr. Rheault commented that the Office wanted to fill the two positions, a support staff position and a school finance consultant position. However, with a proposal for a new charter school institute, the Office was waiting to fill the positions until the positions were guaranteed to be transferred to the new charter school institute.

Chairwoman Smith asked why the education programs professional position supported in budget account 2673, Education State Programs, was supported

with funds from the State General Fund rather than with charter school administrative fees.

Dr. Rheault confirmed that there was an education programs professional position that had been the only charter school position until the 75th Session (2009). Dr. Rheault said the Department of Education needed a charter school liaison to coordinate activities between the Department and Nevada's state-sponsored and district-sponsored charter schools.

Chairwoman Smith noted that she did not disagree with Dr. Rheault, but she requested that Dr. Rheault work with the Fiscal Analysis Division to determine whether the education programs professional position could be supported with charter school administrative fees, especially if the Office of Charter Schools had excess reserves.

Dr. Rheault expressed concern that if the position were transferred to a new charter school institute and the institute reconsidered supporting the position with charter school administrative fees, the position could be eliminated. Dr. Rheault confirmed that the Office currently had sufficient revenues to support the position.

Chairwoman Smith pointed to the account's single performance indicator, the percentage of charter schools making adequate yearly progress, and opined that the indicator seemed to operate at a school-performance level rather than at the Department level. Chairwoman Smith asked whether the Department had considered establishing other performance indicators.

Dr. Rheault responded that the Office's director was aware of the concerns regarding performance indicators for the account. Dr. Rheault added that there would be better performance indicators for charter schools in the future.

Chairwoman Smith asked for updated projected student enrollment figures.

Dr. Rheault answered that he would provide those figures to the Subcommittee.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2706.

DEPARTMENT OF EDUCATION
DISCRETIONARY GRANTS - RESTRICTED (101-2709)
BUDGET PAGE K-12 EDUCATION-79

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, reported that budget account (BA) 101-2709, Discretionary Grants - Restricted, housed the Homeless Children Education grant, the English Language Acquisition grant, the Robert C. Byrd Scholarship Program, the Advanced Placement Fee grant, the 21st Century Community Learning Centers grant, and the Refugee School Impact grant. The account was funded 100 percent with federal funds.

Dr. Rheault said the account also contained Education Jobs Funds awarded to the state in August 2010. The Department sought to distribute the Education Jobs Funds to Nevada's larger school districts, but because the Department did not promptly begin distributing the Funds, Dr. Rheault anticipated a large carryover of the Funds into fiscal year (FY) 2011-12.

Dr. Rheault advised that The Executive Budget recommended eliminating the Homeless Children grant from the account, a grant awarded with funds from the America Recovery and Reinvestment Act of 2009 (ARRA). The grant was set to expire on September 30, 2011. The Executive Budget also recommended eliminating longitudinal data system grant funds from the account, but Dr. Rheault advised that there was a possibility of extending the use of the funds beyond FY 2010-11.

Dr. Rheault noted that the Department recommended transferring an education programs professional position from budget account 2673, Education State Programs, where the position was funded 100 percent from the State General Fund, into this budget account, where the position would be funded 100 percent with Title III English Language Acquisition federal grant funds. Dr. Rheault said because of State General Fund grant eliminations, the position would be transferred to work on the Title III grant, saving $83,882 in FY 2011-12 and $85,010 in FY 2012-13 in State General Fund expenditures.

Chairwoman Smith asked why Education Jobs Funds were not included in The Executive Budget for FY 2011-12.

Dr. Rheault replied that if the Education Jobs Funds were not included in The Executive Budget, it was a mistake. Dr. Rheault said the Education Jobs Funds were available through September 30, 2012.

Chairwoman Smith requested that Dr. Rheault work with the Fiscal Analysis Division regarding the Education Jobs Funds.

Chairwoman Smith asked for the status of school districts expending all of the ARRA Homeless Children grant funds by the end of FY 2010-11.

Dr. Rheault answered that the Department encumbered the funds to the school districts. The Department was closely monitoring the funds and believed the encumbered funds would be entirely spent.

Chairwoman Smith said she was about to ask how homeless students in Nevada would cope without the ARRA Homeless Children Grant funds, but she then supposed that the elimination of the funds was typical of many budget accounts in The Executive Budget.

In response to Senator Cegavske, Dr. Rheault indicated that the Department currently had one staff writer position that was supported by budget account 2673, Education State Programs. Dr. Rheault added that the Department had recently submitted federal grant proposals for a charter school grant and a Next Generation Learning grant. The Department was currently developing a proposal for a Striving Readers grant.

Chairwoman Smith asked for Dr. Rheault's opinion regarding the Department's inability to obtain additional longitudinal data system grants.

Dr. Rheault responded that the ARRA Statewide Longitudinal Data Systems grant was a very competitive grant. Dr. Rheault noted that the Department may not have received the grant because the federal government sought to distribute the grant to as many states as possible. The Department also had an additional fiscal year of longitudinal data system grant funds available, which may have dissuaded the federal government from awarding the ARRA Statewide Longitudinal Data Systems grant to Nevada.

In response to Chairwoman Smith, Dr. Rheault confirmed that the Department had recently submitted a grant proposal for a federal charter school grant. Dr. Rheault said a proposed charter school institute may help the Department obtain the grant.

Chairwoman Smith remarked that the account's performance indicators seemed to track variables beyond the Department's control. Chairwoman Smith asked Dr. Rheault to consider creating new performance indicators that were outcome-based.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2709.

DEPARTMENT OF EDUCATION
DISTRIBUTIVE SCHOOL ACCOUNT (101-2610)
BUDGET PAGE K-12 EDUCATION-1

Chairwoman Smith asked for an update regarding a recommendation to use excess school district debt service reserves totaling $425 million over the 2011-2013 biennium as local funding available for operating purposes in budget account 2610, the Distributive School Account.

Julia Teska, Budget Analyst, Budget Division, Department of Administration, reported that in February 2011, based upon school district responses, the Budget Division projected a debt service reserve shortfall of approximately $100 million. After modifying projection criteria, the Budget Division currently projected approximately $314 million in debt service reserves available for transfer. Ms. Teska warned, however, that projections included property tax revenue projections that were subject to change. Ms. Teska advised that property tax revenue projections would be revised in the next two weeks.

In response to Chairwoman Smith, Ms. Teska confirmed that the Budget Division currently projected an estimate $110 million debt service reserve shortfall.

In response to Chairwoman Smith, Ms. Teska indicated that an amendment to BA 101-2610 would not be submitted until the Economic Forum met on May 2, 2011, to reproject State General Fund revenues.

Chairwoman Smith asked whether The Executive Budget recommended transferring excess school district debt service reserves from Carson, Churchill, Douglas, Humboldt, Lyon, Nye, Pershing, Washoe, and White Pine Counties.

Ms. Teska responded in the affirmative.

In response to Chairwoman Smith, Martin Johnson, President, JNA Consulting Group, LLC, said he represented all of Nevada's school districts except for the Clark County School District (CCSD).

Chairwoman Smith asked Mr. Johnson for updated information regarding the potential economic consequences and property tax increases associated with transferring excess school district debt service reserves.

Mr. Johnson advised that the recommendations to transfer excess school district debt service reserves would reduce CCSD and Washoe County School District's (WCSD) fund balances to approximately 8 percent, or approximately 30 days, of reserves. While some counties may have remaining abatement to offset declines, an 8 percent reserve balance for Clark and Washoe Counties raised concerns because the State of Nevada was currently experiencing a period of declining assessed value. Some of Nevada's counties had recently experienced declines in assessed value substantially greater than 8 percent.

Mr. Johnson reported that the recommended transfer of excess debt service reserves would reduce Nevada's other counties to 25 percent worth of reserves, which, while better than 8 percent, was still a concern. For example, preliminary projections for fiscal year (FY) 2011-12 indicated a 30 percent decline of assessed value in Nye County. A second year of 30 percent declines would completely deplete Nye County's reserves. Additionally, because property tax collection rates ranged from 90 percent to 92 percent, uncollected property tax revenues could contribute to the need to restructure bonds or increase property tax rates.

Mr. Johnson continued:

> Increasing property taxes creates some very interesting challenges. A lot of counties are at or very near the $3.64 tax cap. Tax rates' levy to repay bonds do take a priority on the tax rate, so if a school district needs to increase their rate, that happens, and if the county is already at $3.64, someone else has to lower their tax rate. That creates an additional problem for that particular local government, and there are certain provisions in statute [*Nevada Revised Statutes*] where if a school district is found to have caused the tax rate to go over $3.64 as a result of a bond issue, that they may be required to compensate the local government that lowered their rate. You may find a school district in the position where they have to raise their rate to generate $50,000, $100,000, $1 million, or $2 million in order to make their bond payments and correspondingly have to pay that amount of money out of their general fund into some of the other local governments.

Chairwoman Smith reiterated Mr. Johnson's testimony for confirmation. Chairwoman Smith said the transfer of school district excess debt service reserves could trigger an increase in counties' property taxes to raise more revenue. If property tax increases pushed counties' tax rates to exceed the $3.64 tax cap, local governments within the counties would need to lower their tax rates to lower the counties' tax rates below the cap. School districts would then be required to compensate those local governments out of the school districts' general funds.

Regarding Chairwoman Smith's narrative, Mr. Johnson replied, "If the various facts that are laid out in the statute are met, that is certainly a potential outcome."

Chairwoman Smith urged Mr. Johnson to continue with his testimony.

Mr. Johnson reported:

> In increasing the tax rate, another issue that we will need to look at is how abatement comes into play. Even though we're not in the days of assessed value growing 8 percent and 10 percent anymore, depending on the county that we're talking about, depending on what the tax increase is that's required, you may find a situation where the tax rate needs to go up to generate more than 3 percent of incremental property tax revenue for a particular parcel. If we're limited to 3 percent, that may also cause some cash-flow shortfalls. Unfortunately, that's a very difficult one to analyze because, again, the tax rate is based on countywide numbers in terms of property tax revenues and the debt service that needs to be paid, but abatement is on a parcel-by-parcel basis. That would create some real difficulty in trying to analyze what the impacts of that might be, but again, that's an additional concern.
>
> One other concern that comes up in terms of lowering this reserve requirement—again, to whether it's 8 percent or 25 percent or whatever it is—is that if that exists only for the biennium—in other words, if, on July 1, 2013, that reserve requirement reverts back to the current number, which in statute is 100 percent of next year's debt service, and all of the school districts have their reserve account balance at 25 percent, they have to make up that 75 percent before they can begin to issue any additional bonds to improve and maintain their facilities. In some of the counties, that

> could easily take 10 or 15 years before the available property tax revenue, over and above what they're paying for debt service, will get them back to that level.

Chairwoman Smith asked whether reducing the CCSD and the WCSD's debt service reserve balances to 8 percent would affect the districts' bond ratings.

Mr. Johnson told the Subcommittee that an 8 percent reserve balance would very likely result in the downgrading of school districts' bond ratings. With the current economic downturn, Mr. Johnson said an 8 percent reserve balance would leave a slim margin of error, which would likely concern credit rating agencies. Mr. Johnson said he believed that credit rating agencies would soon approach Nevada to justify its current bond rating rather than justify a bond rating increase. Mr. Johnson advised that school districts need an additional margin of error with its debt reserve levels to avoid downgraded bond ratings.

Chairwoman Smith asked for clarification that a $314 million transfer of school districts' excess debt service reserves would involve reducing the CCSD and the WCSD's reserve balances to 8 percent and Carson, Churchill, Douglas, Humboldt, Lyon, Nye, Pershing, and White Pine Counties' school districts to 25 percent of their reserve balances.

Mr. Johnson confirmed Chairwoman Smith's remarks.

Assemblyman Grady asked whether school districts could request compensation from the State of Nevada for compensating local governments after lowering the local governments' tax rates.

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, replied in the negative, saying debt service reserves were not included with per pupil funding in budget account 2610.

Senator Horsford asked about the Budget Division's methodology for determining that The Executive Budget would reduce the CCSD and the WCSD's debt service reserves to an 8 percent reserve balance.

Ms. Teska answered that an 8 percent reserve balance for the CCSD and the WCSD translated into a 30-day reserve, which was comparable to recommendations for the state's debt service reserves for the 2011-2013 biennium. Ms. Teska added that The Executive Budget would seek to reduce the other school districts' debt service reserves to a three-month

reserve because, owing to their smaller size, there was a less margin for error and a greater probability of volatility.

Senator Horsford remarked that reducing the CCSD and the WCSD to a 30-day reserve balance was akin to "living paycheck to paycheck." Senator Horsford asked whether the Budget Division and the Office of the Governor considered property tax increase triggers when they revised their recommendations for the CCSD and the WCSD's debt service reserves.

Ms. Teska indicated that the Budget Division and the Governor's Office were comfortable with the figures they used for their revised recommendations. Ms. Teska reiterated that the Budget Division would soon be revising its projected property tax revenue figures.

Senator Horsford opined that the recommendation to reduce the CCSD and the WCSD's reserve balances to 8 percent seemed merely like an attempt to compensate for a shortfall in The Executive Budget. He added that the Governor's Office's opposition to Assembly Bill 183, a bill that sought to allow school districts to use bond reserve funds for capital improvement projects, was inconsistent with the Governor's Office's recommendation regarding the school districts' reserve balances.

Ms. Teska advised that by revising the Budget Division's recommendations to reduce the CCSD and the WCSD's reserve balances to 8 percent, it was generating approximately $75 million for classrooms that would otherwise be sitting idly in reserve accounts. She reiterated that the recommendation was consistent with the Budget Division's recommendations for the state's debt service reserves.

In response to Senator Horsford, Ms. Teska said she did not currently have the information that indicated whether the state's debt service reserve balance had ever dipped to 30 days of reserves.

In response to Senator Horsford, Ms. Teska said Andrew Clinger, Director, Department of Administration, was unable to attend the Subcommittee meeting because of a time conflict.

Craig Hulse, Director, Government Affairs, WCSD, noted that the WCSD had opposed the initial recommendations that would have swept $25 million of the WCSD's debt service reserves. The revised recommendations, however, would sweep more than $60 million from the WCSD. Mr. Hulse said the WCSD

opposed the recommendations because Washoe County voters approved portions of the debt service reserves to be spent on capital improvement projects. The WCSD currently had more than $650 million worth of needed capital improvement projects. Mr. Hulse added that the recommendations would remove the WCSD's bonding capacity until at least 2016.

Mr. Hulse said the WCSD currently used Governmental Services Tax revenue for its emergency fund, but The Executive Budget recommended removing that revenue from the WCSD's use for the 2011-2013 biennium. Mr. Hulse indicated that the industry standard for maintenance and capital improvement project expenditures was 1 percent to 3 percent of current infrastructure value per year. By this standard, the WCSD would require $15 million to $45 million annually. The Executive Budget and recently revised recommendations would entirely eliminate the WCSD's maintenance and capital improvement project funds.

Senator Horsford asked whether the Governor's Office submitted a payback plan regarding the sweeping of excess school district debt service reserves.

Ms. Waller responded in the negative.

Senator Horsford said, "I'd like to put on the record again that that needs to be requested. If there was a commitment that was made both by the Governor in his State of the State Address as well as his staff since then, we should know now what the terms of payback would be if we were to move forward on this plan, not later."

Senator Kieckhefer asked whether the WCSD had a capital improvement account separate from its debt service reserve account.

Mr. Hulse confirmed that the WCSD had two separate accounts, but the accounts received funding from the same source.

Senator Kieckhefer asked Mr. Hulse whether he knew how much money the WCSD currently held in capital improvement funds, how much it planned to spend in capital improvement projects for FY 2010-11, and how much money would be available for the WCSD's capital improvement budget apart from the debt service reserves.

Mr. Hulse advised that he did not believe the WCSD currently had capital improvement funds.

Chairwoman Smith noted that previous testimony regarding the WCSD's lack of capital improvement funds led to the recommendations in The Executive Budget to lower the WCSD's debt service reserves to allow the district access to the reserves.

Mr. Hulse concurred with Chairwoman Smith.

Mr. Johnson confirmed that the WCSD had a capital improvement fund separate from the debt services fund. The capital improvement fund was supported by Governmental Services Tax revenue and bond proceeds. Mr. Johnson added that the current allocation plan allowed the WCSD to use available revenues for its capital improvement fund.

Additionally, Mr. Johnson clarified that the WCSD's debt reserve account was held within the WCSD's debt services fund.

Jeff Weiler, Chief Financial Officer, CCSD, said the WCSD's financial situation was similar to CCSD's. Mr. Weiler expressed concern that the CCSD used its debt service reserves for portable classrooms, an expenditure that would be required if classroom sizes were increased. The recommendations in The Executive Budget would curtail the CCSD's ability to make those expenditures. Mr. Johnson said the CCSD currently had more than $300 million available in its bond fund, but the funds were completely dedicated to current capital improvement projects.

Regarding the recommended reduction of the CCSD's debt service reserve balance to 8 percent, Mr. Weiler remarked that the Budget Division was very optimistic in its forecasts for property tax and room tax revenues. Mr. Weiler said the CCSD anticipated revenues to decrease by at least 10.5 percent. Along with defying Clark County voters, a sweeping of the CCSD's debt service reserves would put the CCSD at a risk of needing to raise property taxes by $.20 per $100 of assessed value over the next several years.

Having no further questions from the Subcommittee, Chairwoman Smith closed the discussion on budget account 2610.

Senator Cegavske requested that the Department of Education provide the Subcommittee with a comparison of currently required passing scores on the math portion of the High School Proficiency Exam versus passing scores from 2006.

Chairwoman Smith called for public comment.

Adrienne Grimes, a student at White Pine High School, testified in opposition to the recommended education budgets. She submitted written testimony (Exhibit H) for the record.

Taylor Coleman, a student at White Pine High School, testified in opposition to the recommended education budgets.

Chairwoman Smith voiced her appreciation for Ms. Grimes' and Ms. Coleman's testimonies.

Sam Hanson, a teacher at White Pine High School, testified in opposition to the recommended education budgets. Mr. Hanson said while sales taxes were currently imposed on finished goods in Nevada, he urged the Subcommittee to consider expanding sales taxes to all of Nevada's economic activity.

Andrea Hughs-Baird, a representative of Parent Leaders for Education, testified in opposition to the recommended education budgets. She submitted written testimony (Exhibit I) for the record.

Carolyn Edwards, President of the Clark County School District Board of Trustees and president-elect of the Nevada Association of School Boards, testified in opposition to the recommended education budgets. Ms. Edwards said the federal government sought to change the funding formulas associated with Title I schools and the Elementary and Secondary Education Act. She warned that if The Executive Budget provided minimal funding support to schools, the federal government would consequently reduce its contributions to Nevada.

Paul Nakayu, a parent and a representative of Parent Leaders for Education, testified in opposition to the recommended education budgets. Mr. Nakayu submitted written testimony (Exhibit J) for the record.

Alyssa Quigley, a student at Lamping Elementary School [Henderson, Nevada], testified in opposition to the recommended education budgets. She submitted written testimony (Exhibit K) for the record.

AJ Quigley, a student at Lamping Elementary School, testified in opposition to the recommended education budgets. He submitted written testimony (Exhibit L) for the record.

Tina Quigley, a parent, testified in opposition to the recommended education budgets.

Jim Pfrommer, President, Education Alliance of Washoe County, testified in opposition to the recommended education budgets. He submitted written comments (Exhibit M) for the record. Mr. Pfrommer introduced Fred Altmann, a former president of the Education Alliance of Washoe County, to the Subcommittee.

Scott Nebesky, a parent and the President of the Jessie Beck Elementary School Parent Facility Association, submitted written testimony (Exhibit N) for the record.

Caryn Swobe, a parent and a representative of Parent Leaders for Education, submitted written testimony (Exhibit O) for the record.

Lexie Baer, a student at White Pine High School, submitted written testimony (Exhibit P) for the record.

Greta Jensen, a representative of Parent Leaders for Education, submitted written testimony (Exhibit Q) for the record.

Jane Addington, a representative of Parent Leaders for Education, submitted written testimony (Exhibit R) for the record.

Jill Tolles, a representative of Parent Leaders for Education, submitted written testimony (Exhibit S) for the record.

Paula Glogovac, a teacher at Sepulveda Elementary School [Sparks, Nevada], submitted written testimony (Exhibit T) for the record.

Cary Stien, a parent and a teacher at Sepulveda Elementary School, submitted written testimony (Exhibit U) for the record.

Julie Concialdi, a teacher, submitted written testimony (Exhibit V) for the record.

Tami Berg, Vice President of Legislative Services, Nevada Parent Teacher Association, submitted written testimony (Exhibit W) for the record.

Linda Johnson, private citizen, submitted written testimony (Exhibit X) for the record.

Alison Turner, President, Nevada Parent Teacher Association, submitted written testimony (Exhibit Y) on behalf of Lynda R. Keeton-Cardno, Cherlynn Thomas, Lorie York, Judy Watson, Cheryl Cardall, Kim Leverett, Amy Henderson, Theresa Clark, Erin Mara, Jeff Kirsch, Fred Peters, and Melissa Juliano for the record.

Having no further business to come before the Subcommittee, Chairwoman Smith adjourned the meeting at 11:18 a.m.

RESPECTFULLY SUBMITTED:

Jordan Butler
Committee Secretary

APPROVED BY:

Assemblywoman Debbie Smith, Chairwoman

DATE: _____

Senator Steven A. Horsford, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on K-12 Education/Higher Education

Date: March 24, 2011 Time of Meeting: 7:43 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Dwight Jones, Superintendent, Clark County School District	A slide-show presentation of the Clark County School District's tentative budget for fiscal year 2011-12.
	D	David Perlman, Administrator, Commission on Postsecondary Education	Written testimony in favor of the recommendations for budget account 2666, Commission on Postsecondary Education.
	E	Keith Rheault, Superintendent of Public Instruction, Department of Education	Part 1 of a slide-show presentation on the Department of Education's budget for the 2011-2013 biennium.
	F	Keith Rheault, Superintendent of Public Instruction, Department of Education	Part 2 of a slide-show presentation on the Department of Education's budget for the 2011-2013 biennium.
	G	Keith Rheault, Superintendent of Public Instruction, Department of Education	Part 3 of a slide-show presentation on the Department of Education's budget for the 2011-2013 biennium.
	H	Adrienne Grimes, a student at White Pine High School	Written testimony in opposition to the

			recommended education budgets.
	I	Andrea Hughs-Baird, a representative of Parent Leaders for Education	Written testimony in opposition to the recommended education budgets.
	J	Paul Nakayu, a parent and a representative of Parent Leaders for Education	Written testimony in opposition to the recommended education budgets.
	K	Alyssa Quigley, a student at Lamping Elementary School	Written testimony in opposition to the recommended education budgets.
	L	AJ Quigley, a student at Lamping Elementary School	Written testimony in opposition to the recommended education budgets.
	M	Jim Pfrommer, President, Education Alliance of Washoe County	Written comments associated with the recommended education budgets.
	N	Scott Nebesky, a parent and the president of the Jessie Beck Elementary School Parent Facility Association	Written testimony in opposition to the recommended education budgets.
	O	Caryn Swobe, a parent and a representative of Parent Leaders for Education	Written testimony in opposition to the recommended education budgets.
	P	Lexie Baer, a student at White Pine High School	Written testimony in opposition to the recommended education budgets.
	Q	Greta Jensen, a representative of Parent Leaders for Education	Written testimony in opposition to the recommended education budgets.
	R	Jane Addington, a representative of Parent Leaders for Education	Written testimony in opposition to the recommended

			education budgets.
	S	Jill Tolles, a representative of Parent Leaders for Education	Written testimony in opposition to the recommended education budgets.
	T	Paula Glogovac, a teacher at Sepulveda Elementary School	Written testimony in opposition to the recommended education budgets.
	U	Cary Stien, a parent and a teacher at Sepulveda Elementary School	Written testimony in opposition to the recommended education budgets.
	V	Julie Concialdi, teacher	Written testimony in opposition to the recommended education budgets.
	W	Tami Berg, Vice President of Legislative Services, Nevada Parent Teacher Association	Written testimony in opposition to the recommended education budgets.
	X	Linda Johnson, private citizen	Written testimony in opposition to the recommended education budgets.
	Y	Alison Turner, President, Nevada Parent Teacher Association	A collection of letters in opposition to the recommended education budgets.