

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-Seventh Session
May 30, 2013**

The Senate Committee on Finance was called to order by Chair Debbie Smith at 8:22 a.m. on Thursday, May 30, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Debbie Smith, Chair
Senator Joyce Woodhouse
Senator Moises (Mo) Denis
Senator David R. Parks
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator Michael Roberson

GUEST LEGISLATORS PRESENT:

Assemblywoman Olivia Diaz, Assembly District No. 11
Assemblyman Andy Eisen, Assembly District No. 21

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Mike Chapman , Principal Fiscal Analyst
Laura Freed, Senior Program Analyst
Jeffrey A. Ferguson, Senior Program Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Program Analyst
Annette Teixeira, Committee Secretary

OTHERS PRESENT:

Peter J. Mulvihill, Chief, State Fire Marshal Division, Department of Public Safety

Senate Committee on Finance
May 30, 2013
Page 2

Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles

Paul J. Enos, Nevada Trucking Association

Stephanie Day, Deputy Director, Budget Division, Department of Administration

Joyce Haldeman, Associate Superintendent, Community and Government Relations, Clark County School District

Lindsay Anderson, Director, Government Affairs, Washoe County School District

Craig Stevens, Nevada State Education Association

Mary Pierczynski, Ed.D., Nevada Association of School Superintendents

Peggy Lear Bowen

Rorie Fitzpatrick, Interim Superintendent of Public Instruction, Department of Education

Chair Smith:

I will open the hearing on Assembly Bill (A.B.) 424.

ASSEMBLY BILL 424 (1st Reprint): Authorizes the State Fire Marshal and the State Board of Fire Services to issue administrative citations. (BDR 42-1151)

Peter J. Mulvihill (Chief, State Fire Marshal Division, Department of Public Safety):

Assembly Bill 424 was initially submitted as part of the Department of Public Safety (DPS), State Fire Marshal Division budget package. I have provided a statement on A.B. 424 ([Exhibit C](#)). One amendment to the bill occurred during the budget closing. The revenue item has been taken out of our budget. Any fines that are received through A.B. 424 will not be retained by the Division and will go to the General Fund. This bill allows us to take administrative action against a contractor, licensed through the Division, that acts in an inappropriate manner. Currently, we usually only warn and reprimand the contractor. We have the ability to suspend or permanently revoke their license, basically putting the contractor out of business, but this is a harsh penalty. The concept behind A.B. 424 is to establish a citation and fine system similar to other regulatory agencies.

Senator Kieckhefer:

What is the size of the administrative fines?

Chief Mulvihill:

We have not predetermined what the fines will be. Regulations that would put this in place will be developed by the State Board of Fire Services with complete input from the industry. We are anticipating a sliding scale based on the severity of the violation and also repeat offenses by the same contractor. The fines would start in the range of a couple of hundred dollars. The Legislative Counsel Bureau (LCB) staff used \$50,000 as the maximum fine possible. The majority of the fines would average between \$200 and \$1,000.

Senator Kieckhefer:

Which industries will be affected?

Chief Mulvihill:

In our statute, we regulate certain fire protection contractors, designers and installers of fire alarm systems, sprinkler systems, contractors that clean duct systems, service fire extinguishers and blasters.

Senator Kieckhefer:

Do you envision all of these industries being included in this change?

Chief Mulvihill:

We are planning on sending a notice out to all the industries that are affected. Through the Division's licensing database, we have contact information for all of the affected companies and certificate registration holders, and will advise them of the change.

Senator Kieckhefer:

Without the power to issue a citation, how are violators currently held accountable?

Chief Mulvihill:

Currently we can either take a criminal action or an administrative action against the contractor. The administrative action is a warning and encourages the contractor not to violate again, or we can suspend or even revoke their license so that they are no longer in business for a period of time or permanently. The criminal actions are to be misdemeanor citations that we would file in each individual county. We have had success with this, but it varies by county as to whether the district attorney's office wants to handle those types of citations.

Chair Smith:

I will close the hearing on A.B. 424 and open the hearing on A.B. 464.

ASSEMBLY BILL 464 (1st Reprint): Revises provisions relating to the tax on special fuel. (BDR 32-1160)

Wayne Seidel (Administrator, Motor Carrier Division, Department of Motor Vehicles):

Assembly Bill 464 is a budget enhancement bill. It is a cost recovery bill. Currently there are about 7,000 International Fuel Tax Agreement (IFTA) carriers within Nevada. The estimated cost to buy, prepare and issue the decals for the carriers is about \$42,000 a year. A fee of \$6 for a set of decals would recover the cost. The savings would be applied to the Highway Fund.

Senator Kieckhefer:

What will the fee actually be?

Mr. Seidel:

The fee is established by regulation. Based on the calculations, it was about \$5.85 per set of decals. We rounded this figure to \$6 for the example.

Paul J. Enos (Nevada Trucking Association):

I am here today to testify in support of A.B. 464. Nevada Trucking Association members purchase the IFTA decals to show that they are compliant and paying their fuel tax as interstate carriers based in the State.

Chair Smith:

I will close the hearing on A.B. 464 and open the hearing on A.B. 480.

ASSEMBLY BILL 480 (1st Reprint): Revises provisions relating to the Tahoe Regional Planning Agency. (BDR 22-1168)

Stephanie Day (Deputy Director, Budget Division, Department of Administration):

Assembly Bill 480 is a request to add additional reporting requirements for the Tahoe Regional Planning Agency (TRPA). The Executive Budget in the past has been built with all of the standard categories. This biennium we rolled the budget into two categories, one for the State funding and one for the other funding that the TRPA receives. This puts additional reporting requirements on

the TRPA, but it does not change the way they present their budget to us. They still need to present their budget as a line item budget with all the backup detail both to our office and to the Fiscal Analysis Division. This bill asks for a copy of their independent audit. The deadline for presenting their budget to us is still September 1.

Chair Smith:

What precipitated the change in the budgeting process?

Ms. Day:

The budget for the TRPA is different than other State agencies. They are a bi-state agency, both Nevada and California. The Executive Budget process is very cumbersome to the TRPA. The TRPA provides data through a private virtual network. They have to put their budgets in the State of Nevada budget format in addition to the State of California budget format. Instead of putting it all in the separate categories that would normally occur, it puts all of the items into one category for the State of Nevada. The backup detail for their positions and their operating costs will still be supplied to the Budget Division and Fiscal Staff. This bill asks for additional reporting requirements. We will be receiving a copy of their independent audit and a written report detailing the nature and purpose of the expenditures made immediately preceding each calendar year from the money that is appropriated. It also requires a written report detailing the progress of the TRPA in achieving the performance measures and benchmarks included in the current budget.

Senator Kieckhefer:

In section 3 of A.B. 480, *Nevada Revised Statutes* (NRS) 353.246, we are adding the TRPA to a list of departments that are exempt. What is the exemption?

Ms. Day:

This would exempt them from the process of the Interim Finance Committee (IFC) work programs.

Senator Kieckhefer:

Do they currently come to the IFC to transfer money around?

Ms. Day:

They rarely submit work programs.

Senator Kieckhefer:

Does this interfere with the agreement between California and Nevada in S.B. No. 271 of the 76th Session?

Ms. Day:

It does not have an impact.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 480.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Brody Leiser (Program Analyst):

The money committees closed the 2013 Capital Improvement Program (CIP) on May 24. Bill Draft Request (BDR) S-1240 implements the 2013 CIP.

BILL DRAFT REQUEST S-1240: Authorizes and provides funding for certain projects of capital improvement. (Later introduced as [Assembly Bill 505](#).)

I have provided a brief summary of BDR S-1240 ([Exhibit D](#)). Section 1 appropriates \$3.5 million of General Fund appropriations to support a portion of funding in the 2013 CIP for the projects which are identified on page 2 of [Exhibit D](#).

Section 2 limits the authority for expenditure through June 30, 2017, and establishes a reversion of any remaining funds for the projects identified. Similar language is included throughout the BDR following each section that appropriates or authorizes funding.

Section 3 appropriates approximately \$7.4 million from the Highway Fund to support a portion of the funding in the 2013 CIP for four projects in the Department of Motor Vehicles (DMV). Section 5 restricts the transfer of funds

from the Highway Fund for projects identified in section 3 until contract payments are made.

Section 6 establishes the annual 20 percent payback to the Highway Fund over a 5-year period commencing on July 1, 2014, from License Plate Fee revenues for the cost of CIP Project No. 13-C03, the construction of a new License Plate Factory.

Project No. 13-C03 – New TAG Plant – Stewart Conservation Camp, Northern Nevada Correctional Center

Section 7 authorizes approximately \$55.5 million in general obligation bonds for projects which are identified under this section.

Section 9 specifies that the State Board of Finance will issue general obligation bonds for the 2013 CIP when it is deemed appropriate. Subsection 2 allows the State Controller to advance General Fund appropriations if bonds have not yet been sold to finance the projects approved in the 2013 CIP. If General Fund appropriations are advanced, the amounts must be immediately repaid to the General Fund upon the sale of the bonds.

Section 10 requires the transfer of approximately \$10.6 million from the Consolidated Bond Interest and Redemption Fund to support a portion of the funding in the 2013 CIP for projects which are identified under this section starting on page 11 of [Exhibit D](#).

Section 12 allocates \$407,009 from CIP Project No. 01-C25, to fund a portion of CIP Project No. 13-P05, planning, through construction documents, for the University of Nevada, Las Vegas (UNLV) Hotel College Academic Building.

Project No. 01-C25 – Academic and Student Services Building, Nevada State College

Project No. 13-P05 – Planning Through Construction Documents, UNLV Hotel College Academic Building

Section 14 on page 17 of [Exhibit D](#) transfers approximately \$1.1 million from the 2005 CIP projects identified in subsection 1 to the Bond Interest and Redemption budget account (B/A) 395-1082. Subsequently, the \$1.1 million is

transferred from B/A 395-1082 to support costs for the 2013 CIP projects as identified in subsection 2.

Treasurer - Bond Interest & Redemption — Budget Page ELECTED-185
(Volume I)
Budget Account 395-1082

Section 16 reallocates \$92,000 of General Fund appropriations from CIP Project No. 05-C16, the Greenspun College of Urban Affairs building at UNLV, to fund a portion of CIP Project 13-P05, planning, through construction documents, UNLV Hotel College Academic Building.

Project No. 05-C16 – Greenspun College of Urban Affairs Building at UNLV

Section 18 on page 19 of [Exhibit D](#) transfers approximately \$4.2 million from the 2007 CIP projects identified in subsection 1 to B/A 395-1082. Approximately \$4.2 million is transferred from B/A 395-1082 to support the costs for the 2013 CIP projects as identified in subsection 2.

Section 20 on page 21 of [Exhibit D](#) transfers approximately \$4.1 million from 2009 CIP projects identified in subsection 1 due to B/A 395-1082. Subsequently, the \$4.1 million is transferred from that account to support the costs for the 2013 CIP projects as identified in subsection 2.

Section 22 on page 26 of [Exhibit D](#) transfers approximately \$2.4 million from the 2011 CIP projects identified in subsection 1 to B/A 395-1082. The \$2.4 million is transferred from that account to support the cost for the 2013 CIP projects as identified in subsection 2.

Section 24 provides for authority of approximately \$8.4 million from funding sources other than the General Fund or the Highway Fund for projects identified in this section. This section also requires that the Department of Administration, State Public Works Division (SPWD) does not execute a contract for construction of projects approved in the 2013 CIP that include federally authorized receipts until the SPWD has determined that the federal funding authorized is available for expenditure.

Section 25 on page 30 of [Exhibit D](#) requires that the SPWD use only qualified personnel to execute the 2013 CIP.

Section 26 requires State and local government entities to cooperate with the SPWD in carrying out the provisions of the CIP.

Section 27 approves \$1 million for the Fund for the Preservation and Promotion of Cultural Resources.

Section 28 approves \$2.5 million in State general obligation bonds in fiscal year (FY) 2013-2014 for the purposes listed at the top of page 31 in [Exhibit D](#).

Section 29 on page 31 of [Exhibit D](#) approves \$1.5 million for the Lake Tahoe Environmental Improvement Program (EIP).

Section 30 approves *ad valorem* taxes for the Conservation Bond Program, known as the Question 1 Program, and the CIP. For the CIP, 15.55 cents for every \$100 of assessed valuation will be used to support the bonds that are sold for the CIP. For the Question 1 program, \$1.45 for every \$100 of assessed valuation will be used to support the bonds that are sold. These are the same rates that were allowed in the current biennium.

Section 31 on page 32 of [Exhibit D](#) requires that the State Treasurer will estimate sufficient funding and determine whether that amount exists in the Consolidated Bond Interest and Redemption Fund to pay for the principal and interest on past and current CIP issuances. If there is not enough money in the Consolidated Bond Interest and Redemption Fund, the Treasurer can request through the State Controller to reserve money in the General Fund to pay these debts.

Section 32 on page 34 authorizes the State Board of Finance to pay expenses related to the issuance of general obligation bonds.

Section 33 authorizes funding to pay for bonds in the Consolidated Bond Interest and Redemption Fund. This would amount to approximately \$157.8 million in FY 2013-2014 and \$152.8 million in FY 2014-2015.

Section 34 on page 34 of [Exhibit D](#) authorizes the SPWD and the Nevada System of Higher Education (NSHE) with the approval of the IFC to transfer money from one project within the same agency to another.

Section 35 approves a \$5 million allocation from the Special Capital Construction Fund for Higher Education to the NSHE deferred maintenance in CIP Project No. 13-M57.

Project No. 13-M57 – Nevada System of Higher Education Deferred Maintenance Projects (HECC/SHECC)

Sections 37 through 39 extend the reversion date for 14 prior-year CIP projects, including one project extension from the 2005 CIP in section 37, three project extensions from the 2007 CIP in section 38 and ten project extensions from the 2009 CIP in section 39.

Section 40 provides that the Appropriations Act will become effective upon passage and approval.

Senator Kieckhefer:

In section 35 on page 35 of [Exhibit D](#), what is CIP Project No. 13-M57?

Mr. Leiser:

CIP Project No. 13-M57 is the deferred maintenance project for NSHE. It would include funding for various institutions.

Chair Smith:

Did we fund the whole design in CIP Project No. 13-P05?

Mr. Leiser:

Yes. The design for the UNLV Hotel College Academic Building project is in the 2013 CIP. Funding for this project is included throughout various sections of this BDR. Section 16 is a reallocation of funds from a prior project.

Senator Kieckhefer:

Are we looking at approximately \$66 million in this BDR?

Mr. Leiser:

The total amount of the 2013 CIP is approximately \$102.7 million. To support the CIP projects' new general obligation bonds, the amount of \$55.5 million will be issued. There is \$5 million in new general obligation debt to support the Question 1 Program, EIP and the Preservation and Promotion of Cultural Resources program. Highway Fund support to the 2013 CIP totals about

\$7.4 million. The other major funding source is the prior bond reallocations from previous projects of approximately \$22.8 million.

Senator Kieckhefer:

Are the prior bond reallocations that have not been spent for projects that were originally targeted but have not been fully completed?

Mr. Leiser:

It is a combination. They are from projects that came in under the original cost estimate, and so there were remaining funds from those projects, and the bond funds are on hand. In 2009, a project was approved for the planning of the College of Hotel Administration at UNLV. That project is being replaced with a 2013 CIP project. There were funds on hand from the 2009 project that are being reallocated to the 2013 CIP.

Senator Kieckhefer:

Do you have a breakdown of the \$102.7 million by maintenance and new construction or planning?

Laura Freed (Senior Program Analyst):

Most of the \$102.7 million is for maintenance. We only have about eight construction projects in the CIP and just about that many in planning projects.

Mr. Leiser:

The total for the maintenance projects is \$61.3 million, the total for new construction projects is \$12.5 million, the total for the planning projects is approximately \$12.5 million and the total for the statewide projects is approximately \$16.3 million.

Senator Parks:

In sections 7 and 10 of [Exhibit D](#), there is a long list of different projects. Are any of those projects being performed or scheduled to be performed on non-State owned buildings?

Mr. Leiser:

The projects would be for all State-owned buildings.

Chair Smith:

This BDR will now be introduced in the Assembly Committee on Ways and Means. At 9:07 a.m., we are in recess until the call of the Chair.

The meeting is called back to order at 12:16 p.m.

Mark Krmpotic (Senate Fiscal Analyst):

Bill Draft Request S-1241 is what is commonly known as the Appropriations Act. This BDR contains the General Fund and Highway Fund appropriations made to various State agencies throughout State government and provides for the operations of State government for the next biennium.

BILL DRAFT REQUEST S-1241: Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as [Assembly Bill 507](#).)

Pages 2 through 16 of my description of BDR S-1241 ([Exhibit E](#)) reflect the appropriations made to agencies and the respective budget accounts within each agency for each fiscal year in the 2013-2015 biennium. The totals were previously approved by the money committees through the closing of the budgets that occurred throughout April and May.

Section 33 on page 17 of [Exhibit E](#) authorizes the agencies to use work program monies pursuant to the IFC or through Budget Division approval.

Section 34 lists the agencies that have the authority to transfer appropriations between fiscal years. This effects the same agencies that were currently approved in the Appropriations Act. We have included the Educator Effectiveness account. This is a new budget account which includes monies for training educators, both teachers and principals, in the Common Core State Standards.

NDE - Educator Effectiveness — Budget Page K-12 EDUCATION-33 (Volume I)
Budget Account 101-2612

Section 35 allows for the transfer of appropriations between fiscal years for specific amounts within the Department of Education (NDE) and the Department of Health and Human Services (DHHS). A total of \$3,516,808 will be transferred in both FY 2013-2014 and FY 2014-2015. If [A.B. 288](#) passes,

some of the current high school proficiency exam funding would be used for the college- and career-readiness assessment. This section allows for that flexibility.

ASSEMBLY BILL 288 (2nd Reprint): Revises provisions governing graduation from high school. (BDR 34-524)

Chair Smith:

This does not include the money that we will appropriate if we pass A.B. 288 that comes from the Statewide Longitudinal Data Systems (SLDS) Grant Program.

Mr. Krmpotic:

That is correct. It is anticipated that if A.B. 288 passes, the appropriation will be added to that bill and the language associated with it, providing direction on how it is to be used.

Section 36 allows sums appropriated within the Nevada Medicaid account, B/A 101-3243, and the Health Care Financing and Policy Administration account, B/A 101-3158, to be transferred between each budget account for the purpose of implementing a care management program. This is carryover language from the existing Appropriations Act.

HHS-HCF&P - Nevada Medicaid Title XIX – Budget Page DHHS DHCFP-45
(Volume II)

Budget Account 101-3243

HHS-HCF&P - Administration — Budget Page DHHS-DHCFP-15 (Volume II)
Budget Account 101-3158

Section 37 allows for a transfer of appropriations specifically earmarked for deferred maintenance projects to be transferred between fiscal years. This is also carryover language from the current Appropriations Act.

Section 38 is new language that allows for money remaining in the Catalyst Fund (B/A 101-1529) and the Knowledge Fund (B/A 101-1533) at the end of FY 2012-2013, and any remaining portion of any appropriations made to the Catalyst Fund or the Knowledge Fund for the 2011-2013 biennium, not to revert to the General Fund. The balance in those Funds and any portion of appropriations remaining at the end of FY 2012-2013 must be carried forward

to FY 2013-2014. Any balance in those Funds and any portion of appropriations made to those Funds remaining at the end of FY 2013-2014 and FY 2014-2015 must be carried forward.

GOED - Nevada Catalyst Fund — Budget Page ECONOMIC DEVELOPMENT-29
(Volume II)

Budget Account 101-1529

GOED - Nevada Knowledge Fund — Budget Page ECONOMIC
DEVELOPMENT-33 (Volume II)

Budget Account 101-1533

The Governor's Office of Economic Development (GOED) has committed to projects within the Catalyst Fund where the funding has not been obligated yet. This will allow GOED to continue to obligate and disperse the funds in the next biennium. The Knowledge Fund currently does not have a FY 2012-2013 appropriation, but it is included in the same language because the intent is the same.

Section 39 includes one-shot funding in the amount of \$4 million for the Unmanned Aerial Vehicle (UAV) program. The money committees closed the GOED budget by allocating a \$1 million appropriation for the preapproval process for the UAV program. This would allow for \$4 million to be allocated by the IFC, if a program is ultimately approved and awarded to Nevada. It will restrict the funds for that purpose over the next biennium. The money is available to be spent through June 30, 2015.

Section 40 provides for the additional expenses remaining for the cost of the 77th Legislative Session. This is in addition to the \$15 million that was approved in S.B. 1 at the beginning of the Legislative Session.

SENATE BILL 1: Makes an appropriation to the Legislative Fund for the costs of the 77th Legislative Session. (BDR S-882)

Section 41 allows for sums appropriated in the Legislative Fund to be carried forward. This is existing language from the Appropriations Act.

Section 42 appropriates \$800,000 for allocation of costs associated with connecting to the State telephone system. If the Department of Administration's

Division of Enterprise Information Technology Services (EITS) ends up needing some of this money, language is included in subsection 2 for a payback to the General Fund with the terms specified by the IFC. This is because the EITS account is an enterprise account and is not funded with General Fund appropriations.

Section 43 identifies limits to appropriations for the DHHS. This is carryover language.

Section 44 is new language that allows for additional funding to be requested for adoption assistance programs. Currently, the money that is going to Washoe and Clark Counties through block grants is limited. A certain portion of funding is available for adoption subsidy programs. This language will allow the DHHS to request a Contingency Account allocation for those programs, if they run out of funding during the biennium.

Section 45 allows for appropriation transfers between the accounts within the DHHS Division of Welfare and Supportive Services (DWSS), B/A 101-3243, B/A 101-3158 and the Nevada Check Up program, B/A 101-3178. This is carryover language.

HHS-HCF&P - Nevada Check-Up Program — Budget Page DHHS-DHCFP-38
(Volume II)
Budget Account 101-3178

Section 46 extends the appropriation for the eligibility engine grants that were approved by the 2011 Legislature within the DWSS. This has not been mentioned before the money committees in the past. Fiscal Staff received information from the DWSS that indicated that they needed additional time to spend this money through FY 2013-2014 to get the project completed.

Section 47 allows funds to be transferred between B/A 101-3243 and B/A 101-3178 for the upcoming biennium.

Section 48 is new language. Significant amounts of General Fund appropriations have been removed from the three primary mental health budgets in anticipation of the Affordable Care Act moving forward. A number of patients within the facilities affected are receiving full Medicaid reimbursement. This will allow for appropriations to be transferred between Medicaid and the Southern Nevada

Adult Mental Health Services (SNAMHS), B/A 101-3161, Northern Nevada Adult Mental Health Services, B/A 101-3162, and Rural Clinics, B/A 101-3648, where some of the savings are not realized. This language was requested by Director of the DHHS to allow for any unforeseen changes in caseloads in the upcoming biennium.

HHS-DPBH - So NV Adult Mental Health Services — Budget Page
DHHS-BEHAVIORAL HLTH-11 (Volume II)
Budget Account 101-3161

HHS-DPBH - No NV Adult Mental Health Svcs — Budget Page
DHHS-BEHAVIORAL HLTH-27 (Volume II)
Budget Account 101-3162

HHS-DPBH - Rural Clinics — Budget Page DHHS-BEHAVIORAL HLTH-75
(Volume II)
Budget Account 101-3648

Section 49 is carryover language that allows the continuation of the pilot project within the DHHS Division of Child and Family Services (DCFS). This will allow for the transfer of monies from Nevada Medicaid to the DCFS to continue the therapeutic foster care for youths with serious emotional disturbance through nonprofit providers.

Section 50 allows for the transfer of appropriations between the DCFS and the Summit View Juvenile Correctional Facility, B/A 101-3148, Caliente Youth Center, B/A 101-3179, and the Elko Nevada Youth Training Center, B/A 101-3259. Youth will be transferred between the three facilities, which will require the transfer of appropriations.

HHS-DCFS - Juvenile Correctional Facility — Budget Page DHHS-DCFS-56
(Volume II)
Budget Account 101-3148

HHS-DCFS - Caliente Youth Center — Budget Page DHHS-DCFS-65 (Volume II)
Budget Account 101-3179

HHS-DCFS - Nevada Youth Training Center — Budget Page DHHS-DCFS-94
(Volume II)
Budget Account 101-3259

Section 51 is carryover language that allows for General Fund appropriations generated through the upper payment limit private hospital program to be used for administrative purposes and then transferred to the General Fund. In the current Appropriations Act, specific amounts were identified for transfer; \$2.5 million for FY 2011-2012 and \$7.5 million for FY 2012-2013. Those amounts were never realized. In discussion with the DHHS, there is enabling legislation that will allow this to move forward in a more material manner in the next biennium.

Section 52 includes a \$3 million appropriation to the IFC for allocations to the SNAMHS. This was an appropriation requested by the DHHS for future allocation depending on the assessments that will be completed for the facility to address caseloads and the needs of the patients at this facility.

Section 53 is carryover language that allows the Nevada Department of Corrections to transfer appropriations between each budget account. Fiscal Staff has included a minor exception in subsection 2 for deferred maintenance projects.

Section 54 is carryover language that allows for transfers between budget accounts for salary and payroll costs. This can be used by the agencies each fiscal year.

Section 55 allows for the transfer of appropriations within NSHE among its various budget accounts subject to the IFC approval.

Section 56 allows for the transfer of appropriations within the Western Interstate Commission for Higher Education (WICHE) for all budget accounts, subject to the IFC approval.

Section 57 is carryover language that would require the Board of Regents of the University of Nevada, Reno to set aside money for requests by Governor Brian Sandoval if there is a General Fund shortfall.

Section 58 allows for the carryover of any General Fund appropriations that are matched by research grants within NSHE.

Section 59 implements the concept of a performance funding pool within NSHE. In section 17, page 6 of [Exhibit E](#), the appropriation of the performance funding pool in FY 2014-2015 of \$18.9 million reflects the 5 percent carve out which is available for reallocation through the performance funding methodology approved by the money committees. This would allow for the institution to receive a distribution in the following fiscal year, if they meet their performance criteria. Subsequently, if the criteria was not met in the second year of the performance measurement, it would allow for the money to be placed into the State-Funded Perkins Loan account, B/A 101-2993, for needs-based student financial aid upon approval of the IFC.

NSHE - State-Funded Perkins Loan — Budget Page NSHE-26 (Volume I)
Budget Account 101-2993

Section 60 is the appropriation to the Public Employees' Retirement System for the administration of the Legislators' retirement system for each year of the 2013-2015 biennium.

Section 61 details the exceptions to the revisionary language for various sections in the Appropriations Act. This is not new language. The sections are the same as what has been approved in the past.

Section 62 is existing language. The State Controller is required to record any transactions for the previous fiscal year, up through the third Friday in September.

Section 69 on page 34 of [Exhibit E](#) is new information that the money committees have not heard. This is an appropriation to the DMV which would allow for the payment of monies for contract programmers to implement legislation approved by the 77th Legislative Session. This is based on probable legislation that will pass this Session. The appropriations are from the Highway Fund for IT programming at the DMV.

Section 70 reflects the transfer of \$84.7 million from the Account to Stabilize the Operation of State Government, known as the Rainy Day Account, to the General Fund effective July 1, 2014, for unrestricted use. This was

recommended by the Governor and is necessary to fund State government over the 2013-2015 biennium.

Section 71 would suspend the 1 percent transfer from the General Fund to the Rainy Day Account over the 2013-2015 biennium. The majority of the appropriations recommended for transfer go back to the General Fund for the operation of State government.

Section 74 reflects the implementation dates for the various sections in the Appropriations Act.

Senator Kieckhefer:

What is the total amount of General Fund appropriation contained in the Appropriations Act?

Mike Chapman (Principal Fiscal Analyst):

The appropriations included in the Appropriations Act total about \$1.98 billion in FY 2013-2014 and approximately \$2.03 billion in FY 2014-2015. The rest of the money would be appropriated through the Education Bill. That totals about \$1.2 billion a year. The total ongoing appropriations are approximately \$3.3 billion a year.

Senator Kieckhefer:

On page 26 of [Exhibit E](#), is the \$3 million appropriation in section 52 for the Muri Stein Hospital?

Mr. Krmpotic:

Yes. It is for staffing and facility improvements of the Muri Stein Hospital.

Senator Goicoechea:

I will not support this BDR if some level of funding is not restored to the community colleges.

Chair Smith:

I will now recess this meeting at 12:44 p.m.

I will now call this meeting back to order at 7:29 p.m.

Alex Haartz (Principal Deputy Fiscal Analyst):

Bill Draft Request S-1242 authorizes expenditures by State government agencies for the upcoming biennium ([Exhibit F](#)).

BILL DRAFT REQUEST S-1242: Authorizes expenditures by agencies of the State Government. (Later introduced as [Senate Bill 521](#).)

Section 1 on page 1 of [Exhibit F](#) provides for the expenditure of the sums not appropriated from the General Fund or the Highway Fund for the various offices, departments, boards, agencies, commissions and institutions of State government.

Pages 2 through 22 provides a list of the non-General Fund revenues that have been authorized and approved by the money committees for the 2013-2015 biennium.

Section 2 on page 22 authorizes the expenditures of Tobacco Master Settlement Agreement (MSA) proceeds by State agencies.

Section 3 on page 23 of [Exhibit F](#) authorizes and provides for the expenditure of General Fund appropriations to the State Gaming Control Board (GCB). These funds are not included in the Appropriations Act. The non-General Fund revenues for the GCB are included in section 1.

Section 4 on page 24 authorizes General Fund appropriations for the Nevada Gaming Commission. Section 5 authorizes how money, other than from the Legislative Fund and by judicial agencies, is expended.

Section 6 on page 25 provides, under NRS 353.220, the work program and revision mechanism for State agencies entitling them to adjust authorized revenues and expenditures. In subsection 2, the process is explained. The Director of the LCB authorizes augmentation of the amount approved for the Legislative Fund for expenditure by the LCB.

Section 7 on page 26 is continuation language. The purpose of this language is to ensure that General Fund appropriations are not expended in amounts that are greater than they otherwise would be, when State agencies request to augment their non-General Fund revenues that have otherwise been approved for similar purposes.

Section 8 is continuation language. In it is a list of institutions for which NSHE is authorized to expend student registration fees, nonresident tuition and miscellaneous student fees. Subsection 2 of section 8 provides NSHE authority to expend additional student registration fees contained in their budget without coming to the IFC if the purpose is for incremental instruction. Provided greater student enrollments are driving their increased revenues, they can then contract with additional faculty and part-time instructors on an as-needed basis without coming to the IFC. They would still need approval through the work program process at the Executive Budget level. Subsection 3 of section 8 explains how revenues are calculated at the close of the fiscal year.

Section 9 on page 28 of [Exhibit F](#) provides the mechanism through which the Department of Wildlife (DOW) is able to obtain an advance from the General Fund for cash flow purposes. This depends on their accounts receivable with the federal government.

Section 10 on page 28 of [Exhibit F](#) outlines the authorizations approved for the DHHS Office of the State Public Defender.

Section 11 on page 29 is carryover language from the prior biennia. The State Treasurer shall allocate the amount of tax on motor vehicle fuel and how it is distributed to the DOW and the Division of State Parks of the State Department of Conservation and Natural Resources (DCNR).

Section 12 is carryover language that deals with the DCNR Division of Forestry's special reserves for extraordinary costs of operation, repair and maintenance of firefighting vehicles.

Section 13 is also carryover language authorizing expenditure by the DPS State Fire Marshal from the Contingency Account for Hazardous Materials.

Section 14 is carryover language authorizing the Division of Forestry to carry forward to the following fiscal years support for the central reporting unit that remains unexpended on June 30 of either fiscal year.

Section 15 is new language that provides up to \$250,000 in FY 2013-2014 and \$250,000 in FY 2014-2015 in authorized expenditure for forest fire suppression which may be carried forward to the next fiscal year for the repair of firefighting and emergency response vehicles.

Section 16 is carryover language from the prior biennium. It provides the ability for the DHHS, Public Health Office of Vital Records to obtain a General Fund advance for cash flow purposes.

Section 17 is new language. It provides for a temporary advance to the Department of Taxation in the event that Initiative Petition 1 (IP 1) is approved by the voters at the general election held in November 2014. It provides the mechanism by which the advance would occur.

Section 18 is also carryover language from the prior biennia which allows the WICHE program to be able to carry forward received, but unexpended, loan stipend and interest repayment revenues received after May 15 of each fiscal year for specific expenditure purposes.

Section 19 is carryover language for the Governor's Office of Energy in the event that collections of revenues from the property tax abatement program are delayed. The Office is authorized to obtain an advance from the General Fund under that circumstance.

Section 20 provides carry-forward authority for the next fiscal year for the Office of the Military.

Section 21 provides authority for the DCFS, and Clark and Washoe Counties, with IFC approval, to accept additional revenues for purposes of augmenting child welfare services.

Section 22 addresses the money committees' closing of the DMV budget regarding the License Plate Factory. This section requires that the \$500,000 Highway Fund appropriation made in FY 2013-2014 for cash flow purposes for the establishment of the new License Plate Factory, is to be paid back at the end of FY 2013-2014.

Section 23 authorizes the Fleet Services Division of the Department of Administration to use revenues from intergovernmental transfers to repay the \$2.5 million loan for the purchase of the Las Vegas motor pool facility building.

Section 24 provides authority for the IFC to allocate the MSA monies of not more than \$1 million to the DHHS Division of Public and Behavioral Health for any necessary facility improvements at the SNAMHS inpatient facilities.

Subsection 2 of section 24 provides that any amount allocated, when it is available in both fiscal years, may be transferred between fiscal years.

Section 25 is new language as a result of the money committees' approval of General Fund appropriations no longer being offset by non-General Fund revenues. Money authorized for expenditure by NSHE that remains unexpended by June 30 of either fiscal year may be carried forward to the next fiscal year for authorized purposes.

Section 26 provides the effective dates for each of the sections in this Act.

Senator Kieckhefer:

Is section 2 on page 22 of [Exhibit F](#) new language?

Mr. Haartz:

The language is different but the intent is the same. Section 2, subsection 1, paragraph (b) is new language which provides funding for the enforcement authority of the Department of Taxation.

Senator Kieckhefer:

Why are General Fund appropriations included in the Authorizations Act for the GCB and the Gaming Commission?

Mr. Krmpotic:

It is based on statutory language found in NRS 463.330. The Authorizations Act contains two exceptions. The GCB has authorized General Fund money and the Department of Transportation has authorized Highway Fund money which in any other State agency would be appropriations. This gives the GCB flexibility if they needed additional funding out of the General Fund, but in my history, I have never seen them approach the IFC for that purpose.

Senator Kieckhefer:

Within NSHE, on page 26 of [Exhibit F](#), every school listed projects, either an increase or a decrease in their student fees and tuition from one year to the next, except for UNLV which appears to not expect to have a single student more or less. Why?

Mr. Haartz:

For this biennia, some institutions, UNLV in particular, budgeted flat.

Senator Kieckhefer:

If tuition and fees collected by an institution are greater than authorized, can they use them for other purposes?

Mr. Haartz:

They can be used for any purpose. Language has been added to allow the institutions to hire part-time faculty as a result of registering additional students beyond the budgeted enrollments. They still submit a work program but it is only processed at the Budget Office level. It still goes through the Board of Regents and then to the Budget Office. If they are looking to buy equipment or other operating costs they are still required to submit a work program and request authority from the IFC to make those expenditures.

Senator Kieckhefer:

On page 31 of [Exhibit F](#), how was the calculation done in the fiscal note for the IP 1 authorization?

Jeffrey A. Ferguson (Senior Program Analyst):

This was calculated by the Fiscal Division budget analysts, the Department of Taxation and the Budget Division.

Chair Smith:

We will open the hearing on S.B. 504.

SENATE BILL 504 (1st Reprint): Enacts provisions providing English Language Learning for Our Students. (BDR 34-1099)

Senator Moises (Mo) Denis (Senatorial District No. 2):

Senate Bill 504 enacts provisions for English-language learners (ELL). We have over 70,000 students in the ELL programs in Nevada. If we could improve our teaching and learning in those areas, it would help greatly. I will now review the proposed conceptual amendment to S.B. 504 ([Exhibit G](#)). We put together a working group of several Legislators, and had input from the school districts. The working group wanted to provide immediate impact for the ELL. We were not looking for new programs to experiment with, but concepts that were already proven to improve education in the schools with high numbers of ELL students. The working group consisted of three teachers, a doctor and myself. Senate Bill 504 is a scalable plan, depending on how much funding we have. We can scale it to the number of schools that will fit within the budget.

[Exhibit G](#) deletes section 1 through 16 of the bill and appropriates money to the Clark County School District (CCSD), the Washoe County School District (WCSD) and the NDE for use by the rural schools. A specific, prescribed program for the CCSD and the WCSD consists of a comprehensive wraparound package. We are recommending a type of grant program for the rural school districts populations of ELL. The wraparound package will not work with the rural school districts as it is built for much larger school districts.

Both the CCSD and the WCSD will identify which schools within their school district have the highest percentage of pupils who are limited-English proficient and the lowest performing academically. This will determine how the funds will be allocated. There is an opt-out provision in the bill for principals of schools that are selected, but do not want to participate. Those schools will not be provided funding from the appropriation. The schools selected will have to opt in to this program.

Senator Kieckhefer:

Do you envision a scenario in which the principal would decline participation in the program?

Senator Denis:

I do not envision that happening in these particular schools that we have identified. If the school is provided the funding, most of the schools would want to participate.

Senator Kieckhefer:

Is this a decision that we want to leave to one person, such as the principal? If we have a principal that is not in agreement with the rest of the school, the program could become problematic.

Senator Denis:

For this program to work, leadership must be on board. If the principal does not want to use the program correctly, we do not want to put the funding there.

Chair Smith:

It is hard for me to envision the school districts being supportive of a principal that is not committed to the ELL programs.

Assemblyman Andy Eisen (Assembly District No. 21):

We should not have principals in place who would not want to participate. The idea behind having this opt-out provision is if we have a school that is in the middle of a turnaround and they are not currently positioned to take on this comprehensive new project, we would not want to apply the program at that point. There might be schools that do not have the resources at this time to take on this project due to the size and complexity. If it is just the principal not wanting to participate, I am sure that we would be replacing that principal.

Senator Denis:

Unless a principal at one of the identified schools elects to opt out, those schools identified by the school district will be provided funding from the appropriation for the four areas of the program.

The first component is for prekindergarten (pre-K). The pre-K program would be expanded and, if they did not have any pre-K classes, we would establish a pre-K program at the school.

The second component is for full-day kindergarten (FDK). All of the schools currently have FDK but this is for class-size reduction (CSR) in the FDK classes. That would be addressed by adding additional classes.

The third component is for the Reading Skills Development Centers. The Reading Centers have been in a pilot phase in the CCSD for six schools. It is a collaboration between UNLV and the school district. They work together with the teacher at the school, training the teachers in reading skills. The teachers are eventually able to train themselves, but the resources come from UNLV. It has been successful in the six schools that are currently in the pilot. We will be expanding this.

The fourth component is the summer academy or an intersession academy. It would be an intersession academy for those schools that operate on a year-round schedule. The academies would be offered free of charge. This program would be offered for all the students in the school. This is a 3-week program.

It is important that all four components work together. In pre-K, for example, they perform a pretest and posttest. Some pre-K students are actually testing at a first grade level after the school year.

The Reading Centers are modeled after programs in Utah and Florida. We have taken what the other states have done and improved upon it.

The allocation of money to a school is contingent upon a school offering each component identified above. The school must offer a comprehensive package of services for pupils who are limited-English proficient. If a school has met its needs for limited-English proficient children in a particular component, the school will not be allocated money for that component. However, the school must offer all four components. A school should not use the money for any other purpose other than to fund the program in the four components. The money must be used to supplement, not supplant, money that is currently used. For example, a school cannot use the money to fund an existing FDK program, but may use the money to offer one or more additional FDK programs.

The CCSD and the WCSD shall provide a report no later than October 1, to the Director of the LCB for transmittal to the IFC. This report will include the schools identified by the school district for an allocation of money and a description of how the money will be used at the school for one or more of the four components.

The rural component part of this proposal is administered by the NDE. This authorizes the school districts other than Clark and Washoe, and the State public charter school authority, to apply to the NDE to provide program and services for pupils who are limited-English proficient. The NDE would set up a grant program based on the population of the ELL students.

The CCSD, WCSD and NDE will be required to submit a report on or before June 15, 2014, to the Legislative Committee on Education and on or before February 1, 2015, to the 78th Session of the Legislature which includes the items listed on page 2, section III, of [Exhibit G](#).

Assemblywoman Olivia Diaz (Assembly District No. 11):

I am an educator and I have been working in these at-risk, high ELL schools all of my career in the CCSD. This is something that will make a difference. I have been working in a school that has only been able to provide one pre-K class for over 100 children. The pre-K students are able to learn academics and the Common Core State Standards right away, preparing them for the next level. This comprehensive package has immediate effects on the children. The size of

the FDK classes is important. The Common Core State Standards are being translated to parents of the ELL students.

I was fortunate to tour a Reading Center before coming to the Legislature this year. It is a pilot program that is working extremely well. It was developed in a partnership between the CCSD and UNLV where a master reading teacher oversees tutoring for children that are struggling in literacy. We specifically assess the children and then we evaluate the assessments. Children that need remediation and literacy are provided intensive tutoring required at their level. Often teachers have five or six levels of students in their classrooms, and sometimes those students do not get the remediation at the level they need. The teachers are trained to do the tutoring in their classrooms with their students. Many tutors that work in the Reading Centers are actually college students on the path to becoming teachers.

The last component is summer school. When children leave school for the summer and return home, they rarely practice their English skills. They do not hear the language and are not around that level of academics. Summer lag has a detrimental effect on the ELL. If we want to start increasing academic achievement in our State, we need to start this type of program. This plan allows the State to do this in an intensive meaningful manner.

Assemblyman Eisen:

I will be addressing why this program is the best for the ELL students. It is the combination of the components in the program that is important. There is not one single answer to the challenge of the ELL student. This is a multi-faceted approach. That is why the wraparound services and the implementation of all of these programs within a school are important factors in how we implement this and move forward. We cannot address all of the problems at once. There are positive effects from these programs when they are used individually. We will benefit from the synergy of these programs. We will identify those schools most in need of this comprehensive program and implement the program at as many schools as we can with the funding available. The scalability will allow us to add schools as funding becomes available in the future. Implementing a full-scale program at each school is the key to getting results.

Senator Denis:

If we put triggers in our budget for future funding that may come in, we could actually add schools with the scalability that is in place for this program. In the second year of the program, we have triggered funding that can be used here.

Senator Kieckhefer:

If a school has FDK, and cannot use the funding for this component of the program, could it use the funding for the other three?

Senator Denis:

The school must offer all four components of the program. If they are already providing one of the components, they will not need to allocate money to that component.

Senator Kieckhefer:

How will the schools be chosen and how will the money be allocated? Will the funding be divided proportionately between all the districts based on the percentages of the ELL students identified?

Senator Denis:

The original intent was that it was to be allocated first by the ELL population. The CCSD will have the highest number of students. I provided a sample of schools in the CCSD ([Exhibit H](#)) showing the allocation based on the ELL population and the achievement level. The school districts will determine these levels.

Senator Kieckhefer:

The overall allocation per child will vary based on the programmatic needs of each individual school.

Assemblyman Eisen:

There is not necessarily an exact connection between the percentage of the ELL students in the district and the funding. Approximately 78 percent of the ELL students are in the CCSD, 15 percent in the WCSD and the remainder in the rural areas. We want to make sure that we set the program up so we can enable a reasonable number of schools in the CCSD and the WCSD to engage in these comprehensive programs and ensure that we have money available for the rural districts and the grant funding that they would apply for their programs.

The dollar amounts allocated to each school district will be designated in the bill.

Senator Woodhouse:

The funding formula will be used to determine which of the schools already have FDK, for example. Their class sizes would be reduced by adding more classes and they would still participate in this program.

Senator Kieckhefer:

There appear to be many variables depending on the school's needs. Will there be a regulatory structure in place for the schools, or is it going to be up to the school districts to decide how the funding is allocated?

Assemblyman Eisen:

The decision on the part of the districts is to essentially create this ranked list of the schools in terms of need. All schools that show the need will get the funding, but if the school is performing well in one area and does not need additional funding for that area, they will not have funding allocated to that component. The likelihood of a school not needing some sort of funding in each component is low if they are on the needs list. The limiting factor is going to be the funding we have available. The program is divided into the CCSD, the WCSD and the rural districts so that each of the districts would have some sort of funding provided by this program.

Senator Kieckhefer:

Are the Reading Centers under a contractual agreement between the district and NSHE?

Assemblywoman Diaz:

There is a partnership between the school districts and NSHE. We are looking at about \$70,000 per school in the CCSD for this component, in this program. There will be funding that needs to be allocated to get the work done to implement the Reading Centers in all districts within the program.

Senator Kieckhefer:

Is funding on a per-school basis for the Reading Centers rather than a per-pupil basis?

Assemblywoman Diaz:

It is on a per-school, per-work basis. Confirmation is still needed on this issue.

Joyce Haldeman (Associate Superintendent, Community and Government Relations, Clark County School District):

We are in support of this bill and the conceptual amendment. This approach narrows the scope of the schools that we will be concentrating our efforts towards. We will be able to demonstrate that these changes are working. It will be difficult for the schools that will not get any of the funding, but have a high percentage of need. If we can demonstrate that this kind of approach makes a difference in our students being able to learn and succeed, it is worth the sacrifice. We have a vested interest in making sure that our principals are on board and fully engaged in this program so that we can demonstrate that this will work. All of the principals that fall under this category are already present in our district. If a principal in our district did not feel they wanted the extra funding or to participate rather than agree, we would not want that principal at the school. If we start early with the students and provide more time and individual attention, we will succeed with them. We currently have Reading Centers in six of our schools. The partnership between the district and NSHE is putting the best resources we can where they are needed the most. There are more than 53,000 students eligible for the ELL.

Lindsay Anderson (Director, Government Affairs, Washoe County School District):

This is certainly something of interest to our district. Twenty-two percent of our elementary schools are more than 50 percent ELL. There is a need in the WCSD for the over 10,000 ELL students we serve. We do not currently have the Reading Centers in the WCSD. We are looking forward to the program and are in support. We are moving to a new calendar for schooling in the WCSD that shortens our summer and limits learning loss over the summer which will benefit all children. The new calendar will give longer breaks throughout the school year. We will be able to take advantage of the summer academy at any of those times during the year. We are already offering pre-K and FDK in the WCSD, but we are not reaching everyone in need. This program will accomplish this if the class sizes are appropriate. We have provided a list of potential schools in our district that would be targeted for funding ([Exhibit I](#)).

Chair Smith:

I would like to ask both representatives from the WCSD and the CCSD about the implementation and the realities of what could be implemented in each year of the biennium.

Ms. Anderson:

The Reading Centers might not be ready by our start date of August 12 in the WCSD, due to the partnership needing to be set up for the new program with NSHE. We are planning to implement this component of the program by the second semester of the school year. We can implement the CSR immediately, based on space available in the schools. We have a district-wide plan for the intersession component.

Chair Smith:

What is the outlook for hiring the large number of teachers needed to implement the program?

Ms. Anderson:

We are currently at the height of the hiring phase. We have an active pool of teachers we can choose from. We can meet the needs.

Ms. Haldeman:

We are in a similar position in the WCSD. We are currently hiring teachers and expect to hire about 2,000 this year. We will be able to hire the teachers for the proposed changes. We can implement all the changes recommended in this program immediately. The one part that might take additional time is the Reading Centers. This will depend on how quickly we can develop the existing program. We anticipate implementing the Reading Centers no later than January 2014. We have included funding on our list for portable classrooms to add to those schools without sufficient space.

Chair Smith:

I want to make sure that we have the right teachers in place for this program. Qualified teachers may be found with a program similar to Teaching English as a Second Language (TESL) endorsement.

Ms. Haldeman:

We currently have six schools with the Reading Centers that are on the list. We do have a number of teachers that have the TESL endorsement. We need to

start offering incentives to those teachers that have the skills we need so we can convince them to teach at the schools where they are needed.

Chair Smith:

The greatest incentive that we can give the teachers to teach at these targeted schools is to provide them the support system they need to succeed. Reasonable class sizes, children that are coming in ready to learn and the resources that they need in their daily environment probably do more to keep the teacher at the school than any other reason.

Craig Stevens (Nevada State Education Association):

We support S.B. 504 with the amendment. The wraparound services are useful. We are concerned about what will be done for the educators, especially in the WCSD, to ensure that they are ready to implement and teach from the Reading Centers before they are up and running. Professional development must be addressed to assist the teachers with the new program.

Mary Pierczynski, Ed.D. (Nevada Association of School Superintendents):

Approximately 154 different languages are spoken in our schools, so ELL is an important piece to improve. We have questions on the grant process and who makes the decisions on who gets the funding.

Peggy Lear Bowen:

I am a former member of the Nevada State Board of Education (SBE) and want to support this bill. This is a well-built bill that will meet the many needs of our ELL students.

Rorie Fitzpatrick (Interim Superintendent of Public Instruction, Department of Education):

I am here in the neutral position on this bill because there are many elements of this bill that are exactly right, but one component that we do have concerns with. The system-solution orientation to this program is where it needs to be and is comprehensive. The focus on the CSR is a priority for us and is in the Governor's recommended budget. The focus on professional development and assessments is also addressed. The NDE is poised to administer the grant for the rural districts. I assume that this will be a proportional share and the rural districts will not be competing against each other for their funds. Resources will be impaired if they have to compete for those funds, especially the rural districts.

Assemblyman Eisen:

The idea is that there will be proportional funding available. I would not want to hamstring the NDE if funds were available. If one of the districts did not utilize their full allocation, those funds could not be reallocated to another district.

Ms. Fitzpatrick:

The grant program is a place in which the new configured SBE can provide leadership and decision making regarding how these services look in the rural districts. Relative to the implementation questions that were asked of the WCSD and the CCSD regarding the personnel of early childhood development, we are opening up opportunities for qualified teachers.

The Reading Centers are the only concern. The single source concept could be problematic. We have not provided the opportunity for a sense of competition to drive the delivery of those services. We know that there are vendors out there that can provide the support. If a large component of the Reading Centers is to provide professional development to teachers, I echo Mr. Stevens' comments about the need for professional development. There could be problems with the alignment of other professional development efforts such as the Common Core State Standards created through the Nevada education performance framework. We want to deliver the same message to teachers rather than sending them in different directions. Knowing that professional development and tutoring are such important concepts, the delay may impact this total system solution. Conceptually, I like everything that is offered by the Reading Centers, but I question the driving to one central source.

Assemblywoman Diaz:

It is not a single source for the Reading Centers. The CCSD and the WCSD locate master reading teachers with experience in literacy and reading intervention and use the best practices in terms of delivery. Three to four tutors will be hired per Reading Center. They will be part-time employees. They can be college students studying for a degree in education using this program to complement their course work. The NSHE component of this is that you have graduate students coming in and doing the assessment on the students. They are the ones that gather all of the data and provide the results to the master reading teacher. The master reading teacher is then responsible for developing lesson plans for the students so that they receive direct targeted instruction at the level that they need.

Chair Smith:

I will close the hearing on S.B. 504. We will open the Work Session on A.B. 288.

Mr. Krmpotic:

Assembly Bill 288 was heard yesterday in Committee. Proposed Amendment 9326 to Assembly Bill No. 288, Second Reprint ([Exhibit J](#)) has been brought forth. This bill provides for new testing assessments for high school students and implements a college and career readiness assessment for pupils enrolled in Grade 11 in public high schools. This would commence in the 2014-2015 school year. It will also implement end-of-course examinations which will be replacing the high school proficiency examinations. The fiscal impact of this bill was discussed in Committee. It was indicated that \$1.5 million would be necessary to implement the bill. The Superintendent of the NDE indicated that flexibility would be necessary in the use of the proficiency testing funding that is currently allocated to the NDE. When Fiscal Staff covered the Appropriations Act, it was noted that some flexibility was included in a section of the Act allowing for the transfer of this portion of the funding in the NDE that can be moved between fiscal years.

Senator Kieckhefer:

Do we need to find an additional \$1.5 million on top of the flexibility that is in the Appropriations Act?

Chair Smith:

No. We have the funding from that the SLDS and if you add that to what is already in the budget for testing, that is everything that we need.

Mr. Krmpotic:

The Committee has already approved the P-16 Advisory Council one-shot appropriation of \$1.5 million. If the Committee wishes to fund this bill with this appropriation, the amendment would include an appropriation of \$1.5 million effective upon passage and approval of A.B. 288.

Senator Kieckhefer:

Do we need to appropriate the \$1.5 million for the bill?

Senate Committee on Finance
May 30, 2013
Page 36

Chair Smith:

We have identified a funding source, but it does need to be appropriated in this bill.

SENATOR WOODHOUSE MOVED TO AMEND AND DO PASS AS AMENDED A.B. 288; AND TO PROVIDE THE APPROPRIATION AS INDICATED.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
May 30, 2013
Page 37

Chair Smith:

With no further comment, I will adjourn this meeting at 9:15 p.m.

RESPECTFULLY SUBMITTED:

Annette Teixeira,
Committee Secretary

APPROVED BY:

Senator Debbie Smith, Chair

DATE: _____

| <u>EXHIBITS</u> | | | | |
|------------------------|----------------|----|---------------------------|--------------------------------------|
| Bill | Exhibit | | Witness / Agency | Description |
| | A | 2 | | Agenda |
| | B | 3 | | Attendance Roster |
| A.B. 424 | C | 1 | Peter J. Mulvihill | Written Testimony |
| A.B. 505 | D | 40 | Mark Krmpotic | BDR S-1240 |
| A.B. 507 | E | 39 | Mark Krmpotic | BDR S-1241 |
| S.B. 521 | F | 34 | Mark Krmpotic | BDR S-1242 |
| S.B. 504 | G | 2 | Senator Moises (Mo) Denis | Amendment |
| S.B. 504 | H | 1 | Senator Moises (Mo) Denis | Additional State Funding Scenario |
| S.B. 504 | I | 1 | Senator Moises (Mo) Denis | Additional State Funding Scenario #2 |
| A.B. 288 | J | 81 | Assemblywoman Lucy Flores | Proposed Amendment No. 9326 |