

**MINUTES OF THE JOINT MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Seventh Session
April 25, 2013**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Debbie Smith at 8:19 a.m. on Thursday, April 25, 2013, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman William C. Horne, Vice Chair
Assemblyman Paul Aizley
Assemblyman D. Paul Anderson
Assemblyman David P. Bobzien
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblywoman Marilyn Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

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STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Julie Waller, Senior Program Analyst
RJ Keetch, Committee Secretary

OTHERS PRESENT:

Rorie Fitzpatrick, Interim Superintendent of Public Instruction, Department of Education
Joyce Haldeman, Associate Superintendent, Community and Government Relations, Clark County School District
Julia Teska, Office of Fiscal Accountability, Department of Education
Craig Stevens, Nevada State Education Association

Chair Smith:

We will start today's Work Session with a discussion of the Nevada Department of Education (NDE) Distributive School Account (DSA).

Julie Waller (Senior Program Analyst):

In budget account (B/A) 101-2610, Governor Brian Sandoval recommended an increase in funding for fringe benefits rates related to the increase in the Public Employees' Retirement System (PERS) retirement from 23.75 percent to 25.75 percent. The Governor also recommended a funding increase for group health insurance for school personnel by 0.61 percent in fiscal year (FY) 2013-2014 and 7.5 percent in FY 2014-2015. It is recommended that these fringe benefits rates be increased by \$15.1 million in FY 2013-2014 and \$35.56 million in FY 2014-2015.

EDUCATION

K-12 EDUCATION

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17 (Volume I)
Budget Account 101-2610

Governor Brian Sandoval submitted a budget amendment that reduces the recommended funding increase for group health insurance for school personnel, as a result of a reduction of Public Employees' Benefits Program (PEBP) rates, in both years of the biennium. Budget Amendment No. A130022610 does not alter the recommended increase in the retirement rate.

The General Fund appropriations are recommended to decrease by approximately \$1.6 million in FY 2013-2014 and \$12.14 million in FY 2014-2015, when compared to the M-300 decision unit originally recommended in the Governor's Executive Budget. The revised group health insurance cost per employee is recommended at \$6,978 in FY 2013-2014 and at \$7,229 per employee in FY 2014-2015, a 3.6 percent increase over the amount recommended in FY 2013-2014.

M-300 Adjustments to Fringe Benefits Rates — Page K-12 EDUCATION-18

The Legislative Counsel Bureau (LCB) Fiscal Division Staff notes that the budget amendment to reduce General Fund appropriations in the DSA would result in a reduction of the basic support per pupil of \$3 per pupil in FY 2013-2014, from \$5,563 to \$5,560 per pupil, and reduction of \$25 per pupil in FY 2014-2015, from \$5,693 to \$5,668 per pupil.

Changes in projections may alter the numbers associated with the basic per-pupil rate. These are not final recommended allocations in the DSA.

The Committees may approve the Executive Budget, as amended, to reduce General Fund appropriations in decision unit M-300 by approximately \$1.6 million in FY 2013-2014 and \$12.1 million in FY 2014-2015 to reflect updated fringe benefits rates, which would result in a basic support per-pupil funding reduction of \$3 in FY 2013-2014 and \$25 in FY 2014-2015.

As a second option, the Committees may not approve Budget Amendment No. A130022610 to reduce General Fund appropriations recommended in decision unit M-300 by approximately \$1.6 million in FY 2013-2014 and \$12.1 million in FY 2014-2015 to reflect updated fringe benefits rates, thereby leaving the basic support per pupil at \$5,563 in FY 2013-2014 and \$5,693 in FY 2014-2015, as originally recommended by the Governor.

The Governor is proposing that the funding reduction in decision unit M-300 be used to increase full-day kindergarten (FDK) programs and English Language Learners (ELL) programs.

Assemblyman Kirner:

I am concerned that there is a significant increase in contribution rates for PERS in a number of budgets. I would like to address this increase at some point.

Chair Smith:

The increase in contribution rates is largely due to decreases in payroll and investment returns. I would suggest that we wait until after the report from the Economic Forum.

Assemblyman Hickey:

I agree that we should wait until after we hear from the Economic Forum. When we see that per-pupil spending is to be decreased, we should consider that a majority of funding would go to teachers and employees. We are not taking away from students, but we are making adjustments to take care of teachers that serve our students.

Chair Smith:

The PEBP reduction in rates will lower the per-pupil spending. The funds will remain in the kindergarten through Grade 12 (K-12) budget, as currently recommended.

Assemblyman Aizley:

I would like to see a presentation showing if an average teacher's compensation is increasing or decreasing with the proposed changes. Would this data need to be localized?

Chair Smith:

Would each school district have different contracts and fringe benefits resulting in different compensation effects in different school districts?

Ms. Waller:

Yes, that is correct. Each school district collectively bargains their salary and benefits.

Senator Kieckhefer:

The PEBP rate will be commensurate with the State reduction. This does not impact the salaries and benefits of teachers as negotiated through contracts.

Assemblyman Kirner:

Teachers do not participate in the PEBP. They have their own health plans. The reduction in PEBP rates will only impact State employees, not school district employees.

Chair Smith:

Yes, that is correct. Just because the PEBP rate is reduced does not mean the per-pupil rate needs to be reduced. School districts spend their funds according to their own budgets.

Ms. Waller:

Budget account 101-2699 is the Other State Educations Programs account. The Governor recommends a General Fund appropriation of \$750,000 in each year of the 2013-2015 biennium to expand the Jobs for America's Graduates (JAG) in Nevada. The JAG program is a state-based, national nonprofit organization dedicated to preventing dropouts among high school students who are at risk of not graduating.

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-22
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Budget Account 101-2699

For the current school year, the Department of Employment, Training and Rehabilitation (DETR), and a local workforce investment board, are funding a pilot JAG program through a combination of federal Workforce Investment Act of 1998 funds and Career Enhancement Program funds at seven Nevada high schools in three districts. Currently, DETR has contracts with the Community Services Agency (CSA), a Reno-based nonprofit organization, to administer the pilot JAG program in Nevada.

The NDE estimates the cost of the JAG program at each individual school to be in the range of \$50,000 to \$60,000 annually. The funding would be sufficient for approximately 12 schools in each year of the 2013-2015 biennium.

In a letter of support for the JAG program submitted by the Governor, he notes that the program targets the lowest performing 20 percent of high school graduates. The Governor wants a graduation rate of 90 percent, an employment rate of 60 percent, a full-time jobs rate of 60 percent and a full-time placement rate of 80 percent.

In response to a follow-up question from Fiscal Staff, the Department indicates that with the recommended transfer of the JAG program from DETR to the NDE, the Department anticipates continuing the use of a contract with a nonprofit entity such as the CSA to administer the program.

Concerning how participating high schools would be chosen, the Department indicates it would collaborate with school districts to determine the schools to be funded, based upon factors such as dropout rates and poverty levels. It is anticipated that the schools that are selected would continue to participate throughout the end of the 2013-2015 biennium. The Department also clarified that school districts would select, hire and evaluate the JAG specialists, who would be either a licensed teacher or counselor.

It is anticipated that the estimated annual grant amount of \$60,000 per school, to fund a dedicated full-time teacher/job specialist position, would be supplemented by the schools, as needed, from nonprofit organizations such as United Way, other for-profit companies, or other local sources.

The Committees may consider three options: To approve the Governor's recommended General Fund appropriation of \$750,000 in each fiscal year of the 2013-2015 biennium to expand the JAG program in Nevada; to approve a reduced amount of General Fund appropriations in each fiscal year to expand the JAG program in Nevada; or to not approve the Governor's recommended General Fund appropriation of \$750,000, in each fiscal year of the 2013-2015 biennium, to expand the JAG program in Nevada. If the latter option is selected, the \$750,000 General Fund appropriation, in each fiscal year, could be redirected to support other high-priority initiatives.

Chair Smith:

The national JAG board was here this week to explain the program. I appreciate understanding the JAG program better. I am supportive of funding for the JAG program. I have questions about the implementation of the program. How are

other states administering the JAG program, especially as it relates to a connection with a nonprofit? Are we required to be affiliated with a nonprofit organization?

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

Many of the other 32 states that are engaged with the JAG program have developed nonprofits that are specifically for the JAG program. In Nevada, when this program was started last year, there was an opportunity to connect with an existing nonprofit organization. The DETR helped link the JAG funds to that nonprofit.

There is no requirement that JAG programs use a nonprofit organization. The NDE would not be burdened if required to administer funds directly to the school district where the JAG programs will reside.

Chair Smith:

If we could eliminate the nonprofit organization, we would have more funds to directly help children. Is there a need for someone outside the State to conduct administration?

Ms. Fitzpatrick:

The CSA does incur an indirect cost to support their management of the administration of the grants. If the funds flow from the NDE to the school districts, we would still need to retain a portion of the grant funds to cover NDE administrative expenses. The indirect cost would be similar regardless of who administers the program.

Chair Smith:

I would like to understand who the nonprofits are that administer the JAG program in other states.

Assemblywoman Carlton:

Do we have buy-in from the schools? Is there an application process to become a JAG program school? If this is a limited program, we need to make sure we involve the schools that are most interested in the program.

Ms. Fitzpatrick:

We have a school performance and accountability framework. This will allow us to understand which schools are our lowest performing schools. We will use this rating information to identify schools for the JAG program. We will pay attention to the dropout and graduation rates. The goal with this program is to graduate children. Once we identify low ranking schools, we can have a conversation with those schools and make sure we get buy-in for the JAG program.

Assemblywoman Carlton:

The JAG program could help students understand if they are interested in future State service.

Ms. Fitzpatrick:

The JAG national and local board of directors have a compelling membership. They will be able to leverage their status to encourage local businesses and governments to buy-in to the program.

Assemblyman Sprinkle:

I support using the JAG program as a way to fill job positions at the State level.

What is the future of this program? Are there plans to expand the program?

Ms. Fitzpatrick:

The initial program is an opportunity to show Nevadans the success we have seen in other states. We should start with those schools with the greatest needs. We have a graduation problem even in our best schools. We are interested in expanding this program to every high school in the State.

There is also a similar program for middle schools. Research shows that children begin dropping out mentally around Grade 6.

Senator Woodhouse:

Would participating schools be expected to stay in the JAG program for both years of the biennium? I am concerned about changing administrative philosophies at schools negatively impacting the JAG program.

Ms. Fitzpatrick:

The program has 33 years of history to help inform this discussion. The JAG program is adept at keeping school programs engaged during changes in administration. Students that are part of the JAG program generally become strong advocates for the program. School principals find it difficult to dispute the success of the program as described by student advocates.

Senator Smith:

Parent involvement is also lost when school administrations change.

Assemblyman Hickey:

The success of the JAG program is largely attributed to the JAG specialists. Could we adopt some of the best practices of the JAG program and implement them semi-independently?

Ms. Fitzpatrick:

One of the primary benefits of being linked up with the JAG program is that the specialist teachers spend a couple of school periods with the students each day to help them understand the importance of school and help them make plans to keep up with their homework. The JAG specialists also spend time in the community developing jobs for students. This is not a skill set that you learn in a typical college teaching program. The JAG program helps to support teachers in learning how to find jobs for students.

Chair Smith:

The JAG program illustrates that funding and resources matter for reaching children that have an achievement gap. Extra people working with our children are important and effective. The world of education is about people.

Before we close this budget, I would like to understand the spending plan for the JAG program and whether we are going to add schools to this program.

I support the idea of using the JAG program to supply the State, and possibly local governments, with workers. Would children be able to work for the State as minors?

Assemblyman Kirner:

I am amazed by children from broken homes, or nonexistent homes, who are being helped by the JAG program. I think we need the national JAG program to conduct this program effectively. This program helps keep children from falling into the criminal justice system. This program helps children go on to college and obtain careers. They were not on this path before entering the JAG program. I am supportive of this program. It is funding spent wisely. Money does matter, if it is spent appropriately.

Chair Smith:

I support spending funds appropriately. I support the national JAG model. I want all children to have the opportunity represented by the JAG program.

Ms. Fitzpatrick:

It is important to be associated with the national JAG program. Some of our work is also about helping personnel at the schools understand the importance of relationships. Much of the success of the JAG students that graduate is due to someone taking an interest in that student. Teachers should be incentivized to build relationships with students.

Ms. Waller:

The Governor recommends a General Fund appropriation for a grant-based ELL program for school districts and charter schools. The Executive Budget, as originally recommended, added \$13.8 million of General Fund appropriations for an ELL program oriented toward students in kindergarten through Grade 4. According to the Department, there are currently 71,254 ELL students statewide, with approximately 48,095, or 67 percent, of those students in kindergarten through Grade 4.

The Department indicated that grant applications required to be submitted by school districts would need to include a needs assessment, a project plan and program evaluation criteria. The Department further indicates that 10 percent of each grant award would be required to fund an external evaluation of student achievement results.

A minimum base funding of \$10,000 will be granted to each school district per year, along with \$78 per ELL student in FY 2013-2014 and \$202.50 in FY 2014-2015, for kindergarten through Grade 4. Grants will be awarded for

a 2-year period, with funding for the second year contingent upon successful implementation of ELL programs in the first year.

A budget amendment was submitted to increase State funding for the grant-based ELL programs by approximately \$14.7 million over the biennium. The total revised per-pupil amount is estimated at \$226 per pupil in FY 2013-2014 and \$357 per pupil in FY 2014-2015, for an increase of \$148 per pupil in FY 2013-2014 and \$154.50 per pupil in FY 2014-2015.

Senate Bill 455 establishes a pilot program for school districts to establish or expand programs for children who are ELLs. According to the bill, if the NDE determines that a school district has submitted a grant application in which the data from the needs assessment are not aligned with the project goals and methodology, the Department's staff shall require the district to seek technical assistance from a consultant and the school district must revise the application in a manner that satisfies the criteria of the Department. A set-aside of \$300,000 will be used for payment of any required consultant.

SENATE BILL 455: Establishes a pilot program for school districts to establish or expand programs for children who are English language learners.
(BDR S-1131)

The Executive Budget, as amended, recommends allocation of General Funds to support two new ELL education program professional positions and associated costs. The Department has indicated that among other duties, the two new positions would be responsible for providing technical assistance to school districts and charter schools. It is unclear why there is an additional \$300,000 set-aside for a consultant to provide technical assistance included in the bill.

Assemblyman Eisen:

I support the funding increase in the amendment. The current funding structure penalizes the larger districts, by not increasing funding for fixed costs for the larger programs. The fixed costs for the smaller programs and larger programs are not the same. The fixed costs are greater for the larger school districts.

Ms. Fitzpatrick:

We are not opposed to considering changing the fixed cost allocation to reflect greater costs at larger school districts. We will provide this model as an option.

Assemblyman Kirner:

Please discuss the additional \$300,000 set aside for a consultant to provide technical assistance included in the bill.

Ms. Fitzpatrick:

We have more than a decade of evidence in our school and school district improvement plans to suggest that some schools and districts struggle to engage in needs assessments and the ability to then use the gathered data to implement solutions. The \$300,000 is a reserve to help schools or school districts that have difficulty. We need to ensure that plans are implemented correctly and that needs are met. Small districts may need this help. They often struggle with capacity to do this type of work well.

Assemblyman Aizley:

I support this program, but what are we doing for high school students with English language skill problems? Is there a high school ELL program? What would it cost to fund a high school program?

Ms. Fitzpatrick:

I do not know what the cost would be for a high school ELL program. We have 70,000 students with English language skill problems of which 50,000 are in kindergarten through Grade 4. We are providing technical assistance and professional development programs for teachers that are interacting with the ELL students.

Assemblyman Aizley:

High school students will learn a second language differently than a younger student.

Ms. Fitzpatrick:

Yes, that is correct. Peer influence highly influences the younger student's interest in learning a second language.

Senator Denis:

The younger children do not have a problem learning English, but they often have trouble learning to learn in English. I support the ELL programs that produce results. We want ELL students to learn and graduate.

Ms. Fitzpatrick:

The new ELL positions will be funded at the NDE level for the first time. We have only had federally funded positions in the past.

The new State funded positions will be experts in the provision of services for the ELL students. The positions will provide support to schools throughout the State. The new positions will work on strategies for expanding the ELL programs. They will provide technical assistance and public outreach.

Assemblywoman Carlton:

Are we duplicating, or working at cross-purposes, with existing language programs at schools or the pending reading center bill?

Ms. Fitzpatrick:

Assembly Bill 222 calls for reading skills development centers. Depending on the needs of the school and/or the district, the various programs provide flexibility for local decision making about how funds should be spent. We are trying to emphasize consistent outcomes while allowing a great deal of local control.

[ASSEMBLY BILL 222](#): Requires certain school districts to adopt pilot programs for the establishment of reading skills development centers. (BDR S-482)

Senator Denis:

Senate Bill 504 calls for a reading development center. If we can help children to read that helps them to learn a language.

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

Senator Smith:

We welcome additional funding for the ELL programs.

Ms. Waller:

The Governor recommends a General Fund appropriation of \$1 million in each year of the 2013-2015 biennium to support the Teach for America (TFA) program. The TFA program is a national nonprofit organization that recruits recent college graduates and professionals to teach in K-12, for a minimum of 2 years in urban and rural communities throughout the Country. Currently, the TFA program in

Nevada operates in the Clark County School District (CCSD). After completing a 5-week summer training program, participants are assigned to 1 of 46 designated regions across the Country.

Funding recommended in the Executive Budget would be granted directly to the TFA organization in southern Nevada and covers the programmatic costs associated with the recruitment, training and support of 50 additional teachers annually in the CCSD's qualifying Title I of the Elementary and Secondary Education Act of 1965 schools and in the critical-need subject areas, such as secondary math, science and English. This funding would also be used by the TFA organization to leverage private investment from local corporations, foundations and individuals to match State funds at a ratio of 4:1 over the same timeframe.

The Committees have several options to consider: to approve the Governor's recommended \$1 million General Fund appropriation in each year of the 2013-2015 biennium to expand the TFA program in the CCSD; to approve a reduced General Fund appropriation in each year of the 2013-2015 biennium to expand the TFA program in the CCSD; to approve the recommended \$1 million annual General Fund appropriation, but distribute the funding in each fiscal year as a statewide grant program to allow other programs, such as Troops to Teachers, to be implemented statewide; or to not approve the Governor's recommended \$1 million General Fund appropriation in each year of the 2013-2015 biennium to expand the TFA program in the CCSD. If the latter option is selected, \$1 million in General Fund appropriations in each fiscal year could be redirected to support other high-priority initiatives.

Assemblywoman Carlton:

Is it unusual that there is no bill associated with this allocation for the TFA program?

Ms. Waller:

Yes, nonprofit organizations typically request funds using legislation.

Assemblywoman Carlton:

Will the TFA program expand to northern Nevada?

Ms. Fitzpatrick:

The proposed increase in funding would allow the program to expand to Washoe County within 2 years. If the funding is not provided, it may take 3 to 5 years for the program to expand to Washoe County.

Senator Kieckhefer:

I support the TFA program and the Governor's recommendation. Even if we lose half of the teachers from this program after a 2-year period, we are still ahead. I support the expansion of the program to Washoe County.

Assemblyman Eisen:

I am uncomfortable with the TFA program. The Governor's recommendation is not the most effective use of General Fund monies. Since many of the TFA teachers leave after 2 years, we would be better off investing in professional, career-oriented teachers.

I am a medical educator. There is a difference between being a physician and being a medical educator; each requires a different skill. I see the value of subject matter knowledge, but subject matter knowledge does not make someone a teacher.

Assemblywoman Flores:

A TFA teacher told me he was disappointed that he did not learn what he needed in order to be a good teacher in the program. The \$2,000 we spend on each TFA teacher should be invested in teachers that plan on making teaching a career.

There is a Hispanic organization that guarantees the TFA teachers a scholarship for graduate school. We should not spend tax dollars on those not committed to career teaching.

Senator Woodhouse:

I am conflicted about the TFA program. This is a helpful program for the CCSD, especially when they have difficulty hiring teachers. I hope the TFA teachers are enthusiastic and willing to work with our at-risk students. What kind of quality did the TFA teachers bring to the CCSD? I am concerned that there is a 50 percent retention rate of TFA teachers.

I worked in administration in a Nevada school district. We had an alternative route to licensure as a way to attract teachers. This was a positive program and brought

school districts staff that wanted to be teachers. The alternative route to licensure program taught potential teachers how to teach and ensured they had content knowledge. This program also supported teachers in obtaining their master's degrees.

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

We have been very satisfied with the TFA teachers at the CCSD. The program has an effective screening process. The teachers contribute a lot to the classrooms and to the school at-large.

Assemblyman Sprinkle:

We need to focus on attracting quality educated professional teachers and giving them a reason to join our school districts. I do not support using the TFA teachers as a way to fill our vacant teacher positions.

Senator Denis:

I sponsored a TFA bill several years ago. I noticed at the time that the TFA teachers wanted to be in some of our most challenging schools. The regular teachers leave these difficult schools as soon as they can. Are the TFA teachers still winning awards for teacher of the year?

Ms. Haldeman:

I do not know, but it would not surprise me if the TFA teachers were winning awards.

Senator Denis:

The TFA program is not intended to retain a high percentage of participants. The participants share their knowledge of other fields with students, and take back an understanding of teaching to their profession. They will understand that you cannot teach education like a business.

In the CCSD, we are still using long-term substitutes to fill teaching positions. I would much rather have a TFA teacher fill a position than a substitute teacher. I support the TFA program.

Ms. Haldeman:

The TFA program does not deter from our regular recruitment program. We work hard to recruit quality teachers. We have many open positions.

Chair Smith:

I would also rather have a great short-term teacher than a long-term substitute teacher. The long-term substitute teacher situation is a serious problem.

The CCSD will continue using the TFA teachers regardless of Legislative funding.

Ms. Haldeman:

Yes, that is correct. We have an agreement with the TFA. We focus our TFA hiring to fill critical positions that would otherwise not be filled.

Chair Smith:

In the past, the Legislature has approved an alternative route to licensure, which allows a TFA type of teaching to take place.

Ms. Haldeman:

We continue to use teachers that have obtained their credentials using the alternative route to licensure.

There is an expense related to the TFA teachers. We solicit private donations to help offset these expenses. We also have community partners that are supporters of the TFA program.

Chair Smith:

It is important for us to invest in our educators.

Ms. Haldeman:

The TFA program has a good model for teacher professional development and we have incorporated it into our overall professional development program.

Senator Kieckhefer:

It is important for us to recruit and retain high quality teachers for all of our schools, but especially for urban schools where positions are hard to fill. There are many questions about what is an effective incentive to retain employees. I support the TFA program.

Assemblyman Kirner:

I have some experience with the TFA recruiting process. I have a daughter-in-law who was recruited from Alaska. The TFA teachers are highly screened. The teachers perform well and add value to the schools they serve.

Assemblyman Aizley:

How does the preparation compare for the TFA teachers versus traditionally educated teachers? I would like to hear the perspective of the college education departments regarding the TFA teachers.

Chair Smith:

I understand the colleges of education have limited capacity to educate enough teachers. Budget cuts are limiting professional development opportunities.

Ms. Fitzpatrick:

The Clark County TFA program partners with the University Nevada, Las Vegas to offer coursework in pedagogical content. Teachers in the alternative route to licensure program can take a test to show they have content knowledge. The TFA teachers who are a part of the alternative route to licensure system must take course work to learn how to teach the content they have shown they are competent in by testing.

Assemblywoman Carlton:

Will a TFA teacher that might only be in a school for 2 years, be able to show a student that they care and are there for the student? We discussed how important this is during our discussion of the JAG program. The short-term nature of the TFA teacher and the goal of making students feel important are incompatible. Why are we letting the TFA teachers impact our children if they are not dedicated to the teaching field?

Assemblywoman Flores:

Studies that indicate TFA teachers are as effective, or sometimes less effective, than traditional education-school trained teachers. The TFA teachers are placed in the most at-risk schools. We need the most experienced teachers at these schools. These teachers are being placed in my district where the needs are greatest.

We are paying a TFA teacher their regular salary, plus a \$2,000 per-teacher placement incentive. There is also a cost when these teachers leave after 2 years. The TFA causes a high turnover rate.

Ms. Fitzpatrick:

We have a problem across the State and the Nation with inexperienced teachers going to high-risk schools. The TFA teachers, who have a lot of support built into their program, are a lot more likely to do better in a high-risk school than a teacher just graduating from a traditional education program. Some teachers want to work in high-risk school environments. Those are the teachers we want working in those environments. The TFA teachers are highly motivated, highly intelligent people who are choosing to make a difference in the lives of some of our most vulnerable students.

Assemblyman Anderson:

It was mentioned that the CCSD is adopting some of the TFA practices and incorporating them into the overall teacher-training curriculum. What are some of the other benefits of having a TFA teacher at a school?

Ms. Haldeman:

The TFA teachers bring energy, enthusiasm and idealism to schools. These qualities are infectious and motivate other teachers at our schools. It is difficult to get teachers to go to high-risk schools.

Assemblyman Anderson:

Is the TFA training particularly valuable to high-risk schools?

Ms. Haldeman:

The training is specific to the individual teacher, not specific to the school.

Assemblyman Anderson:

What is the turnover rate for teachers at high-risk schools?

Ms. Haldeman:

Our overall turnover is less than 10 percent, but I do not know what it is for high-risk schools.

Assemblyman Anderson:

Do the TFA teachers that stay in the teaching profession stay at the high-risk schools, or do they go to schools that are more affluent?

Ms. Haldeman:

I would guess that they stay at the high-risk schools, but I do not know for sure.

Chair Smith:

We lose about 50 percent of new teachers in the first 5 years of employment, which is similar to the turnover rate for the TFA teachers.

Assemblyman Hambrick:

Are there studies or publications from other states that may help us understand this issue better? I would like us to look at this issue objectively, using empirical data.

Ms. Fitzpatrick:

The TFA program has data that we can share with the Committees.

Assemblyman Eisen:

We should provide resources to professional teachers committed to the field of teaching. We have the greatest need for stability in our at-risk schools and should place experienced teachers at these schools. Loss of the TFA teachers after 2 years means that resources are not being well spent for the long-term health of our schools. Even if a regular teacher leaves after 5 years, that is a significant amount of greater stability than provided by a TFA teacher that leaves in 2 years.

Ms. Fitzpatrick:

The TFA program is particularly compelling because there are corporate partnerships that benefit teachers. The TFA model ensures support services for teachers because of private-party involvement.

Assemblyman Bobzien:

I suggest we look at this discussion through the lens of innovation. Maybe we can create a competitive grant to decide what education program gets funded.

Does the public care about public education? I want to build a generation of people that value public education. I welcome the support of the community and private entities in education. There are many entities that we should partner with.

We have not established the correct framework to evaluate the TFA program, the Troops to Teachers Program and other programs that might have benefit and value. If we did not have budget constraints, I would be in support of the TFA program. The NDE needs to help us set up a framework to evaluate these various program options and report back to the Legislature as to the effectiveness of the programs. We have professional development commitments we need to make to our career educators to ensure they will continue teaching for the long-term.

Assemblyman Hickey:

When your house is on fire, you should not care where the firefighters come from. I support the TFA program.

Chair Smith:

We need to evaluate whether this should be a budget request or should be incorporated into a bill. The budget request affects one district, and builds a base for future budgets.

Ms. Waller:

The Executive Budget, as originally recommended, includes General Fund appropriations of \$25.1 million in FY 2013-2014 and \$25.6 million in FY 2014-2015 for continued support of the State-funded FDK program, which provides funding for 464.5 full-time-equivalent FDK positions. In addition, the Governor recommends General Fund appropriations of \$10 million in each year of the 2013-2015 biennium to expand the FDK program for total State support of \$35.1 million in FY 2013-2014 and \$35.6 million in FY 2014-2015. This additional funding will provide for an additional 181 teachers at 46 schools by the end of FY 2014-2015. Additional schools will be selected based on the current methodology employed, which is, to select new schools determined to be at-risk in the order of the highest free- and reduced-lunch percentages.

The Executive Budget states that up to \$3.5 million would be available to school districts to purchase portable classrooms to accommodate the program expansion. On April 5, the Budget Division submitted Budget Amendment No. A130022615 to increase General Fund appropriations for the expansion of the State-funded FDK program by \$5 million in each fiscal year of the 2013-2015 biennium. Additional funding was made available because of a reduction of PEBP rates in both years of the upcoming biennium.

Overall, the Executive Budget, as amended, recommends total State allocations of \$40.2 million in the upcoming biennium. This recommendation would add State-funded FDK to 75 new schools and add approximately 275 new FDK teachers over the 2013-2015 biennium.

Do the Committees wish to approve the Governor's recommendation, as amended, to add a \$15 million General Fund appropriation in each year of the 2013-2015 biennium, to expand the State-funded FDK program statewide, inclusive of the recommended \$3.5 million set-aside in FY 2013-2014 to assist school districts with the purchase of portable classrooms to accommodate the program's expansion?

This budget account does not revert funding. Funds not expended at the end of a fiscal year are carried over for use during the next fiscal year. If the \$3.5 million set-aside is not all spent to purchase classrooms, the funding would be available to hire additional teachers.

Assemblywoman Kirkpatrick:

Please explain the State-funded FDK schools numbers, especially in the CCSD.

Ms. Waller:

The NDE surveyed the school districts and provided that information to the Committees' members. New funding would add funding for new FDK schools in addition to existing FDK schools. The CCSD has approximately 50 tuition-based schools. There are plans to add an additional 53 tuition-based FDK schools.

Chair Smith:

I am concerned about tuition-based FDK because it gives opportunities to some children that others do not have. If we do not fund FDK across the State, I would like the Committees to talk about criteria for tuition-based FDK.

Please explain how the \$3.5 million set-aside would be allocated geographically.

Julia Teska (Office of Fiscal Accountability, Department of Education):

The \$3.5 million set-aside will cover the expenses we are proposing. The funds will be allocated using an application process submitted by the school districts.

Chair Smith:

Will we be able to apply the process used for the previously implemented version of the FDK?

Ms. Teska:

Yes, that is correct.

Ms. Waller:

I will now discuss B/A 101-2617, the State Supplemental School Support Fund. The Executive Budget recommends the continued transfer of the 2009 room tax revenues, estimated at \$132.2 million in FY 2013-2014 and \$138 million in FY 2014-2015, to the DSA as a State funding source. Senate Bill 475, submitted on behalf of the Department of Administration, extends the period that the proceeds would continue to be transferred to the DSA through the 2013-2015 biennium. The room tax revenue was designed to provide additional funding to improve the achievement of students and to retain qualified teachers and nonadministrative employees.

NDE - State Supplemental School Support Fund — Budget Page K-12
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Budget Account 101-2617

SENATE BILL 475: Makes various changes concerning governmental financial administration. (BDR 32-1124)

Testimony at the March 1 and March 23 Full Joint Committee budget hearings indicated that school districts do not support the Governor's recommendation to transfer this funding to the DSA, as a State revenue source. In response to follow-up questions, the school districts and charter schools identified the following priorities for use of the funds if those revenues were not distributed as outlined in the original petition, and not transferred to the DSA as a State funding source:

- Provide funding for pay for performance programs
- Provide additional support for ELL beyond the Executive Budget
- Increase early childhood education programs
- Reduce class sizes
- Provide interventions for children in kindergarten through Grade 3
- Increase professional development for common core standards

- Restore positions lost due to budget reductions
- Increase FDK programs
- Improve technology infrastructure
- Increase teacher salaries
- Increase school safety

The Committees could consider the following options: to approve the Governor's recommendations to continue the transfer of 100 percent of the room tax revenue to the DSA as a State funding source for the 2013-2015 biennium; or to approve the transfer of a percentage of the room tax revenue to the State supplemental school support account. This option would require an add back of General Fund monies, depending upon the percentage transfer; or to not approve the Governor's recommendation to continue the transfer of room tax revenue to the DSA as a State funding source for the 2013-2015 biennium. This option would require the addition of approximately \$271.2 million in General Fund appropriation into the DSA over the biennium.

Chair Smith:

If the funds were available, as originally intended, what is the spending plan?

Ms. Waller:

Nevada Revised Statutes 387.191 outlines how the funding would be distributed to school districts on a per-pupil basis. The funding must be used to improve the achievement of students, and to attract and retain qualified teachers and nonadministrative staff. The individual school districts could develop plans within the parameters of the statute.

Craig Stevens (Nevada State Education Association):

The pay-for-performance initiative was a priority for those I represent. We support innovative ways to create success in the classroom.

Assemblywoman Carlton:

We are funding individual programs with room tax money that was intended to help our children succeed in the classroom. We are not fulfilling our obligation to the public regarding how we promised to spend these funds.

Mr. Stevens:

The room tax funds were flexible so that different school districts could fill different needs. Many rural counties have difficulty getting teachers to take jobs in their counties. This funding could help with that situation. This room tax funding is not being used as it was originally intended.

Ms. Waller:

I will now discuss B/A 101-2616, which provides incentives for licensed education personnel. This account contains the funding for the 1/5 retirement credit purchase program and the incentive pay program. The Governor recommends allocating General Fund monies of approximately \$15.86 million in each fiscal year of the 2013-2015 biennium for the incentives programs. Both programs were designed to attract and retain educational personnel for at-risk schools. Evaluation feedback provided by school districts indicates the majority of school districts support utilizing the funding in ways that are more effective.

NDE - Incentives for Licensed Education Personnel — Budget Page K-12
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Budget Account 101-2616

The 1/5 retirement credit purchase program was originally thought to conclude in FY 2012-2013. Because the enabling legislation refers to participation in the program ceasing once an eligible employee receives 1 year of continuous retirement service credit, rather than ceasing after a specific timeframe to earn the retirement service credit, the 1/5 retirement credit purchase program will need to continue to be funded beyond FY 2012-2013, as there are a number of eligible participants that have had service interruptions, and have not yet earned 1 year of continuous service since opting in to the program in calendar year 2007.

The LCB's Legal Division is researching whether legislation could be adopted to implement a future deadline to conclude the 1/5 retirement credit purchase program in order to not have to fund the program indefinitely. There are approximately 1,700 members that have not earned their full year of retirement. The obligation for these 1,700 members is approximately \$8.8 million in FY 2013-2014 and approximately \$5.8 million in FY 2014-2015, which would leave about \$7.1 million available in FY 2013-2014 and about \$10.1 million in FY 2014-2015 for the incentive pay program.

The first option for consideration would be to approve the Governor's recommendation to allocate General Funds of \$15.86 million in each fiscal year of the 2013-2015 biennium to continue the existing incentive pay program and the grandfathered 1/5 retirement credit purchase program; or to approve General Fund appropriations of \$8.8 million in FY 2013-2014 and \$5.8 million in FY 2014-2015 to continue funding the estimated outstanding liability for the 1/5 retirement credit purchase program for the 2013-2015 biennium, but do not approve the funding to continue the incentive pay program as a recruitment and retention tool. If this option is selected, General Funds of approximately \$7.1 million in FY 2013-2014 and \$10.1 million in FY 2014-2015 could be redirected to support other high-priority educational initiatives.

Chair Smith:

I am concerned that the funding we have allocated has not been successful at recruiting and retaining personnel. I would like the Committees to think about what would be the best use of these funds.

Assemblyman Aizley:

Incentives create issues of inequity among staff. Considering we have been cutting benefits and pay the last few years, the first priority should be to use funds to ensure that personnel receive a cost-of-living increase.

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Chair Smith:

Seeing no further business before the Committees, the meeting is adjourned at 10:29 a.m.

RESPECTFULLY SUBMITTED:

RJ Keetch,
Committee Secretary

APPROVED BY:

Senator Debbie Smith, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

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<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	3		Attendance Roster