

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

**Seventy-Eighth Session  
May 16, 2015**

The meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Ben Kieckhefer at 8:23 a.m. on Saturday, May 16, 2015, 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 Ben Kieckhefer, Chair  
Senator Michael Roberson, Vice Chair  
Senator Pete Goicoechea  
Senator Mark A. Lipparelli  
Senator David R. Parks  
Senator Joyce Woodhouse

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblyman D. Paul Anderson, Chair  
Assemblyman John Hambrick, Vice Chair  
Assemblyman Derek W. Armstrong  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Maggie Carlton  
Assemblywoman Jill Dickman  
Assemblyman Chris Edwards  
Assemblyman Pat Hickey  
Assemblywoman Marilyn Kirkpatrick  
Assemblyman Randy Kirner  
Assemblyman James Oscarson  
Assemblyman Michael C. Sprinkle  
Assemblywoman Heidi Swank  
Assemblywoman Robin L. Titus, M.D.

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**COMMITTEE MEMBERS ABSENT:**

Senator Debbie Smith (Excused)

**GUEST LEGISLATORS PRESENT:**

Senator Aaron D. Ford, Senatorial District No. 11

**STAFF MEMBERS PRESENT:**

Rick Combs, Director, Legislative Counsel Bureau  
Mark Krmpotic, Senate Fiscal Analyst  
Cindy Jones, Assembly Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Stephanie Day, Principal Deputy Fiscal Analyst  
Julie Waller, Senior Program Analyst  
Mandi Davis, Program Analyst  
Adam Drost, Program Analyst  
Andrea McCalla, Program Analyst  
Lona Domenici, Committee Manager  
Emily Cervi, Committee Assistant  
Jackie L. Cheney, Committee Secretary

**OTHERS PRESENT:**

Rene Cantu, Executive Director, Jobs for America's Graduates Nevada  
Dale A.R. Erquiaga, Superintendent of Public Instruction, Department of Education  
Victoria Carréon, Director of Education Policy, Guinn Center for Policy Priorities  
Victor Joecks, Executive Vice President, Nevada Policy Research Institute

**Chair Kieckhefer:**

You have been provided a handout entitled, "Senate Committee on Finance and Assembly Committee on Ways and Means, Closing List #3, May 16, 2015," ([Exhibit C](#)).

**Julie Waller (Senior Program Analyst):**

The Distributive School Account (DSA), budget account (B/A) 101-2610, is discussed on pages 2 through 15 of [Exhibit C](#). This budget contains the formula funding for pass through to the school districts and charter schools. The Legislature determines the level of State aid for schools. Each district's and charter school's share is developed through a formula called the Nevada Plan, which allows for differences across districts in the costs of providing education and local wealth.

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Budget Account 101-2610

A guaranteed amount of basic support per pupil is calculated for each school district and is established in law each session. Funding for the guaranteed basic support consists of State financial support distributed through the DSA and locally collected revenues from the Local School Support Tax, proposed at 2.6 percent for the 2013-2015 biennium and one-third of the ad valorem tax or property tax received by the districts for operating purposes.

An itemized summary of the DSA account for the 2015-2017 biennium, including updated enrollment and revenue projections, is shown on page 15 of [Exhibit C](#).

The DSA has three major closing issues. Major Closing Issue No. 1 pertains to updated revenue projections. The first column on the table on page 3 of [Exhibit C](#) shows the revenues as recommended in Governor Brian Sandoval's budget. The second column shows the revised projections. Some revenues have been reprojected by the Economic Forum, while others were reprojected through consensus forecasts with the Department of Administration's Budget Office and various stakeholders.

Based on the Economic Forum's reprojected of the State's 2 percent portion of the sales tax, total Local School Support Tax (LSST) revenues are projected to

increase \$4.8 million in fiscal year (FY) 2016 and to decrease by \$446,000 in FY 2017 when compared to the amounts originally projected in the Executive Budget.

Decision unit E-140 proposes to extend the increase in the LSST from 2.25 percent to 2.6 percent permanently beginning with the 2015-2017 biennium.

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Senate Bill (S.B.) 483 has been submitted to support this request. This increase was originally implemented by the 2009 Legislature and continued as the State recovered from the economic crisis. Senate Bill 483 would continue the 2.6 percent LSST rate permanently.

**SENATE BILL 483 (1st Reprint)**: Revises provisions relating to governmental financial administration. (BDR 32-1182)

The updated Ad Valorem Property Tax revenue projections, which impact both the calculations of basic support (two-thirds portion of local revenues outside the DSA) and the State's share of the support (one-third portion of local property tax within the DSA) are approximately \$900,000 less than the amount included in the Executive Budget for FY 2016 and are approximately \$12.9 million less than the amount included in the Executive Budget for FY 2017.

The updated Slot Tax revenue decreased by \$793,600 in FY 2016 and decreased by \$1.1 million in FY 2017, resulting in a total reduction of \$1.9 million from the Slot Tax amount originally recommended by the Governor.

The revised projections for the Permanent School Fund interest indicate an increase of \$1.6 million in each fiscal year of the 2015-2017 biennium, bringing the total up to \$2 million for each year of the biennium.

The anticipated revenue from federal mineral leases was revised downward by \$300,000 in each year of the 2015-2017 biennium based on current projections.

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The updated forecasts revised the Room Tax revenues upward by \$2.8 million in FY 2016 and by \$2.9 million in FY 2017.

The 75 percent of Medical Marijuana Excise Tax revenues in FY 2016 have been revised downward by \$252,303 for FY 2016, with no revision to the projected revenues of \$1.1 million in FY 2017.

Based on these updated revenue projections, the required General Fund support decreases by \$3 million in FY 2016 and increases by \$15.1 million in FY 2017. Total required General Fund support in the Governor's budget increases to about \$2.2 billion from the \$2.1 billion originally recommended in the Governor's budget. These modifications, plus the revised projected enrollment, result in a \$1 increase in the basic support per pupil in FY 2016 and an \$18 increase in the basic support per pupil in FY 2017.

Do the Committees wish to approve the updated revenue projections for the non-General Fund revenue sources included in B/A 101-2610, as outlined in the table on page 3 of [Exhibit C](#)?

SENATOR ROBERSON MOVED TO APPROVE DECISION UNIT E-140 OF B/A 101-2610 AND THE UPDATED REVENUE PROJECTIONS FOR THE NON-GENERAL FUND REVENUE SOURCES IN B/A 101-2610 AS OUTLINED IN THE TABLE ON PAGE 3 OF [EXHIBIT C](#).

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Waller:**

Major Closing Issue No. 2 is increased funding for students with disabilities, pages 4 and 5 of [Exhibit C](#). The special education funding provided by the State is based on a unit methodology. Special education program units are defined by Nevada Revised Statute (NRS) 387.1211 as organized instructional units in

which a licensed, full-time teacher is providing an instructional program that meets minimum standards prescribed by the State Board of Education (SBE).

For FY 2015, the State is funding 3,049 special education units at \$42,745 each, totaling \$130.3 million. The Governor recommends funding 3,049 special education units each fiscal year in the upcoming biennium at \$45,398 each in FY 2016 and \$55,083 each in FY 2017, totaling \$138.4 million in FY 2016 and \$167.9 million in FY 2017.

Based on updated enrollment projections, the General Fund appropriations for special education units increased by \$57 per unit or \$173,215 in FY 2016 and by \$58 per unit or \$178,944 in FY 2017. This brings the total updated General Fund appropriations to \$138.6 million in FY 2016 and \$168.1 million in FY 2017 for students with disabilities.

Included in the cost for students with disabilities for FY 2017, the Governor recommends in decision unit E-299 of B/A 101-2610 a \$25 million increase in State funding to begin transitioning to a weighted-student formula for students with disabilities. Fiscal staff notes the proposed funding increase, along with the funding included in the Base Budget, continues to be reflected as a categorical expense.

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One of the reasons for wanting to move from the unit methodology to the weighted-student funding formula for students with disabilities is the restrictive nature of the definition of unit funding. Unit funding only supports a licensed full-time professional and a licensed teacher. It does not support instructional aides, assistants or other support staff needed for students with disabilities. The current unit methodology was implemented in the 1970s when the manner in which students with disabilities were educated was vastly different from the way it is today. Today, those students are mainstreamed in the classroom. They may not have a separate classroom with a dedicated teacher. Often, they have instructional aides that assist them in the main classroom setting.

The Executive Budget is based on the recommendation from the Task Force on K-12 Public Education Funding for the State to move to a weighted funding model with a 2.0 weight for all students with disabilities. This recommendation

was based on four national studies over the past 40 years that suggest it costs twice as much to educate a person with disabilities.

In order to mitigate the issue of overidentification of students with disabilities, the Task Force recommended a funding cap of 13 percent of the overall school district or charter school's enrollment of students with disabilities, based upon a current year count. According to the Nevada Department of Education's (NDE) most recent Special Education Report of Enrollment as of October 1, 2014, 53,755 students, or 12.3 percent of students statewide, were identified with disabilities in 1 of the 13 federally recognized primary disability categories.

One issue in moving away from the unit funding methodology to the weighted funding methodology for students with disabilities is the potential impact for the maintenance of effort (MOE). The MOE is calculated at both the State and at the school district level. At the State level, the State education agency must budget in aggregate, no less than the prior year funding level. At the local level, the local education agency must expend the same amount of local funds or State and local funds for students with disabilities that was spent the previous fiscal year, either on an aggregate or per capita basis. A school district or charter school would be penalized for not meeting the MOE due to any reduction of local and State funds supporting costs for students with disabilities.

In order to implement the change in the methodology for distributing funding to students with disabilities, S.B. 508 would, among other things, implement the proposed changes to the funding model. Section 29 of the measure directs the NDE to calculate the amount of funding for each pupil with a disability for FY 2017 and report the weight to the SBE, the Interim Finance Committee (IFC) and to the Governor. The bill does not, however, indicate that the multiplier must be approved by the aforementioned parties.

**SENATE BILL 508:** Provides for long-term modernization of the Nevada Plan.  
(BDR 34-1184)

Additionally, subsection 2 of section 29 of S.B. 508 requires the weighted funding provided to each school district for students with disabilities must not exceed 13 percent of the total pupil enrollment for the school district.

Subsection 4 of section 29 includes a hold harmless, providing that a school district may not receive less funding under the weighted funding model for students with disabilities than a school district or charter school received in FY 2016 under the unit methodology.

One of the reasons the Governor proposed the enhancement in the second year of the 2015-2017 biennium is to allow time for the NDE to develop the regulations and get the new funding methodology in place, rather than requiring it to be implemented immediately after the end of Session. The \$25 million FY 2017 appropriation would begin the transitioning to a weighted formula for students with disabilities. The NDE indicated this funding would achieve approximately a weight of 0.5 above the 1.0 base and would begin increasing the weighted-student funding formula over each year of the subsequent biennium until a 2.0 weight would be achieved.

Do the Committees wish to approve a \$25 million General Fund appropriation in FY 2017 to begin transitioning to a weighted-student funding model for students with disabilities, as recommended by the Governor, contingent upon passage and approval of S.B. 508?

**Assemblyman Edwards:**

What does 3,049 represent?

**Ms. Waller:**

The 3,049 is the number of units or an equivalent number of special education teachers funded through the State. However, currently the amount of those units does not cover the full cost of the salaries and benefits of the special education teachers. This has required the school districts to transfer a significant amount of their General Fund per-pupil funding to their special education fund to subsidize the cost of the special education teachers.

**Assemblyman Edwards:**

How many special education students are there?

**Ms. Waller:**

There are 53,700 special education students in FY 2015.



**Assemblyman Edwards:**

If the additional 0.5 weighting is applied to the 53,700 students, the costs will eventually be in the range of \$175 million.

**Ms. Waller:**

That is correct. The Governor would make a recommendation in the biennial budget based on available funding. There is no requirement or specific date indicating when the 2.0 weight must be achieved.

**Assemblyman Edwards:**

I want to make clear to the Committees that \$25 million can increase to approximately \$175 million.

**Ms. Waller:**

The funding in the Governor's recommended budget for students with disabilities is \$138.6 million in FY 2016 and \$168.1 million in FY 2017.

**Assemblyman Edwards:**

Will the 0.5 funding eventually supplant the current funding?

**Ms. Waller:**

The \$168.1 million for FY 2017 includes the \$25 million General Fund appropriation.

**Assemblyman Edwards:**

Will the 0.5 weighting in the next biennium replace the \$168.1 million?

**Ms. Waller:**

Yes. At the time the funding is distributed at the full 2.0 weight, it would not be in addition to, but rather part of, that weighted funding formula.

**Assemblyman Kirner:**

The \$25 million investment is a step toward a new weighted average. When will the 2.0 weight be achieved?

**Ms. Waller:**

The Task Force on K-12 Education Funding spent a significant amount of time discussing the possibility of weighted-student formulas for English language

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learners, at-risk students and special education. However, due to the short time frame available to discuss these topics, the Task Force only made a recommendation about moving to the 2.0 weight. The manner and the period in which to implement the movement to the full weight was not included in their recommendations. The Task Force suggested the NDE meet with stakeholders to develop recommendations to present to the Governor and Legislature for consideration.

**Assemblyman Kirner:**

Are there differentiating weights based on the severity of the disability?

**Ms. Waller:**

No. The Task Force decided the 2.0 weight was the best way to distribute the funding. The intention is the funding would be distributed to each school district or charter school based on the count of students with disabilities.

**Assemblyman Kirner:**

Will the school districts have flexibility in how they distribute the funds to the various schools?

**Ms. Waller:**

Yes, that is correct.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE IN DECISION UNIT E-299 OF B/A 101-2610 A \$25 MILLION GENERAL FUND APPROPRIATION IN FY 2017 TO BEGIN TRANSITIONING TO A WEIGHTED-STUDENT FUNDING MODEL FOR STUDENTS WITH DISABILITIES, AS RECOMMENDED BY THE GOVERNOR, CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 508.

SENATOR ROBERSON SECONDED THE MOTION.

**Assemblyman Edwards:**

Do some students identified as needing special education have a disability that can improve over time, changing their classification for the special funding?

**Ms. Waller:**

The students identified with special needs have an individual education plan (IEP). If those students meet their goals and no longer qualify to be classified as a student with disabilities, their status would change and they would no longer continue to be eligible to receive the special education funding.

**Assemblywoman Titus:**

Is any of the IEP time billable to Medicaid considered in the formula? Are any costs related to nurses, psychologists or other special need items shown anywhere for these students?

**Ms. Waller:**

This information is maintained at the district or charter school local level. Reimbursement revenue would not be shown as a line item, but rather would be included in the DSA formula, which considers all revenues received by the local entities.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Waller:**

Major Closing Issue No. 3 for B/A 101-2610 is the class-size reduction (CSR) program discussed on pages 5 through 8 of [Exhibit C](#). The CSR program does not apply to charter schools.

For the 2015-2017 biennium, the Executive Budget recommends General Fund appropriations of \$172 million in FY 2016 and \$178.2 million in FY 2017 to continue the CSR program in Grades 1 through 3. This represents increases of 7.5 percent and 8.2 percent, respectively, over legislatively approved funding for the 2013-2015 biennium. Based on updated enrollment projections, the General Fund appropriations for the CSR program increase by \$247,971 in FY 2016 and by \$178,944 in FY 2017, bringing the total recommended General Fund appropriations to \$172.2 million in FY 2016 and \$178.7 million in FY 2017 for the CSR program.

The Governor's budget as originally recommended for the 2015-2017 biennium would provide funding for 2,289 and 2,318 CSR teachers for Grades 1 through 3 in FY 2016 and FY 2017, respectively. As revised by the updated enrollment projections, the Governor's budget would fund 2,317 CSR teachers in FY 2016 and 2,346 CSR teachers in FY 2017, an increase of 28 teachers in each year of the upcoming biennium.

In recognition of the State's recovery from the recent fiscal crisis, the 2013 Legislature continued the provision to allow school districts flexibility from the funded CSR pupil to teacher ratios through the end of this biennium. The legislation allows school districts flexibility to increase class size by up to 2 students per teacher to achieve student-to-teacher ratios of 18:1 in Grades 1 and 2 and 21:1 in Grade 3. School districts implementing the flexibility provision must use the corresponding savings to minimize the impact of budget reductions on class sizes in Grades 4 through 12, as long as it is fiscally neutral to do so. This flexibility provision outlined in S.B. Bill No. 522 of the 77th Session sunsets on June 30, 2015.

In FY 2015, four school districts, including Clark, Humboldt, Lyon and Washoe Counties, are utilizing the CSR flexibility provisions, also known as the Plus Two Waiver. The NDE has not submitted a bill draft request to continue the CSR flexibility in the 2015-2017 biennium.

At the February 19, budget hearing, the NDE provided information regarding school district participation in the CSR program shown in a table on page 7 of [Exhibit C](#). With the flexibility provision, there are essentially three variance programs, the regular CSR program requiring the student-to-teacher ratios of 16:1 and 19:1, an alternative program requiring 22:1 and 25:1 for school districts located in a county whose population is under 100,000 and the Plus Two Waiver which allows the CSR student-to-teacher ratio to be increased by 2 students for a maximum ratio of 18:1 and 21:1.

The second table on page 7 of [Exhibit C](#) shows schools participating in the Plus Two Waiver CSR program in FY 2015. Over 84 percent of the combined number of schools are operating under a variance request. During the budget hearing, representatives from Clark and Washoe County School Districts testified that allowing the flexibility waiver to sunset, as recommended in the Governor's budget, would have a negative budgetary impact on their districts

and, as such, requested consideration be given to extending the CSR flexibility provisions through the 2015-2017 biennium.

An April 30, 2015 letter from the Nevada Association of School Superintendents indicates the extension of the CSR flexibility waiver through the 2015-2017 biennium would allow \$82 million to be used to maintain current class sizes in upper grades. Should the Committees wish to extend the temporary CSR flexibility waiver through the end of the 2015-2017 biennium, back language would need to be added to the education funding bill to extend the sunset of the waiver since the Governor has not submitted a bill draft request to do so.

As an alternative to extending the sunset of the CSR flexibility waiver, the Committees could consider increasing the recommended CSR student-to-teacher ratios from 16:1 for Grades 1 and 2 and 19:1 for Grade 3 to 18:1 and 21:1, respectively. These are the permissible ratios under the Plus Two Waiver. This would result in a reduction of \$52.2 million in FY 2016 and \$54.2 million in FY 2017 to the CSR funding recommended in the Governor's budget. The NDE and the Budget Office located an error in the CSR formula that needs to be corrected, which may necessitate revising some of the dollar amounts quoted in [Exhibit C](#).

As another alternative, the Committees could consider increasing the student-to-teacher ratios recommended in the Governor's budget by 1 student making the ratio 17:1 in Grades 1 and 2 and 20:1 in Grade 3. This would result in a revised reduction of approximately \$21 million in FY 2016 and \$23.3 million in FY 2017 to the CSR funding recommended in the Governor's budget. If either of these options were selected, the Committees could then redirect either some or all of the funding generated by the modification to the recommended student-to-teacher ratios in the CSR program to maintain current class sizes in upper grades.

The Committees may wish to consider the following four options:

- A. Approve General Fund appropriations of \$172.2 million in FY 2016 and \$178.7 million in FY 2017 for the CSR program, as updated and recommended by the Governor, which would require student-to-teacher ratios of 16:1 and 19:1 for Grades 1 and 2 and Grade 3, respectively,

including the Governor's recommendation to allow the temporary CSR program flexibility waiver to sunset as of June 30, 2015.

- B. Approve General Fund appropriations of \$172.2 million in FY 2016 and \$178.7 million in FY 2017 for the CSR program, as updated and recommended by the Governor, which would require student-to-teacher ratios of 16:1 and 19:1 for Grades 1 and 2 and Grade 3, respectively, but extend the temporary CSR program flexibility waiver through June 30, 2017.
- C. Modify the recommended student-to-teacher ratios to 17:1 and 20:1 for Grades 1 and 2 and 3, respectively, which would reduce General Fund appropriations recommended for the CSR program by \$21 million in FY 2016 and \$23.3 million in FY 2017 and to approve the Governor's recommendation to allow the temporary CSR program flexibility waiver to sunset as of June 30, 2015.
- D. Modify the recommended student-to-teacher ratios to 18:1 and 21:1 for Grades 1 and 2 and 3, respectively, which would reduce General Fund appropriations recommended for the CSR program by \$52.2 million in FY 2016 and \$54.2 million in FY 2017, for a total of \$120 million in FY 2016 and \$124.5 million in FY 2017, and approve the Governor's recommendation to allow the temporary CSR program flexibility waiver to sunset as of June 30, 2015.

If Option C or D is selected, the Committees would need to determine how much of the total funding reduction generated from the modification of the class-size ratios would be redirected from the CSR program to maintain current class sizes in upper grades.

**Assemblywoman Titus:**

I am not a fan of the CSR program. I have not seen any strong data indicating results from CSR. Consequently, I support Option C to modify the student-to-teacher ratio to 17:1 for Grades 1 and 2 and 20:1 for Grade 3.

**Assemblyman Kirner:**

Are these ratios the actual number of certified teachers in the classrooms to the ratio of students in the classroom, not including certified teachers working in administration and elsewhere?

**Ms. Waller:**

The reporting requirements stipulate only counting the certified teachers teaching in the classroom.

**Assemblyman Kirner:**

I support Option C.

**Chair Kieckhefer:**

The CSR options and the implications they have on the school districts have been well discussed over the biennium. Considering all the input made available to me, Option C has the most support.

**Assemblywoman Dickman:**

I have seen a number of studies that show CSR is not the most effective way to use our education tax dollars. Additionally, a 2014 Legislative Counsel Bureau (LCB) study showed millions of educational dollars are unaccounted for. Consequently, I prefer Option D.

**Senator Woodhouse:**

As a retired first grade teacher, I speak from experience about the value of CSR. I had 34 first grade students in my classroom for 17 years. My last year of teaching I had 19 second grade students in my classroom. Reducing the number of students makes a huge difference in how much time the teacher is able to spend with individual students. In your mind, put yourself in the place of our primary grade teachers, especially those teaching Grades 1 and 2. These classes contain entry-level students who oftentimes do not speak English. Considering the curriculum, the student demographics and the social economics in our communities, reducing class size can have a big effect on the positive outcomes of the educational experience. I urge everyone to consider this as we vote on this measure.

**Assemblywoman Titus:**

I continue to support Option C.

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**Chair Kieckhefer:**

To be clear, I understand the cost savings resulting from Option C stated on page 8 of [Exhibit C](#) are corrected from \$27.6 million to \$21 million in FY 2016 and from \$28.6 million to \$23.3 million in FY 2017.

**Ms. Waller:**

That is correct. Those revised figures were provided to me this morning; however, I have not had a chance to verify them. Fiscal Division staff requests authority for technical adjustments as necessary.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE B/A 101-2610 CSR OPTION C, MODIFYING THE RECOMMENDED STUDENT-TO-TEACHER RATIOS TO 17:1 IN GRADES 1 AND 2 AND 20:1 IN GRADE 3; TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ALLOW THE TEMPORARY CSR PROGRAM FLEXIBILITY WAIVER TO SUNSET AS OF JUNE 30, 2015; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

**Assemblyman Edwards:**

Although I am not totally convinced about CSR, this action will improve the student-to-teacher ratios. I will expect improvement in accountability for the investment. Reducing the amount of money from the Governor's recommendation sends a message that schools cannot simply continue to spend money and not be held accountable. I will vote in support of this trusting the approved teachers will actually be working in the classrooms with the children, and that the educational outcomes will improve. I will be watching this closely during the upcoming biennium.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN DICKMAN VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Waller:**

Now that Option C has been selected, the Committees could determine at this time, or at another time, how much of the total funding reduction generated would be used to maintain current class sizes in upper grades.

**Chair Kieckhefer:**

We have an opportunity to put the money we just saved back into the school district budgets to assist them with their deficits created by the CSR Plus Two Waiver and some of the other issues they have encountered. I am interested in putting some money back into the base per-pupil support and the remainder into the Career and Technical Education (CTE) program.

**Assemblywoman Kirkpatrick:**

I agree. I believe the shortfall in the basic support per-pupil amount is approximately \$48 per student.

**Chair Kieckhefer:**

Would this be the appropriate time to make the final decision on this?

**Ms. Waller:**

If the Committees choose to redirect some of the funding from the CSR categorical back to the DSA, your motion could include an increase in the basic support per pupil and stipulate that the remainder of the savings could be redirected to the CTE program.

**Chair Kieckhefer:**

I am interested in a proposal to increase the basic support per pupil by \$40 per student in each year of the 2015-2017 biennium with the remainder going to the CTE program to expand successful programs.

**Assemblyman Edwards:**

I can support the CTE increase; however, I am not as comfortable with granting an increase to the basic support per pupil.

**Assemblywoman Kirkpatrick:**

We have to look closely at this. This would put money back into the DSA to maintain current programs. It does not make sense to add funds for new programs if we do not maintain adequate funding for existing programs.

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**Chair Anderson:**

I propose adding \$40 to the basic support per-pupil funding and putting any remaining funds into the CTE program.

**Chair Kieckhefer:**

Part of the issue we are trying to address is the deficit the school districts are facing going into the next school year. We do not want to lay off teachers going into a year that we have a teacher shortage. Adding \$40 to the basic support per pupil does not solve all the problems, but it will help.

I have a clear statement of interest from Committee members to use the CSR savings created in the CSR decision to increase the base per-pupil support in each year of the biennium by \$40 per pupil and direct the remainder to CTE.

SENATOR ROBERSON MOVED TO APPROVE USING THE CSR SAVINGS REALIZED IN THE B/A 101-2610 DECISION TO INCREASE THE STUDENT-TO-TEACHER RATIO; TO USE IT TO INCREASE THE BASIC PUPIL SUPPORT BY \$40 IN EACH YEAR OF THE 2015-2017 BIENNIUM; AND TO APPLY THE REMAINDER OF THE CSR SAVINGS TO EXPANDING CTE PROGRAMS.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN DICKMAN AND TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Waller**

There are nine Other Closing Issues for B/A 101-2610 described on pages 8 through 13 of [Exhibit C](#). Other Closing Issue No. 1 pertains to the projected student enrollment growth, decision unit M-200.

The table on page 9 in [Exhibit C](#) contains the actual weighted school enrollment counts for FY 2010 through FY 2014 and projected weighted enrollments for FY 2015 through FY 2017 for kindergarten through Grade 12 (K-12) pupils.

The Governor's recommended budget originally projected a 1.25 percent growth, or 448,943 students, for FY 2016 and 454,555 students for FY 2017. General Fund appropriations of \$36.3 million in FY 2016 and \$69.7 million in FY 2017 were recommended by the Governor to support this growth. This funding includes the costs of special education students and the CSR program. However, updated enrollment projections in FY 2015 decreased by 300 students—from 443,424 students to 443,124 students. This changed the original FY 2016 enrollment increase percentage recommended in the Governor's budget from 1.25 percent to 1.32 percent.

Based on the updated enrollment projections provided by the Budget Office on May 12, 2015, and in consultation with the NDE, weighted enrollments are expected to increase by 562 students to 449,505 students in FY 2016 and by 569 students to 455,124 students in FY 2017, above the projected enrollment growth recommended in the Governor's budget. As a result, projected enrollment growth increases from 1.32 percent to 1.44 percent in FY 2016 and remains constant at 1.25 percent in FY 2017. An additional \$4.5 million in FY 2016 and \$4.8 million in FY 2017 is required to fund the updated enrollment figures, which brings the total General Fund appropriations recommended for projected enrollment growth to \$40.8 million in FY 2016 and \$74.5 million in FY 2017. This recommendation appears reasonable.

Other Closing Issue No. 2 is fringe benefit rate adjustments, decision unit M-300 of B/A 101-2610.

#### M-300 Fringe Benefits Rate Adjustment — Page K-12 EDUCATION-19

Fringe benefits have been adjusted in the DSA for the increase in the retirement rate from 25.75 percent to 28 percent, with a corresponding reduction in salary costs for approximately one-half of the amount for the employee portion of the increase. This is consistent with the methodology used to implement the retirement cost increase for State employees on the employer-paid plan. In addition, the Governor's budget increases funding for group insurance costs for school personnel by 1.67 percent in FY 2016 to \$6,927 per employee in both

FY 2016 and FY 2017—from \$6,813 per employee recommended in the FY 2014 base budget. The combined General Fund appropriations recommended for these fringe benefit rate increases is \$19.6 million in FY 2016 and \$20.1 million in FY 2017. This recommendation appears reasonable.

Other Closing Issue No. 3, decision unit E-125 of B/A 101-2610, proposes to extend the June 30, 2015, sunset of the prepayment of Net Proceeds of Minerals Taxes to June 30, 2016. Legislation for this change is set forth in S.B. 483. This tax is considered as a local revenue source in the DSA in the subsequent year after actual receipts are collected. As such, the recommended extension of the prepayment would have the effect of increasing projected local revenues by \$12.6 million in FY 2017, which would then also result in an offsetting General Fund reduction of \$12.6 million in FY 2017.

#### E-125 Sustainable and Growing Economy — Page K-12 EDUCATION-20

Other Closing Issue No. 4, decision unit E-130 of B/A 101-2610, recommends continuing the transfer of the Initiative Petition (IP) No. 1 of the 75th Session Room Tax revenues to the DSA through the end of the 2015-2017 biennium.

#### E-130 Sustainable and Growing Economy — Page K-12 EDUCATION-20

The Governor's budget estimated these revenues to be \$151.9 million in FY 2016 and \$156.3 million in FY 2017 to the DSA as a State funding source through June 30, 2017. On May 1, 2015, the projections were updated to \$154.7 million in FY 2016 and \$159.2 million for FY 2017—an increase of \$5.7 million when compared to the \$308.2 million of IP No. 1 of the 75th Session Room Tax revenue and interest earnings included in the Executive Budget.

The transfer of IP No. 1 of the 75th Session Room Tax revenues to the DSA is scheduled to sunset on June 30, 2015. If the transfer of IP No. 1 of the 75th Session Room Tax revenues sunset as originally scheduled, additional General Fund appropriations totaling \$313.9 million would be required to support the Governor's recommended funding level in the DSA for the 2015-2017 biennium. This proposal is contingent upon the approval of decision unit E-130 in the State Supplemental School Support Account, B/A 101-2617.

NDE - State Supplemental School Support Account — Budget Page K-12  
EDUCATION-37 (Volume I)  
Budget Account 101-2617

E-130 Sustainable and Growing Economy — Page K-12 EDUCATION-37

Other Closing Issue No. 5, decision unit E-246 of B/A 101-2610, proposes to transfer and combine the At-Risk Kindergarten CSR program funding in the DSA with the full-day kindergarten (FDK) program in the School Remediation Trust Account, decision unit E-287 of B/A 101-2615. The Executive Budget proposes to eliminate General Fund appropriations of \$1.8 million in each fiscal year of the 2015-2017 biennium in B/A 101-2610 and factor it into the calculation of the required funding for the FDK program in B/A 101-2615. This funding originally provided 23.5 teacher positions to reduce the pupil-teacher ratio in certain kindergartens with large numbers of students considered at risk of failure.

E-246 Efficient and Responsive State Government — Page K-12 EDUCATION-21

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-32  
(Volume I)  
Budget Account 101-2615

E-287 Educated and Healthy Citizenry — Page K-12 EDUCATION-34

Other Closing Issue No. 6, decision unit E-710 of B/A 101-2610, proposes \$34.2 million for each year of the 2015-2017 biennium to replace equipment. This is the same level of funding expended in the Base Budget year of FY 2014.

E-710 Equipment Replacement — Page K-12 EDUCATION-22

Other Closing Issue No. 7, decision unit E-900 of B/A 101-2610, is described on page 10 of [Exhibit C](#). The Executive Budget recommends transferring a General Fund appropriation of \$174,243 in each year of the 2015-2017 biennium for the Gifted and Talented Education (GATE) program from the DSA account, B/A 101-2610, to Other State Education Programs, B/A 101-2699. The GATE program and funding remains intact; however, the transfer is part of NDE's plan to consolidate State grant funding for better

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tracking and management of each program at the State level. This recommendation appears reasonable.

E-900 Transf DSA 2610 GATE To Other State Ed Prog 2699 — Page K-12  
EDUCATION-22

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-24  
(Volume I)  
Budget Account 101-2699

Other Closing Issue No. 8, page 11 of [Exhibit C](#), pertains to the basic support per pupil. Considering the updated enrollment growth projections, as well as the reprojection of revenues, the revised guaranteed basic support recommended by the Governor is \$5,670 in FY 2016 and \$5,734 in FY 2017, an increase of \$1 per pupil in FY 2016 and \$18 per pupil in FY 2017 when compared to the basic support per-pupil amounts originally recommended by the Governor.

Other Closing Issue No. 9 is a description of the hold-harmless provision in section 2 of NRS 387.1233. Under hold harmless, funding is based on the higher of the previous 2 years' weighted apportionment enrollment if enrollment declines by 5 percent or more from the previous year; otherwise, the weighted apportionment enrollment is the higher of the current or previous year's enrollment.

Although enrollments increased both years of the current biennium in Clark County and several other school districts, 8 school districts and 12 charter schools experienced a decline in enrollment and are using the hold-harmless provision for apportionment purposes. For the 2013-2015 biennium, the hold-harmless provision for eligible school districts and charter schools increased the State responsibility by \$26.7 million, compared to the hold-harmless costs of \$24.9 million for the 2011-2013 biennium.

Senate Bill 508 would, among other things, limit the hold-harmless provision to the higher of the current or previous year's enrollment. If passed, S.B. 508 would reduce the cost of the hold-harmless provision, which is not a budgeted factor. Any hold-harmless costs in fiscal years can either reduce the amount reverted to the General Fund or could cause a supplemental appropriation in a year where funding is extensive.

Other Closing Issue No. 10, described on page 11 of [Exhibit C](#), pertains to positions and salaries. Statewide actual average teacher salaries for FY 2014 were \$53,095, \$74,077 with benefits, and are estimated at \$54,157, \$75,423 with benefits, for FY 2015.

In the Governor's budget, average teacher salaries are budgeted at \$55,240, \$76,908 with benefits, for FY 2016 and \$56,345, \$78,308 with benefits, for FY 2017, based on a 2 percent roll up. School district and charter school personnel are eligible for a merit increase each year based on years of service and attaining additional education experience. The 2 percent roll up is the increase in average salaries related to teachers' merit increases as their number of years of service increase. The Executive Budget does not provide for across the board salary increases for school district or charter school employees in the upcoming biennium.

Other Closing Issue No. 11 pertains to textbook funding. In approving the DSA budget each biennium, the Legislature establishes a minimum amount that must be expended on textbooks, instructional supplies, hardware and software in accordance with NRS 387.206. These are also known as "fenced" items because they are fenced off within the DSA account, which is an unrestricted funding source for the school districts. The Executive Budget recommends funding for textbooks, instructional supplies, instructional hardware and instructional software of \$85 million for FY 2016 and \$86 million in FY 2017 reflecting the total actual expenditures incurred for these items by school districts and charter schools in FY 2014, increased for projected enrollment growth.

Adjustments to the way the minimum textbook expenditure is calculated and what is included were made by the 2009 Legislature as described on page 12 of [Exhibit C](#). However, a temporary waiver from the minimum expenditure requirements has been in effect since the 2009-2011 biennium in order to provide school districts and charter schools flexibility in addressing budget shortfalls resulting from the economic downturn. Beginning with the 2015-2017 biennium, the Governor recommends termination of the temporary waiver.

During the budget hearings, school districts testified in favor of continuing the textbook waiver through the upcoming biennium as initial calculations of the

minimum expenditure requirements by the majority of the school districts revealed a budget deficit would occur without the extension of this temporary waiver. However, Fiscal staff found the school districts were using the prior methodology to calculate the minimum expenditure requirements, which used actual expenditures for these items in the base year as the basis. Fiscal staff determined the minimum expenditure requirement using the new method results in a total of \$121.27 per pupil. Multiplying this per-pupil amount by the projected enrollment of 449,505 pupils, the aggregate minimum expenditure requirement totals \$54.5 million in FY 2016. At the request of NDE, school districts provided their preliminary budgets for these items, which total \$67.9 million in FY 2016. As such, based on the preliminary budgeted amounts reported, the budgeted amounts for these items exceed the minimum expenditure requirement under the revised methodology.

Do the Committees wish to approve the Governor's recommendation to not continue the temporary waiver from minimum textbook expenditure requirements for textbooks, instructional supplies, instructional hardware and software beginning in the 2015-2017 biennium?

**Chair Kieckhefer:**

There has been much discussion on this topic. The previous calculation of the minimum expenditure had a detrimental effect on the school districts. However, using the revised methodology, the school districts' preliminary plans for expenditures exceed the minimum requirements, thereby eliminating any deficit in the upcoming school year. Therefore, I would entertain a motion to discontinue the waiver.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN B/A 101-2610 TO NOT CONTINUE THE TEMPORARY WAIVER FROM MINIMUM TEXTBOOK EXPENDITURE REQUIREMENTS FOR TEXTBOOKS, INSTRUCTIONAL SUPPLIES, INSTRUCTIONAL HARDWARE AND SOFTWARE BEGINNING IN THE 2015-2017 BIENNIUM.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.



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SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller**

In Other Closing Issue No. 12, the Executive Budget continues the National School Lunch program State match of \$588,732 each fiscal year as a line item in B/A 101-2610.

In Other Closing Issue No. 13, the Executive Budget continues funding for special transportation as a line item in B/A 101-2610 for \$128,541 each fiscal year of the 2015-2017 biennium.

Do the Committees wish to approve all Other Closing Issues in B/A 101-2610 as recommended by the Governor, and consistent with the Committees' closing action taken in the State Supplemental School Support budget, B/A 101-2617, and contingent upon the passage and approval of S.B. 483? Fiscal staff requests authority to make technical adjustments as necessary.

ASSEMBLYMAN KIRNER MOVED TO APPROVE ALL OTHER CLOSING ISSUES IN B/A 101-2610, INCLUDING DECISION UNITS M-200, M-300, E-125, E-130, E-246, E-710 AND E-900, AS RECOMMENDED BY THE GOVERNOR AND CONSISTENT WITH THE COMMITTEES' CLOSING ACTION TAKEN IN THE STATE SUPPLEMENTAL SCHOOL SUPPORT BUDGET, B/A 101-2617, AND CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 483 WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

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**Ms. Waller:**

The next account is the Other State Education Programs, B/A 101-2699, discussed on pages 16 through 34 of [Exhibit C](#). This account is designed to accommodate grants and other programs funded by the State, specifically for pass through to school districts, charter schools and other educational entities. There are nine major closing issues.

Major Closing Issue No. 1, page 17 and 18 of [Exhibit C](#), is the new Read By Three initiative, decision unit E-280.

E-280 Educated and Healthy Citizenry — Page K-12 EDUCATION-25

The Executive Budget recommends General Fund appropriations of \$4.9 million in FY 2016 and \$22.3 million in FY 2017 as part of the Governor's new Read by Three major budget initiative (MBI). In addition, the Read By Three MBI includes General Fund appropriations totaling \$372,578 over the 2015-2017 biennium for two new education program professional positions and an annual \$30,000 General Fund appropriation to contract for an external evaluation in the NDE Literacy Programs account, B/A 101-2713.

NDE - Literacy Programs — Budget Page K-12 EDUCATION-148 (Volume I)  
Budget Account 101-2713

On May 12, the full Committees closed B/A 101-2713 and approved the personnel and associated operating costs for two new positions to administer the Read by Grade 3 MBI along with the \$30,000 General Fund appropriation in each year to contract for an external evaluation of the program. Senate Bill 391, as amended, would implement this MBI.

[SENATE BILL 391 \(2nd Reprint\)](#): Revises provisions governing educational instruction in the subject of reading. (BDR 34-644)

Senate Bill 391, as amended, requires the board of trustees of each school district and the governing body of each charter school to prepare a plan to improve the literacy of students enrolled in kindergarten through Grade 3. The principal of each school must designate a learning strategist to train and assist teachers in providing intensive instruction to students identified as

deficient in reading. Certain teachers are required to complete related professional development.

Senate Bill 391, as amended, is effective upon passage and approval for the purpose of adopting regulations and performing other preparatory administrative tasks; on July 1, 2015, for the purpose of providing literacy supports for students in kindergarten through Grade 3; and on July 1, 2019, for the purpose of retaining students who are not proficient in reading.

Supporting documentation for this MBI indicates the recommended funding, available to all elementary schools through a competitive grant process, would increase the percent of third grade students reading at or above grade level in schools not served through funding for Zoom Schools, the proposed new Victory Schools grant program or the existing federal Striving Readers program. An aligned interim assessment program would be utilized to demonstrate progress in reading proficiency in pre-K and in Grades K-2.

The NDE advises that schools would be selected to receive Read By Three grant funding based on an application submitted to NDE, with specific attention paid to the ability of the schools and school districts to immediately implement the program. The program must align with and not duplicate existing work already underway within the school district or charter school where students are struggling with reading. Third grade reading proficiency scores may be requested from each school to assist in evaluating the applications.

According to the NDE, this MBI would support activities found to be effective in improving academic achievement of students in reading in Grades K-3 such as literacy coaches, grants and contracts. This would include:

- Tools such as software
- Hiring and training learning strategists
- Contracting for the purchase of approved reading assessments and instructional materials
- Professional development
- Extended school day/year/or summer learning opportunities
- Other evidence-based literacy initiatives for pupils in kindergarten and Grades 1, 2, and 3.

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The NDE will determine the cost per pupil for all schools and will contract with an external evaluator to evaluate the program's performance. The NDE indicates the evaluation of the effectiveness of the grant would include data regarding the academic and linguistic achievement and proficiency of pupils who participated in a school-based program.

In determining the level of funding required to implement this MBI, the NDE analyzed the costs of Zoom School reading centers and other literacy interventions and determined the range of interventions included in S.B. 391 could range from less than \$200 per student to more than \$400 per student. Therefore, the NDE used an average of \$300 per student based on estimated average elementary school enrollment of approximately 500 students in Grades K-2, which totals \$150,000 per school. Based on this calculation, the NDE estimates the funding recommended in the Executive Budget would serve 30 schools in FY 2016 and 145 schools in FY 2017.

Do the Committees wish to approve General Fund appropriations of \$4.9 million in FY 2016 and \$22.3 million in FY 2017 to implement the Governor's new Read By Three MBI contingent upon the passage and approval of S.B. 391?

**Assemblyman Kirner:**

I request periodic reports be made to IFC regarding the progress on this initiative.

**Chair Kieckhefer:**

It would be best to have those accountability measures in place in conjunction with the approval of S.B. 391.

SENATOR WOODHOUSE MOVED TO APPROVE IN DECISION UNIT E-280 OF B/A 101-2699 GENERAL FUND APPROPRIATIONS OF \$4.9 MILLION IN FY 2016 AND \$22.3 MILLION IN FY 2017 TO IMPLEMENT THE NEW READ BY THREE MBI, AS RECOMMENDED BY THE GOVERNOR, CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 391.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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**Assemblyman Edwards:**

I agree with Assemblyman Kirner that there must be accountability for the progress and outcomes on these new initiatives. I agree with adding this requirement with the passage of S.B. 391.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

In Major Closing Issue No. 2 of B/A 101-2699, pages 18 through 20, the Governor recommends an MBI to establish a new Safe and Respectful Schools Office and a Social Worker or Other Licensed Mental Health Worker Grant program beginning in the 2015-2017 biennium.

The establishment of a new Safe and Respectful School Office is included in the NDE's Student and School Support budget, B/A 101-2712.

NDE - Student and School Support — Budget Page K-12 EDUCATION-135  
(Volume I)  
Budget Account 101-2712

The full Committees closed B/A 101-2712 on May 12, 2015, and approved General Fund appropriations totaling \$270,000 in each fiscal year for the personnel and associated operating costs of two new positions to staff the Safe and Respectful School Office and to administer the Social or Other Licensed Mental Health Worker Grant program.

Passage and approval of S.B. 504, as amended, would create the Office for a Safe and Respectful Learning Environment within the NDE. The MBI for a proposed Social Worker or Other Licensed Mental Health Worker Grant program is not contingent upon the approval of S.B. 504. The NDE has two existing staff working with the anti-bullying program that would be able to administer this new MBI should S.B. 504 not be approved.

**SENATE BILL 504 (1st Reprint)**: Amends provisions relating to a safe and respectful learning environment in public schools. (BDR 34-1201).

Decision unit E-281 of B/A 101-2699 provides funding for the new grant program for schools to provide a social worker or other licensed mental health worker. It includes a mental health screening/survey tool to be administered in the first year to target schools in need. The program will operate as a block grant to local districts. It is funded with General Fund appropriations recommended at \$12 million in FY 2016 and \$24.3 million in FY 2017.

E-281 Educated and Healthy Citizenry — Page K-12 EDUCATION-25

A contractor would be selected to administer the mental health tool/survey. The selection of the screening device/contractor will be a joint effort with the NDE and the Department of Health and Human Services' (DHHS) Division of Public and Behavioral Health. The cost estimates for the school climate survey were obtained from WestEd, a nonprofit educational research and development organization, based upon existing surveys utilized in California.

The proposed survey configuration will provide data on student risk and protective factors, mental health, school safety, connectedness and school climate, including discipline, bullying and other forms of victimization. In addition, it will provide a wide range of other data related to academic achievement and learning supports, including student engagement, motivation, and reasons for truancy, useful in guiding school improvement efforts, in general. The grades to be surveyed include 5, 7, 9 and 11, which will provide data at one grade in elementary and middle school and two grades in high school. The estimated class time to complete the survey is one class period. The data gathered from the survey will be used to determine the block grant dollar amounts provided to schools in need. Funding for the mental health survey in the amount of \$168,792 is included in the NDE's Student and School Support budget, B/A 101-2712, approved by the full Committees on May 12, 2015.

Upon further review of the supporting calculations of the funding recommended in this decision unit, Fiscal staff determined that \$168,792 for the cost of the mental health screening survey was inadvertently included as a part of the \$24.3 million recommended by the Governor in FY 2017. This funding was also

included in the NDE Student and School Support budget, B/A 101-2712, approved by the full Committees on May 12, 2015. Fiscal staff has made a technical adjustment to eliminate the duplicate funding of \$168,792 in FY 2017 in decision unit E-281 of B/A 101-2699. The NDE concurs with the technical adjustment.

When asked to provide the benefits of operating this program as a block grant, the NDE responded that as compared to categorical grants, which tend to be more restrictive, block grants provide greater latitude. The NDE further indicated that because each school district has unique needs and may need to spend this funding in different ways, school districts would be able to determine the best way to bring mental health professionals and social workers into their schools.

The NDE confirms the social workers or other licensed mental health workers would be contractors and not school employees. In response to Fiscal staff's inquiry, the NDE provided a list of professionals that would be eligible for contract services under the Social Worker or Other Licensed Mental Health Worker Grant program, as recommended by the DHHS as follows:

- Licensed Clinical Social Worker
- Social Worker
- Social Worker Intern with Supervision
- Clinical Psychologist
- Psychologist Intern with Supervision
- Marriage and Family Therapist
- Mental Health Counselor
- Community Health Worker
- School-Based Health Centers
- Nurses

The funding for the social worker grant program was initially calculated with one social worker or mental health professional per school—\$37 per hour for 6 hours per day x 180 days at 301 schools in FY 2016 and 602 schools in FY 2017. However, the NDE was also aware that some schools would likely need more social workers/mental health professionals based upon identified risks and size of student enrollment.

The Governor's budget proposes the mental health survey would be administered in the first year of the program. Based upon the results, school districts will receive a block grant to fund the contract social workers or mental health professionals needed for identified schools.

The survey will be used to provide the baseline data for the external program evaluation and outcome data for subsequent years. As such, the survey is only required to be funded in the first year of each biennium. The \$12 million recommended in FY 2016 is approximately one-half of the full funding level of \$24.1 million to allow sufficient time for the administration of the mental health survey and subsequent program implementation. The funding level at full implementation is calculated at \$37 per hour for 6 hours per day for 180 days at 301 schools in FY 2016 and 602 schools in FY 2017.

The Committees may wish to consider the following options:

- A. Approve General Fund appropriations of \$12 million in FY 2016 and \$24.1 million in FY 2017, as recommended by the Governor and inclusive of the technical adjustment to eliminate duplicate funding in the amount of \$168,792 in FY 2017, to provide funding for contract social workers or other licensed mental health workers in schools with identified needs.
- B. Approve State funding for contract social workers or other licensed mental health workers in schools with identified needs, but at a different amount than the \$12 million in FY 2016 and the \$24.1 million in FY 2017, as recommended by the Governor and inclusive of the technical adjustment to eliminate duplicate funding in the amount of \$168,792 in FY 2017. If this option is selected, the Committees would need to determine the funding level to approve.
- C. Do not approve General Fund appropriations of \$12 million in FY 2016 and \$24.1 million in FY 2017, as recommended by the Governor and inclusive of the technical adjustment to eliminate duplicate funding in the amount of \$168,792 in FY 2017, to provide funding for contract social workers or other licensed mental health workers in schools with identified needs.



**Chair Anderson:**

I like Option B. I suggest providing approximately \$4.8 million for 140 schools in FY 2016, expanding to 280 schools in FY 2017, costing approximately \$11 million. I also suggest putting the FY 2017 funds in a restricted IFC account requiring an assessment of the progress, problems and successes as a condition for releasing the FY 2017 funds.

**Chair Kieckhefer:**

We heard many concerns regarding the availability of professional staff to meet the needs of this initiative considering the demand for these same professionals in many other areas. Option B would provide a more conservative middle-ground approach.

**Assemblywoman Kirkpatrick:**

I support the proposal for Option B. I like the idea of going slower and getting a status report sooner than next Session.

**Assemblyman Kirner:**

I also support the proposal for Option B. I want to make sure money is invested in programs that will make a difference. This is a new program with potential, but at this point, has no guaranteed results. I support moving forward to give it a try, but I also like the idea of slowing down to review progress before committing larger sums of money.

**Assemblyman Edwards:**

I concur with the Option B proposal. This rational, measured approach will give us control over the program to make sure it works. The schools are experiencing problems and this may be the solution; however, it makes sense to start with a smaller program requiring a midpoint reporting to prove the concept.

**Assemblywoman Titus:**

I like the proposed measured, phased-in approach. I have concerns about the availability of the professionals. Even if we financed this all at once, I do not believe the professional team is out there to hire. I also appreciate the expansion of the list of professionals beyond licensed social workers. The bullying problem is a family, community, school and State problem. This must be addressed with a broad view stair-step approach.

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**Senator Goicoechea:**

As this is uncharted territory, I propose moving into this program slowly.

**Assemblywoman Benitez-Thompson:**

The list of professionals that may be hired needs to be flexible. The list should not be hard and fast. The intent is to hire from a wide range of professionals who have some background in behavioral health.

**Chair Kieckhefer:**

If Option B is selected and FY 2017 funds are put in a restrictive IFC account, the school districts can be required to provide information when they report to IFC about their experience in hiring the various types of professionals and their respective licenses.

ASSEMBLYMAN ANDERSON MOVED TO ACCEPT OPTION B AND APPROVE DECISION UNIT E-281 OF B/A 101-2699 TO FUND CONTRACT SOCIAL WORKERS OR OTHER LICENSED MENTAL HEALTH WORKERS IN SCHOOLS WITH IDENTIFIED NEEDS IN 140 SCHOOLS IN FY 2016 AND UP TO 280 SCHOOLS IN FY 2017; WITH FY 2017 FUNDING PLACED IN A RESTRICTED RESERVE CONTINGENCY IFC ACCOUNT THAT NDE CAN REQUEST BY PROVIDING AN UPDATE OF THE PROGRAM, INCLUDING THE NUMBER OF PROFESSIONALS HIRED AND THEIR CLASSIFICATIONS, AND ANY OTHER DATA TO SHOW THE EFFICACY OF THE PROGRAM; AND TO AUTHORIZE THE TECHNICAL ADJUSTMENT TO ELIMINATE DUPLICATE FUNDING IN THE AMOUNT OF \$168,792 IN FY 2017.

SENATOR ROBERSON SECONDED THE MOTION.

**Assemblywoman Titus:**

Although I have already expressed my appreciation for the expansion of the list of professionals that can be hired, I will not be voting in support of this motion. I would rather see the data and studies before money is committed.

**Chair Kieckhefer:**

This motion will reduce the Governor's recommended budget for this initiative by about half.

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**Ms. Waller:**

This motion will reduce the Governor's proposal by a little more than half.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN DICKMAN  
AND TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 3, pages 21 and 22 of [Exhibit C](#), is a proposed funding increase for the CTE Program. The Governor recommends in decision unit E-283 of B/A 101-2699 an additional General Fund appropriation of \$4 million in each year of the 2015-2017 biennium, increasing State funding for CTE programs from \$3.3 million to \$7.3 million each fiscal year.

E-283 Educated and Healthy Citizenry — Page K-12 EDUCATION-25

Currently, there are six CTE programs:

- Agriculture and natural resources
- Business and marketing
- Family and consumer sciences
- Health sciences and public safety
- Information and media technology
- Skilled and technical sciences

In 2013, CTE enrollment, as a percentage of general education secondary enrollment, was 39.6 percent. Graduation rates of students participating in CTE programs continue to outpace graduation rates of all students. In FY 2013, the graduation rate of CTE students was 84 percent compared to the graduation rate of 63.1 percent for all students.

The Executive Budget indicates the CTE funds will be targeted to expanding programs in areas identified by the workforce sector councils. There are currently eight industry sector councils which seek to identify high employment

needs based on either current demand or projected demand to promote economic diversification.

New programs are presented to the related industry sector council for approval and/or endorsement. The NDE provided an example that the State does not have a dedicated CTE program for manufacturing. However, a start-up program under development was recently brought before the manufacturing sector for approval.

Senate Bill No. 328 of the 77th Session revised the manner in which certain federal and State money for CTE may be allocated and for what purposes the funding may be used. This measure requires 30 percent of the State money must be awarded as competitive grants to school districts and charter schools, and 5 percent must be distributed to pupil organizations for career and technical education, of which currently there are six. Following these distributions, the State Board for CTE may authorize no more than 7.5 percent of the State funding in each fiscal year to be used to provide leadership and training activities.

Prior to the passage of S.B. No. 328 of the 77th Session, the 2013 Legislature approved State funding for leadership and training activities at \$200,000 in each year and State funding for six nonprofit Career and Technical Student Organizations at \$106,998 total, or \$17,833 each, annually. The remaining State funding approved for CTE programs in the amount of \$3.3 million in each year of the 2013-2015 biennium will be pass-through funding to school districts.

Under the revised allocation methodology prescribed by S.B. No. 328 of the 77th Session and with the substantial increase in funding for CTE programs recommended in the Governor's budget for the 2015-2017 biennium, State funding for administrative purposes would increase from \$200,000 in each year, as approved by the 2013 Legislature, to a maximum of \$360,750 each year, which represents an increase of 80.4 percent each year. Similarly, State funding for six nonprofit Career and Technical Student Organizations would increase from \$106,998 in each year, as approved by the 2013 Legislature, to \$367,191 in each year, which represents an increase of 243.2 percent each year.

Under the revised allocation methodology prescribed by S.B. No. 328 of the 77th Session, the administrative funding for leadership training and CTE student organizations is determined by percentages. As the State funding level increases, funding for these administrative purposes may increase beyond the level of funding needed or justifiable. As such, the Committees may wish to reexamine whether it wishes to continue to approve funding for leadership and for nonprofit Career and Technical Student Organizations as fixed dollar amounts, or whether to allow the funding for administrative purposes be determined in accordance with the percentages prescribed by S.B. No. 328 of the 77th Session, which, based on the Governor's recommended funding level for CTE for the 2015-2017 biennium, would result in significant automatic funding increases for administrative purposes without a corresponding justification or the establishment of need.

Do the Committees wish to approve General Fund appropriations of \$4 million in each year of the 2015-2017 biennium to increase State funding for CTE programs from \$3.3 million to \$7.3 million each fiscal year, as recommended by the Governor?

If so, do the Committees wish to add back language to the education funding bill to maintain the fixed allocations of State funding for leadership training in the amount of \$200,000 each fiscal year and in the amount of \$106,998 for the nonprofit Career and Technical Student Organizations, as was approved by the 2013 money committees prior to the passage and approval of S.B. No. 328 of the 77th Session?

**Assemblyman Hickey:**

The CTE programs have been successful as demonstrated by the graduation numbers. I like the idea of moving these programs down to the middle school level.

**Assemblywoman Kirkpatrick:**

I support the proposal for additional dollars for the CTE programs. I suggest keeping the dollars designated for administration and the Career and Technical Student Organizations at the 2013 level.

**Chair Kieckhefer:**

I agree.

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**Assemblyman Kirner:**

I support the Governor's proposal for increasing funds for the CTE program. This program is one that makes a difference in the numbers graduating and increases the potential for the students' career success.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE DECISION UNIT E-283 OF B/A 101-2699 AS RECOMMENDED BY THE GOVERNOR WITH GENERAL FUND APPROPRIATIONS OF \$4 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM INCREASING STATE FUNDING FOR CTE PROGRAMS FROM \$3.3 MILLION TO \$7.3 MILLION EACH FISCAL YEAR, WITH AUTHORITY FOR FISCAL STAFF TO INCREASE THAT AMOUNT BY THE CSR SAVINGS RESULTING FROM THIS COMMITTEES' DECISION TO REDUCE CSR FUNDING FOR THE UPCOMING BIENNIUM; AND AUTHORIZING LANGUAGE TO BE ADDED TO THE EDUCATION FUNDING BILL TO MAINTAIN THE FIXED ALLOCATIONS OF STATE FUNDING FOR LEADERSHIP TRAINING OF \$200,000 EACH FISCAL YEAR AND \$106,998 EACH FISCAL YEAR FOR THE NONPROFIT CAREER AND TECHNICAL STUDENT ORGANIZATIONS, AS WAS APPROVED BY THE 2013 MONEY COMMITTEES PRIOR TO THE PASSAGE AND APPROVAL OF S.B. NO. 328 OF THE 77TH SESSION WITH THE AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR GOICOECHEA SECONDED THE MOTION.

**Ms. Waller:**

In addition to the State funding, federal funds are available for the CTE programs that also provide an administrative allowance.

**Assemblyman Edwards:**

This program is highly favored in my district. I look forward to supporting it.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 4, pages 22 and 23 of [Exhibit C](#), describes the new College and Career Readiness Grant Program. The Governor recommends in decision unit E-285 of B/A 101-2699 General Fund appropriations of \$3 million in FY 2016 and \$5 million in FY 2017 to establish a new competitive grant program to support dual enrollment in high school and college courses and to create a competitive science, technology, engineering and mathematics (STEM) grant program for middle and high schools to assist students in becoming college and career ready.

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The NDE indicates this grant funding will redefine the twelfth-grade year from one where students take a minimum number of credit hours to one that prepares students for college and career success.

The competitive grants to schools may be used to completely offset or defray expenses related to dual enrollment, such as tuition and instructor expenses. Eligible uses of the funding will be defined within an approved grant application. With regard to the criteria that would be used to award this grant funding, the NDE provided the following: 1) alignment of strategy/intervention, performance measures and need; 2) evidence of ability to execute; and 3) impact on college and career readiness.

The NDE developed the budget and projections without cost sharing with students and families, given that certain populations of students targeted with these funds would be from low-income families. Performance measures such as grade point average, completion rates, credits earned, etc., will be articulated within the grant application and used to determine the continuation or cessation of grant funding.

Competitive STEM grants will be awarded to school districts and charter schools. The STEM grants are intended to create or scale-up outstanding STEM education programs.

Do the Committees wish to approve General Fund appropriations of \$3 million in FY 2016 and \$5 million in FY 2017 to establish a new competitive grant program to support dual enrollment in high school and college courses and to

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create a competitive STEM grant program for middle and high schools to assist students in becoming college and career ready?

**Assemblyman Kirner:**

The College and Career Readiness Grant Program is an excellent program. We want to encourage our students to consider college and to take action to get a head start. I am supportive of this initiative.

**Assemblywoman Kirkpatrick:**

The intent is to also allow students to work towards certificates to assist in career placement. Not everyone will go on to the university level, but this will help many enter the workforce.

ASSEMBLYMAN KIRNER MOVED TO APPROVE DECISION UNIT E-285 OF B/A 101-2699, INCLUDING GENERAL FUND APPROPRIATIONS OF \$3 MILLION IN FY 2016 AND \$5 MILLION IN FY 2017 TO ESTABLISH A NEW COMPETITIVE GRANT PROGRAM TO SUPPORT DUAL ENROLLMENT IN HIGH SCHOOL AND COLLEGE COURSES AND TO CREATE A COMPETITIVE STEM GRANT PROGRAM FOR MIDDLE AND HIGH SCHOOLS TO ASSIST STUDENTS IN BECOMING COLLEGE AND CAREER READY.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 5, pages 23 through 27 of [Exhibit C](#), is a funding increase for the Jobs for America's Graduates (JAG) Program.

The 2013 Legislature approved a General Fund appropriation of \$750,000 in each year of the 2013-2015 biennium to continue and to expand the JAG program in Nevada. The JAG Nevada is a state-based, national nonprofit organization dedicated to preventing dropouts among high school students who



are at risk of not graduating. The goal of the program is to help participating students stay in school through graduation, pursue postsecondary education and secure quality entry-level jobs leading to career advancement opportunities.

For the 2015-2017 biennium, the Governor recommends in decision unit E-289 of B/A 101-2699 additional General Fund appropriations totaling \$1.75 million in FY 2016 and \$2.85 million in FY 2017. This funding will expand the number of schools participating in the JAG Nevada program from 23 in FY 2015 to 37 in FY 2016 and to 50 by the end of FY 2017. Total General Fund appropriations recommended for the JAG Nevada program are \$2.5 million in FY 2016 and \$3.6 million in FY 2017.

#### E-289 Educated and Healthy Citizenry — Page K-12 EDUCATION-27

During the 2013 Legislative Session, the NDE testified the State Plan for implementing the JAG Nevada program involved continuing the contract arrangement with Community Services Agency, a Reno-based Internal Revenue Code, section 501(c)(3) nonprofit organization for several months into FY 2014. During FY 2014 the State formed its own nonprofit entity known as Jobs for Nevada's Graduates Inc. (JAG Nevada), a 501(c)(3) nonprofit organization governed by a board of directors. The directors meet quarterly to oversee and conduct the business of the organization. Governor Sandoval appointed 26 members to the board of directors.

For the 2013-2014 school year, 81 out of 110 JAG Nevada seniors, or 73.6 percent, graduated as compared to an overall graduation rate of 70 percent in Nevada. The director of JAG Nevada advises the 73.6 percent rate has now increased to over 80 percent. A success rate of 35.8 percent job placement was realized for the Class of 2014 that included 110 seniors. The JAG Nevada staff stated they are not satisfied with this performance metric but realize operations were impacted by the transition of the JAG Nevada program in the summer of 2014 from the former nonprofit agency administering the program to the newly created JAG Nevada nonprofit. The JAG Nevada program is now fully operational and follow up with this cohort has resumed. Of the 35.8 percent in job placement, 55.17 percent found full-time job placement during the current 12-month follow-up period.

The JAG Nevada program currently serves 716 students in 23 schools in Carson City and Clark, Elko, Humboldt, Lincoln, Lyon, Mineral, Washoe and White Pine Counties. During the 2013 Legislative Session, the NDE testified that the estimated costs of the JAG Nevada program would be in the range of \$50,000 to \$60,000 annually at each individual school. However, actual costs per school in FY 2015, based on 23 schools, is \$89,074, which is a significant increase from the estimated cost per school provided by NDE during the prior legislative session. The projected cost per school for the upcoming biennium is \$86,252 per school. The table on page 25 of [Exhibit C](#) shows the actual number of JAG Nevada schools by school district in FY 2015 and the number of proposed schools by school district for the 2015-2017 biennium.

The proposed 2015-2017 JAG Nevada budget funds 14 JAG specialists, including 2 new positions in Clark County, in FY 2016, and 24, including 10 new positions for southern Nevada, in FY 2017. In northern Nevada, the budget funds 13.4 JAG specialists, including 5 new positions, in FY 2016 and 19 JAG specialists, including 4 new positions, in FY 2017. The Central Office staff includes 6.5 full-time equivalents (FTEs) in FY 2016 and 7 FTEs in FY 2017.

At the request of Fiscal staff, the NDE provided a proposed budget for the JAG Nevada program for the 2015-2017 biennium, which is summarized in the table on the 26 of [Exhibit C](#).

The southern Nevada JAG specialists are employees of the nonprofit. The budget includes funding for some extra days worked over the summer to continue their work with the students. Northern Nevada JAG specialists are not employees of the nonprofit. Rather, they are employees of the school district. JAG Nevada will reimburse the school districts for up to \$70,000 per JAG specialist for the cost of their salaries and benefits.

A proposed 3 percent salary increase is budgeted in FY 2017 for seven central staff employees which, based on Fiscal staff calculations, would total approximately \$140,000.

In FY 2016, the State is funding 80 percent of the executive director salary. In FY 2017, one of the larger grants that was helping to fund this salary is

expiring. Consequently, the State will be funding 100 percent of the salary beginning in FY 2017.

Options for consideration by the Committees are:

- A. Approve additional General Fund appropriations totaling \$1.75 million in FY 2016 and \$2.85 million in FY 2017, as recommended by the Governor, to expand the number of schools participating in the JAG Nevada program, which would result in total recommended General Fund appropriations of \$2.5 million in FY 2016 and \$3.6 million in FY 2017.
- B. Approve State funding to expand the number of schools participating in the JAG Nevada program, but at a different amount than the \$1.75 million in FY 2016 and \$2.85 million in FY 2017 recommended by the Governor. If this option is selected, the Committees would need to determine the funding level to approve.
- C. Do not approve the Governor's recommendation for additional General Fund appropriations totaling \$1.75 million in FY 2016 and \$2.85 million in FY 2017 to expand the number of schools participating in the JAG Nevada program.

**Assemblyman Oscarson:**

I talked to several JAG Nevada students from Lincoln County earlier in the Session. I was impressed with their success stories. We may need to look at some of the budget numbers, but the program has proven itself.

**Assemblywoman Dickman:**

I was not aware of this program until I received a number of cards from students from Edward C. Reed High School. It was amazing to hear the stories of how they were going to drop out of school, and then after participation in the JAG Nevada program, graduated and are now pursuing some ambitious career goals.

**Assemblyman Kirner:**

In September when I was doing door-to-door campaigning, I had the opportunity to talk with three JAG Nevada students who had been on the verge of not

graduating. This program helped them all to graduate and I am confident they will be successful.

**Assemblywoman Kirkpatrick:**

This program reaches students we may not be able to reach in any other way, although it is an expensive program. The one concern I have is the projected salary increase of 3 percent. I do not support the proposed salary increase as the JAG Nevada program is still a relatively new program. Salary increases may be something to consider in the future.

**Chair Kieckhefer:**

Are the pay increases exclusive to the central office staff?

**Ms. Waller:**

No. The 3 percent increase would also apply to the southern Nevada staff employed by the nonprofit. It does not include the northern Nevada specialists employed by the school districts. The southern Nevada JAG specialists employed by the nonprofit have a much lower salary than those employed by the school district.

**Rene Cantu (Executive Director, Jobs for America's Graduates Nevada):**

The JAG employee specialists in southern Nevada make between \$38,000 and \$42,000 a year depending upon their qualifications and experience. The average statewide teacher salary is between \$70,000 and \$80,000. We provide teachers for the JAG Nevada program at \$70,000. We are trying to keep the costs lower to serve more kids.

**Assemblywoman Carlton:**

I had some concerns with the JAG Nevada program last session. I continue to have the same concerns. The goal should be to employ these students with an employer that offers a career path. The participants are being employed mostly at fast food and retail businesses. I see few large companies invested in this program. Individuals are being employed in minimum wage jobs where they may end up coming to the State to ask for resources to survive. We should be training these students to gain employment with the State or federal government, military and companies with career paths. I also do not support having the JAG Nevada program operated by nonprofits. I prefer the school districts to operate the program as is done in the north.

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**Assemblyman Hickey:**

These students were on a path of not graduating. The fact that they are graduating and starting work somewhere is a step in the right direction. The job they start in will most likely not be their last job. Many of us started in minimum wage jobs.

**Assemblyman Edwards:**

I did not know about this program last year. Since then, I have talked to some of the participants. All reports indicate the program is working well. As long as the program can produce positive results, I will continue to support it.

**Assemblywoman Benitez-Thompson:**

If possible, I would like to get year-end reports on outcomes and the specifics about what was purchased with the supportive services dollars and staff development dollars.

**Chair Kieckhefer:**

I agree.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE IN B/A 101-2699, DECISION UNIT E-289, OPTION B TO INCREASE GENERAL FUND APPROPRIATIONS TO EXPAND THE NUMBER OF SCHOOLS PARTICIPATING IN THE JAG NEVADA PROGRAM AS RECOMMENDED BY THE GOVERNOR; BUT TO REDUCE THE APPROPRIATIONS IN FY 2016 AND FY 2017 COMMENSURATE WITH THE ELIMINATION OF THE SALARY INCREASE FOR THE CENTRAL OFFICE STAFF; AND TO REQUIRE AN ANNUAL REPORT TO IFC INCLUDING OUTCOMES AND DETAILS REGARDING ITEMS PURCHASED WITH THE SUPPORTIVE SERVICES AND STAFF DEVELOPMENT DOLLARS.

SENATOR LIPPARELLI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 6, pages 27 and 28 of [Exhibit C](#), is the new Charter School Harbor Master Fund. Decision unit E-291 of B/A 101-2699 recommends a General Fund appropriation of \$10 million in each year of the 2015-2017 biennium as a State match for private philanthropy in establishing a new fund to recruit national charter management organizations to Nevada.

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This program would provide new options for students in underserved areas and in underperforming schools. Similar programs have been implemented in the cities of New Orleans and San Antonio. These charter management organizations are nonprofit entities that operate multiple charter schools, as well as assist in opening new charter schools. Additionally, narrative included in the Executive Budget states that this funding could be used to augment basic per-pupil guarantee requirements for no more than 2 years and to provide access to construction capital or facilities.

Senate Bill 491 would implement the Charter School Harbor Master Fund.

**SENATE BILL 491**: Makes an appropriation to provide a grant for the recruitment of persons to establish and operate high quality charter schools to serve families with the greatest needs. (BDR S-1189)

Subsection 2 of section 1 requires the Department of Administration, in consultation with the NDE and the State Public Charter School Authority (SPCSA), to develop a request for proposals for a nonprofit organization incorporated in Nevada to:

- Recruit, encourage and develop persons committed to providing high-quality charter schools to assume leadership roles in the formation and operation of such charter schools to serve students living in poverty.

- Recruit charter management organizations that have demonstrated success operating high-quality charter schools to serve children living in poverty and the capability to successfully operate such charter schools in this State.

The bill further requires that a nonprofit organization that submits a response to the proposal must show evidence that it has sufficient funding to provide a 1:1 match of grant funding up to \$10 million in each fiscal year of the 2015-2017 biennium.

Annual reporting by the nonprofit(s) awarded Harbor Master grant funds to the Department of Administration and to the IFC is required pursuant to subsection 6 of section 1 of the bill.

The Committees may wish to consider the following options:

- A. Approve the Governor's recommendation for General Fund appropriations of \$10 million in each year of the 2015-2017 biennium as a state match for private philanthropy in establishing a new fund to recruit national charter management organizations, contingent upon the passage and approval of S.B 491.
- B. Approve State funding as a state match for private philanthropy in establishing a new fund to recruit national charter management organizations, but at a different amount than the \$10 million in each year recommended by the Governor. If this option is selected, the Committees would need to determine the funding level to approve. This option would also be contingent upon the passage and approval of S.B. 491.
- C. Do not approve the Governor's recommendation for General Fund appropriations of \$10 million in each year of the 2015-2017 biennium as a state match for private philanthropy in establishing a new fund to recruit national charter management organizations.

**Senator Woodhouse:**

I appreciate the intent of this proposal, but I have great reservations about it. We have a number of charter schools in Clark and Washoe Counties and

charter schools in the SPCSA that would like to start new schools. I would rather fix what we have by encouraging the existing charter schools to work harder. I suggest we find ways to help the charter schools that are failing to become successful before we put dollars towards new charter school management organizations.

**Chair Kieckhefer:**

The intent of this program is to recruit proven high quality charter management organizations into Nevada. Fixing the underperforming existing charter schools does not need to be a mutually exclusive goal.

**Assemblyman Edwards:**

I understand the desire to have every school a five-star school. As I recall from previous committee hearings, there are only 3 schools out of 38 in the charter school system that are operating as one- or two-star schools, which is less than 10 percent. Charter schools are operating good education systems in comparison to the public schools. This is a great initiative with phenomenal potential that will bring talent into the State that will help our students and improve our educational system. I would support even more funds than the proposed \$10 million per year.

**Assemblywoman Kirkpatrick:**

Since this is somewhat of a pilot program, I propose reducing the funding from \$10 million to \$5 million in each fiscal year and require a match with the private sector.

**Assemblyman Armstrong:**

I agree with Assemblyman Edward's comments. The success of the charter schools is improving the overall education system in Nevada. However, I also agree with Assemblywoman Kirkpatrick that the Governor's proposed \$10 million per year should be reduced to \$5 million per year requiring a \$5 million match by the private sector.

**Chair Kieckhefer:**

One of the concerns I have is there is no clear indication of what we may expect in terms of the number of schools brought in and the number of students served. It makes sense to reduce the funding to \$10 million State investment requiring a \$10 million match of private funds over the biennium. This equates



to \$20 million of new investment in charter schools for the upcoming biennium. We can always increase that in subsequent biennia if successes can be shown.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE IN DECISION UNIT E-291 OF B/A 101-2699 OPTION B APPROVING \$5 MILLION IN GENERAL FUND APPROPRIATIONS TO BE USED AS A STATE MATCH TO \$5 MILLION FROM THE PRIVATE SECTOR TO RECRUIT NATIONAL CHARTER MANAGEMENT ORGANIZATIONS AIMED AT PROVIDING HIGH-QUALITY CHARTER SCHOOLS TO SERVE STUDENTS LIVING IN POVERTY, CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 491.

SENATOR LIPPARELLI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN CARLTON VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATOR WOODHOUSE VOTED NO.)

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 7, pages 28 through 30 of [Exhibit C](#), is an MBI for a Nevada Ready 21 (NR21) Technology Grant Program. Decision unit E-294 of B/A 101-2699 recommends \$23.2 million each year of the 2015-2017 biennium to begin a 6-year plan to implement statewide one-to-one student computing by providing portable devices connected wirelessly to the Internet and to ensure access to skilled educators on the devices.

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A second component of this MBI, decision unit E-295, includes General Fund appropriations of \$1 million in each year of the 2015-2017 biennium to establish an incentive grant program to be distributed by the Commission on Educational Technology (CET) to assist schools with broadband and wide area network (WAN) access and/or improvements.

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Additionally, as part of this MBI, General Fund appropriations totaling \$375,000 over the 2015-2017 biennium are recommended in the NDE's Standards and Instructional Support budget, B/A 101-2675, to fund the CET's operational expenses of administering the NR21 Technology Grant program. Fiscal staff notes that on May 12, 2015, the full Committees closed B/A 101-2675 and recommended approval of the operational expenses of administering the NR21 Technology Grant program.

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The amount of State funding appropriated for educational technology has varied over the years. The 2013 Legislature appropriated \$3.7 million over the 2013-2015 biennium for educational technology grants, which the Executive Budget continues in the Base Budget over the 2015-2017 biennium.

The 6-year NR21 Technology Grant program plan, approved by the CET in September 2014, will implement statewide one-to-one student computing starting in middle school for the first 3 years and then expanding to high school in the latter 3 years. One-to-one computing would provide students and teachers with 24-hour access to their own personal, portable technology device connected wirelessly to the Internet.

Maine is the only other state to administer a state-run, one-to-one technology program. With its inception in 2001, Maine's program started in middle school and expanded to high school. Reported accomplishments of Maine's program include increases in student writing assessment scores, 21st century skills development, engagement and geographical spatial awareness.

The recommended budget for the NR21 Technology Grant program proposes funding one-third of middle schools in FY 2016 and an additional one-third of middle schools in FY 2017. The budget targets an estimated 36,000 students multiplied by the established seat price of \$610 equaling \$22 million each fiscal year. Also included is \$1.2 million in each fiscal year for program administration expenses bringing the total recommended funding level up to

\$23.2 million in each fiscal year of the 2015-2017 biennium. The recommended \$3.7 million over the 2015-2017 biennium for the existing educational technology grant program that exists in the Base Budget would be folded into the NR21 Technology Grant program.

Eligible funding amounts would be determined by multiplying an established seat price of \$610 by student enrollment. Supporting documentation of the NR21 Technology Grant program plan identifies the components of the seat price as internal infrastructure, devices, software, professional development and State program team.

Fiscal staff requested information from the NDE regarding how the NR21 Technology Grant funds would be distributed. In response, the NDE indicated that a seven-member committee comprised of representatives from the NDE, the CET and other stakeholders will review grant applications received from school districts and make recommendations to the CET for final approval. In applying for funding, school districts will be required to outline the steps that will be taken to successfully implement their programs. The plans must also address how State and district resources will be utilized to support the success of the project, as well as include measurable objectives and how those objectives will be attained. School districts will apply for the NR21 Technology Grant funding on behalf of their schools. Vendor contracts for devices, professional development and internal network infrastructure would be administered through the State.

The NDE provided Fiscal staff with updated information related to the recommended funding for the NR21 Technology Grant program, which revises the number of projected students to be served from 36,000 to 35,000 students in each fiscal year resulting in a General Fund reduction of \$610,000 in each year. Additionally, \$1.2 million in each fiscal year for administration expenses was inadvertently included in the recommended funding enhancement. Based on this updated information, Fiscal staff requests authorization to make a technical adjustment to reduce the number of students targeted from 36,000 to 35,000 annually, which results in a General Fund reduction of \$610,000 in each year and to reduce the \$23.2 million for each fiscal year by \$1.2 million in each year.

The Committees may wish to consider the following options:

- A. Approve reduced General Fund appropriations of \$21.4 million each year of the 2015-2017 biennium, for the NR21 Technology Grant program, as adjusted by Fiscal staff's technical adjustment described on Page 29 of [Exhibit C](#) to reduce the number of students targeted from 36,000 to 35,000 annually, and to reduce the recommended funding for administration expenses by \$1.2 million in each year.
- B. Approve State funding for the NR21 Technology Grant program, but at a different amount than the \$21.4 million in each year, inclusive of Fiscal staff's technical adjustment described on page 29 in [Exhibit C](#). If this option is selected, the Committees would need to determine the funding level to approve.
- C. Do not approve General Fund appropriations of \$21.4 million each year of the 2015-2017 biennium, for the NR21 Technology Grant program, inclusive of the technical adjustment described by Fiscal staff on page 29 of [Exhibit C](#) to reduce the number of students targeted from 36,000 to 35,000 annually, and to reduce the recommended funding for administration expenses by \$1.2 million in each year.

**Assemblyman Armstrong:**

I am concerned we will be putting youth at risk in some of the neighborhoods by giving them something of value making them a target for theft.

**Assemblywoman Kirkpatrick:**

I suggest the funding be reduced to \$10 million per year so we can evaluate the program as it rolls out on a smaller scale. This would be consistent with the way we have approached other new programs. I recommend serving as many middle and high school students possible with \$10 million per year.

**Chair Kieckhefer:**

Does the CET distribute some educational technology funding already?

**Ms. Waller:**

The existing budget for educational technology is \$1.8 million each year or \$3.6 million for the 2015-2017 biennium. The CET contracts with the university system to do a needs assessment to award this grant funding.

**Assemblywoman Bustamante Adams:**

How are the education technology funds awarded and dispersed?

**Ms. Waller:**

The CET awards the grant funding. The grant applications requesting the funds stipulate how the funding will be used.

**Assemblywoman Bustamante Adams:**

Please explain who is on the committee making the decision.

**Dale A.R. Erquiaga (Superintendent of Public Instruction, Department of Education):**

The CET is comprised of at least two legislators, one member from each House, school district representatives, private sector representatives and library representatives. In full disclosure, I serve as a nonvoting member.

**Assemblyman Armstrong:**

It is my understanding the school districts can develop the policies regarding the technology equipment leaving the classroom. I want to make sure students do not become targets carrying expensive equipment through their neighborhoods.

**Assemblyman Edwards:**

I am concerned about the accountability aspect. I hear stories about computer equipment not being used and equipment being stolen resulting in no return on the investment. I prefer reducing the funding and taking a slower approach with a pilot program until we can be sure about the accountability. I could support a measured approach of \$8 million per year.

**Chair Kieckhefer:**

I request Mr. Erquiaga to respond to the concerns expressed.

**Mr. Erquiaga:**

We have experience in Nevada, so I would not consider this a pilot program. Lincoln County, although small, is a one-to-one district for Grades 4 through 12. Clark County has a number of schools where a one-to-one initiative is already in place. The two middle schools in Carson City used Race to the Top program funds to initiate a one-to-one program. Carson City will roll their program out to the high school for their eighth graders progressing to ninth grade for the upcoming school year.

The proposed program was designed over the last year by a task force comprised of school district, private sector, State and instructional technology personnel. This group has calculated a cost of \$610 per seat to roll the program out. The first part of the program is instructional coaching working with teachers on how they will use technology in the classrooms so it does not become something that sits on a shelf. The technology is intended to be fully incorporated into the student's daily routine including classroom exercises, special assignments and homework. At the end of the first year, the devices are purchased. The program is device agnostic. Something similar to a Chromebook or small laptop device is used. The following year the device will be fully operational by the instructor and student.

We have received feedback from the teachers and students about the impact these devices have on instruction. Compelling stories have been presented about how they have positively affected the way the school operates. It is the right thing to do because this is the way of the future for our children. We are surrounded by technology and our students will need experience in technology for higher education and for their chosen careers. This is an important component of the Governor's "New Nevada" concept.

It has been suggested the funding be reduced to \$10 million per year. The existing educational technology budget of \$1.8 million per year in the Base Budget mentioned by Ms. Waller would be included in this \$10 million. Consequently, that would reduce the amount of new money to \$8.2 million per year which is close to the recommendation made by Assemblyman Edwards. A \$10 million investment would serve approximately 16,400 students per year or approximately 32,800 to 35,000 students over the 2015-2017 biennium. This is a whole school project. We would implement the program in an entire middle school, not just a single grade. The program works best when

implemented in the entire school. Funding of \$10 million per year could cover approximately eight schools, six in Clark County, one in Washoe County and one in rural Nevada. Providing some funding is a step in the right direction and will give us enough schools for data evaluation.

It will cost approximately \$150 million to roll out this program to all schools. It is a sizable commitment and a true investment in the future of our children. I continue to commend this program to you. I understand the fiscal constraints and welcome the discussion at the reduced amount you are proposing.

**Chair Kieckhefer:**

I understand the \$150 million will be a onetime start-up cost for the State to help the schools become a one-to-one environment and then ongoing it would be the obligation of the schools and the districts to continue the program.

**Mr. Erquiaga:**

That is correct. This program will roll out over years from middle school through high school. This technology will offset textbook purchases. New costs will be incurred for equipment replacement and maintenance costs and for purchasing licenses to use online material. Although the State's investment will occur over a period of years, the costs will eventually convert to the school districts as a cost of operation. This is an optional program. If schools or districts do not want to absorb the maintenance or long-term costs, they may choose to not implement the program.

**Assemblywoman Titus:**

I cannot support this because it comes with a whole process that ends up costing more money in the long run. Additionally, I am concerned the devices cannot be used in some areas. I cannot use my computer in my own home in rural Nevada. Wherever these devices are placed, there will be an initial cost and ongoing cost for the installation and maintenance of the broadband technology. I am concerned we are lagging behind in the infrastructure and will be purchasing devices before the infrastructure is in place.

**Assemblywoman Kirkpatrick:**

I am not a technology friendly person, but I know kids today are. My 2-year old granddaughter may never know what a cassette deck is, but she does know what an iPad is and is using it to learn her colors and numbers.

I want to make sure this budget is pared down, but at the same time, I want to approve enough dollars to put Nevada on the cutting edge. Please confirm the following:

- Professional development dollars are built into this initiative to ensure teachers get the proper training to know how to use these devices in their teaching curriculum.
- This is an optional program so only the schools who want to make it work will be involved.
- Internet Air cards are built in as an option for schools who do not have the broadband services.
- The CET includes some legislative representation and participation so communications continue with us.
- While this may be an investment for the long term, the goal is to initiate the program correctly, and after careful evaluation, allow future legislators to decide how to proceed.
- We are working hard with schools districts across the State to ensure they have the proper technology within their schools to ensure success with the one-to-one devices.

**Mr. Erquiaga:**

Your statements are correct.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE OPTION B FOR DECISION UNIT E-294 OF B/A 101-2699 WITH GENERAL FUND APPROPRIATIONS OF \$10 MILLION INCLUDING THE EXISTING \$1.8 MILLION AVAILABLE FOR TECHNICAL EDUCATION EACH YEAR OF THE 2015-2017 BIENNIUM FOR THE NR21 TECHNOLOGY GRANT PROGRAM; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.



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**Chair Anderson:**

We have reduced this initiative to what I consider to be a pilot program. The cost per student is roughly \$610. Clark County middle schools contain approximately 1,500 students. This appropriation will cover eight to ten schools depending on where we finally land on actual costs.

These devices are common in everyday life. My kids get nervous when they get disconnected from the Internet while some of us may have anxiety about being on the Internet. We have infrastructure plans. The school districts have a lot of flexibility to apply for the schools they want to put these devices into. This allows them to make sure they are placed in schools where the students and teachers are ready to begin using the product.

I see this initiative as a necessity. We would be naïve to think this is not where we must go with our educational system. This is part of training a future workforce. The plan and the funding suggestion makes sense. In summary, we have arrived at a plan that I can now fully support.

**Assemblyman Edwards:**

Is the existing \$1.8 million for education technology available statewide?

**Ms. Waller:**

Yes.

**Assemblyman Armstrong:**

I appreciate all the conversation clarifying where this program is going, the commitment from the school districts to make this a great program and the paring down of the investment. I will now be voting in support of the NR21 Technology Grant program.

**Senator Goicoechea:**

I am supportive of the program. However, I am fearful some of these devices will be broken and some will disappear and therefore support this proposal for reducing the funding and moving into this program a little slower.

**Assemblywoman Benitez-Thompson:**

We would be negligent to say this is not the way education needs to go. We cannot deprive our students from advancing with this way of learning.

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However, the CET must ensure there is accountability for the security and care of these devices.

**Assemblywoman Dickman:**

I agree. There must be strict accountability with the expenditures and equipment inventory.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We need a follow-up vote concerning the General Fund appropriation of \$1 million in each year of the 2015-2017 biennium recommended in Decision unit E-295 of B/A 101-2699 to establish an incentive grant program to be distributed by the CET to assist schools with broadband and WAN access and/or improvements.

E-295 Educated and Healthy Citizenry — Page K-12 EDUCATION-28

Do the Committees wish to approve General Fund appropriations of \$1 million in each year of the 2015-2017 biennium, as recommended by the Governor, to establish an incentive grant program to be distributed by the CET to assist schools with broadband and WAN access and/or improvements?

ASSEMBLYMAN OSCARSON MOVED TO APPROVE IN DECISION UNIT E-295 OF B/A 101-2699 GENERAL FUND APPROPRIATIONS OF \$1 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM, AS RECOMMENDED BY THE GOVERNOR, TO ESTABLISH AN INCENTIVE GRANT PROGRAM TO BE DISTRIBUTED BY THE CET TO ASSIST SCHOOLS WITH BROADBAND AND WAN ACCESS AND/OR IMPROVEMENT.

SENATOR LIPPARELLI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 8, pages 30 and 31 of [Exhibit C](#), is the new Turnaround Schools grant program. Decision unit E-297 of B/A 101-2699 recommends General Fund appropriations of \$5 million in each fiscal year of the 2015-2017 biennium to support the turnaround of persistently underachieving schools.

E-297 Educated and Healthy Citizenry — Page K-12 EDUCATION-28

According to NDE, 78 schools, or more than 10 percent of Nevada schools, are currently identified as underperforming. The term “underperforming schools” is a general reference to schools designated as Priority and Focus schools and schools that were classified as one-star schools as of the fall of 2014.

The Turnaround Schools grant program is intended to provide prescriptive strategies to turnaround underperforming schools. The proposed funding would be provided as grants that could be used for services such as performance management assessments, staff incentives, extending the school day or other services targeting student achievement. The recommended level of funding for tools, services and assessments was developed by using estimates provided by other states with similar turnaround programs.

At the Legislative Commissions’ Budget Subcommittee meeting on January 20, the State Superintendent of Public Instruction stated some or all underperforming schools may receive Turnaround Schools grant funding, including those that receive funding from the Zoom School and/or Victory Schools grant programs. In addition, some of these schools also receive federal Title I of the Social Security Act (Title I) grant funding which is used to provide targeted services to students who are at risk of low academic achievement.

All underperforming schools, except schools that receive federal school improvement grant funding, would be eligible to compete for a Turnaround School grant. The maximum grant award for each grant has not been established. The NDE anticipates that schools would have to apply each year to continue as a Turnaround School. This provision provides NDE the opportunity to evaluate whether schools are effectively implementing their approved school improvement plan and meeting established outcomes.

With regard to other states that have state-funded Turnaround School programs, in the Western United States, New Mexico is currently implementing a state-funded school improvement program, which is primarily focused on a leadership network with data showing improved schools.

Senate Bill 77 would require the NDE to designate a public school that demonstrates unsatisfactory pupil achievement and school performance as a turnaround school. A charter school or a university school for profoundly gifted pupils is not considered a public school for this purpose. The bill further requires the NDE to establish a 3-year turnaround plan for each turnaround school, intended to make changes to improve pupil achievement and school performance. If during the third year of a turnaround plan the NDE determines there has not been adequate improvement, S.B. 77 requires the NDE to 1) extend the period for the turnaround plan; 2) close the school; 3) require the board of trustees of the school district to enter into a contract with a contractor or educational management organization to operate the school; or 4) authorize the board of trustees of the school district to convert the school into a charter school.

**SENATE BILL 77**: Revises provisions relating to education. (BDR 34-314)

The Committees may wish to consider the following options:

- A. Approve General Fund appropriations of \$5 million in each fiscal year of the 2015-2017 biennium to support the turnaround of persistently underachieving schools, as recommended by the Governor, contingent upon the passage and approval of S.B. 77.
- B. Approve State funding to support the turnaround of persistently underachieving schools, but at a different amount than the \$5 million in

each year recommended by the Governor. If this option is selected, the Committees would need to determine the funding level to approve. This option would also be contingent upon the passage and approval of S.B. 77.

- C. Do not approve General fund appropriations of \$5 million in each fiscal year of the 2015-2017 biennium to support the turnaround of persistently underachieving schools, as recommended by the Governor.

**Senator Woodhouse:**

We have a number of turnaround schools already in Clark and Washoe Counties. If we chose Option A or B, how would our decision affect the improvement programs those schools are currently operating? Would this funding be in addition to what they may already have in operation?

**Ms. Waller:**

The schools primarily designated as turnaround schools currently are funded with the federal school improvement grant funds. Those schools would not be eligible for this State funding.

**Assemblywoman Kirkpatrick:**

It is my understanding from prior discussions that it would be permissible to use some of these dollars to assist with professional development and other items that were not being covered with the federal funds. The goal was to provide some additional resources to ensure success for the turnaround schools.

**Ms. Waller:**

The school improvement plan could outline the strategies determined necessary to improve the school which could include professional development.

**Assemblywoman Dickman:**

How does this tie into the Achievement School District plans?

**Ms. Waller:**

Senate Bill 77 is separate and apart from the Achievement School District requirements. The provisions in S.B. 77 are the last ditch effort to try to turn the schools around before they are selected to become part of the Achievement School District.

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**Assemblyman Edwards:**

How many underachieving schools will be targeted per year?

**Ms. Waller:**

Currently there are 78 schools. All these schools can apply for the Turnaround Schools grant program. The grants are approved based upon available funding and an acceptable school improvement plan and grant application.

**Assemblyman Edwards:**

Is there an expectation of how many schools will receive a grant award?

**Ms. Waller:**

It is a competitive grant program. The funding calculation was based on the cost of targeted services. Grants will be approved based upon available funding and an acceptable school improvement plan and grant application.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE OPTION B FOR DECISION UNIT E-297 OF B/A 101-2699 WITH \$2.5 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM FOR THE TURNAROUND SCHOOLS GRANT PROGRAM, CONTINGENT UPON LEGISLATION PASSING AUTHORIZING THIS PROGRAM.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 9, pages 31 and 32 of [Exhibit C](#), concerns a funding increase for GATE program.

In order to preserve the DSA budget, B/A 101-2610, for apportionment funding, the Governor recommends transferring General Fund appropriations of \$174,243 in each fiscal year of the 2015-2017 biennium for instructional

programs incorporating education technology for GATE from a line item in B/A 101-2610 to B/A 101-2699, decision unit E-900.

E-900 Transf DSA 2610 Gate To Other State Ed Prog 2699 — Page K-12  
EDUCATION-29

In FY 2015, six school districts received GATE funding ranging from \$10,687 to \$35,889 for instructional programs incorporating educational technology. Under the current definition of special education in statute, gifted and talented programs are eligible to apply for the special education units. School districts report that they have received that funding to support GATE teachers in their districts.

Decision unit E-300 of B/A 101-2699 recommends increasing the State funding for GATE programs by \$5 million each year of the 2015-2017 biennium to assist schools in educating students that qualify for GATE programs, inclusive of charter schools. The funding would be distributed on a per-pupil basis by an enrollment-count day established by the NDE for students who have been identified through a State-approved assessment and/or process. Data from this funding initiative would be utilized to calculate a weighted per-pupil funding for GATE.

E-300 Educated and Healthy Citizenry — Page K-12 EDUCATION-29

As of October 1, 2014, 12,436 students were identified as gifted and talented statewide. Using this GATE enrollment figure, an allocation of the \$5 million recommended in the Governor's budget for GATE programs on a per-pupil basis, inclusive of the transfer of GATE funding in decision unit E-900, would equate to an additional \$416 per pupil above the basic support per-pupil amount provided to schools for each student.

In response to Fiscal staff's request to describe the necessary components of a state-approved assessment or process, the NDE notes that the assessment used to identify GATE students must be one that meets professional standards of reliability and validity. Currently, there is no standardized statewide assessment to identify gifted and talented students. Further, in response to questions posed pertaining to the eligible uses of the GATE funding, the NDE indicates the State would identify certain eligible uses, but would also include

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a provision to allow proposals that link with district-developed GATE strategic plans.

Do the Committees wish to approve the transfer of General Fund appropriations of \$174,243 in each fiscal year of the 2015-2017 biennium for GATE programs from a line item in the DSA, B/A 101-2610, to the Other State Education Programs budget, B/A 101-2699?

Do the Committees wish to also approve General Fund appropriations of \$5 million in each year of the 2015-2017 biennium to provide additional funding for students that qualify for GATE programs, as recommended by the Governor?

ASSEMBLYMAN KIRNER MOVED TO APPROVE IN DECISION UNIT E-900 OF B/A 101-2699 THE TRANSFER OF GATE PROGRAM GENERAL FUND APPROPRIATIONS OF \$174,243 IN EACH FISCAL YEAR OF THE 2015-2017 BIENNIUM FROM A LINE ITEM IN B/A 101-2610 TO B/A 101-2699; AND TO APPROVE DECISION UNIT E-300 OF B/A 101-2699 INCREASING THE GENERAL FUND APPROPRIATION FOR THE GATE PROGRAM IN THE AMOUNT OF \$5 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM AS RECOMMENDED BY THE GOVERNOR.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

There are four Other Closing Issues for B/A 101-2699 discussed on pages 32 through 34 of [Exhibit C](#).

Other Closing Issue No. 1 is a funding increase for public broadcasting. Decision unit E-284 recommends appropriations totaling \$466,000 over the 2015-2017 biennium to expand educational programming throughout the State, including the provision of kindergarten readiness and literacy initiatives. With the



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proposed funding increase, a total of \$462,725 in each year of the 2015-2017 biennium is recommended for public broadcasting.

E-284 Educated and Healthy Citizenry — Page K-12 EDUCATION-26

Currently, allocations for the distribution of funding are determined by the Nevada Public Broadcasting Association. For the upcoming biennium, in order to strengthen accountability of the funds, the NDE proposes to allocate funding through the CET, which operates through a public process and has a history with program evaluation. In order to monitor the use and effectiveness of the public broadcasting funds, the CET would require reports, consistent with the allocation of technology funds.

Do the Committees wish to approve General Fund appropriations totaling \$466,000 over the 2015-2017 biennium to expand educational programming throughout the State, as recommended by the Governor?

SENATOR WOODHOUSE MOVED TO APPROVE DECISION UNIT E-284 IN B/A 101-2699 AUTHORIZING GENERAL FUND APPROPRIATIONS TOTALING \$466,000 OVER THE 2015-2017 BIENNIUM TO EXPAND EDUCATIONAL PROGRAMMING THROUGHOUT THE STATE AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN DICKMAN VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Other Closing Issue No. 2 concerns the expansion of participation in advanced placement courses and examinations in high schools. In B/A 101-2712, decision unit E-290, the Governor recommended General Fund appropriations of \$525,875 in FY 2016 and \$662,750 in FY 2017 to fund an expansion of student participation in the Advanced Placement courses and examinations in

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high schools. On May 12, 2015, the full Committees closed B/A 101-2712 and approved \$325,875 in FY 2016 and \$462,750 in FY 2017 to fund an expansion of student participation in Advanced Placement courses and examinations in high schools and recommended the transfer of this activity from B/A 101-2712 to B/A 101-2699.

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E-290 Educated and Healthy Citizenry — Page K-12 EDUCATION-140

Other Closing Issue No. 3 for B/A 101-2699 proposes to continue General Fund appropriations of \$3.3 million in each year of the 2014-2017 biennium to continue the existing Early Childhood Education (ECE) program.

Other Closing Issue No. 4 for B/A 101-2699 proposes General Fund appropriations of \$18.3 million in each fiscal year for the 2015-2017 biennium for the Adult High School Diploma Program. This same level of funding was provided in the 2013-2015 biennium.

Fiscal staff recommends Other Closing Issues 2 through 4 be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.

**Assemblyman Edwards:**

I need more information about Closing Issues No. 3. At this point, I am not sure I can support it.

**Chair Kieckhefer:**

Do I hear a motion to approve Other Closing Issues 2 and 4?

ASSEMBLYMAN KIRNER MOVED TO APPROVE OTHER CLOSING ISSUES 2 AND 4 IN B/A 101-2699 REGARDING THE INCREASE IN FUNDING FOR ADVANCED PLACEMENT COURSES AND EXAMINATIONS IN HIGH SCHOOL; THE TRANSFER OF THAT ACCOUNT FROM B/A 101-2712 TO B/A 101-2699; AND THE CONTINUATION OF THE FUNDING FOR THE ADULT HIGH SCHOOL DIPLOMA PROGRAM WITH

AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS  
AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

Ms. Waller, please provide additional information about the Other Closing Issue No. 3 of B/A 101-2699 regarding the State ECE program.

**Ms. Waller:**

The Executive Budget proposes to continue General Fund appropriations of \$3.3 million in each year of the 2015-2017 biennium for the existing State-funded ECE program. This is the same level of funding as the current biennium. Currently, the NDE awards competitive grants to school districts and community-based organizations.

Ten school districts and one community-based organization operated a State-funded ECE program in FY 2013, which provided services to 1,364 families, including 1,393 children and 1,475 adults. In addition to the education provided to the students, instruction and assistance is provided to parents teaching them how to assist their child in the learning process. The ECE program cost per child in FY 2013 was \$2,801. The numbers served represent 1.7 percent of the estimated number of 3- to 4-year-old children in Nevada. These figures do not include children participating in the non-General Fund ECE programs such as prekindergarten classes funded with State funding for limited English proficient students or prekindergarten classes funded with Title I dollars. Nationally, 16.1 percent of 3- to 4-year-old children are enrolled in State prekindergarten programs.

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**Assemblyman Edwards:**

We are spending \$2,801 per family to teach parents how to be a parent. I do not see a return on the investment. I cannot support this initiative. It is too much money for too little return.

**Assemblywoman Titus:**

How much money does Nevada receive from the federal government to support ECE programs?

**Ms. Waller:**

This program is 100 percent State funded. It is separate and apart from federally funded programs.

**Assemblywoman Titus:**

Are any federal funds available for early childhood development?

**Ms. Waller:**

Yes, there is a new federal grant available in FY 2016 that will allow Nevada to expand ECE statewide.

**Assemblywoman Titus:**

Is federal funding contingent on the State continuing this program?

**Chair Kieckhefer:**

Federal funding does not affect this program. The federal funding referred to for expansion of the ECE is in a separate decision unit.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE OTHER CLOSING  
ISSUE NO. 3 OF B/A 101-2699 CONTINUING GENERAL FUND  
APPROPRIATIONS OF \$3.3 MILLION IN EACH YEAR OF THE  
2015-2017 BIENNIUM FOR THE EXISTING STATE-FUNDED  
ECE PROGRAM WITH AUTHORITY FOR FISCAL STAFF TO MAKE  
TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN DICKMAN,  
EDWARDS, KIRNER AND TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Waller:**

The School Remediation Trust Fund, B/A 101-2615, is discussed on pages 35 through 47 of [Exhibit C](#) and provides funding for the State-funded Zoom Schools and non-Zoom Schools for the support of English language learners (ELL), FDK, the kindergarten class-size reduction (KCSR) program and the Regional Professional Development Programs (RPDPs).

There are five major closing issues in this budget. Major Closing Issue No. 1 recommends an expansion of the Zoom School initiative created through the passage of S.B. No. 504 of the 77th Session. This bill appropriated \$39.4 million for the Clark County School District (CCSD) and \$7.5 million for the Washoe County School District (WCSD) over the 2013-2015 biennium to provide certain services at schools with the highest percentage of pupils who are limited English proficient or eligible for designation as limited English proficient and are the lowest performing academically. The bill coined these schools as Zoom Schools.

Zoom schools are required to use the appropriated funding to provide services in four targeted areas: prekindergarten programs free of charge, FDK expansion, reading skills centers and provide a free summer academy, or intersession academy for schools that do not operate on a traditional school calendar. Additionally, \$3 million over the 2013-2015 biennium was distributed to the SPCSA and school districts other than the CCSD and WCSD, based on the official count of ELL students in kindergarten through Grade 4 in each school district or charter school through a noncompetitive application process developed and implemented through the NDE.

As shown on the table on page 36 of [Exhibit C](#), 14 schools in the CCSD and 6 schools in WCSD were initially designated as Zoom Schools in FY 2014. In FY 2015, an additional 2 schools were added in the CCSD bringing their total Zoom Schools to 16, and 2 schools were added to the WCSD bringing their total Zoom Schools to 8 schools.

Page 37 of [Exhibit C](#) describes initial outcome data resulting from the Zoom School initiatives in the prekindergarten, FDK, reading centers and intersession or summer academies.

The CCSD and WCSD Zoom Schools provided recommendations for legislation for the continuation or expansion of programs and services identified as effective in improving the academic and linguistic achievement and proficiency of ELL students. These recommendations included increasing funding to expand Zoom services to more students, allowing funds to be used for family engagement activities and allowing flexibility to use funds for professional development.

Non-Zoom School districts and the SPCSA were authorized to use S.B. No. 504 of the 77th Session funding for specific programs and services designed to meet the needs of ELL students. Many of the non-Zoom School districts are rural and face challenges of serving smaller numbers of ELLs in more remote locations. The non-Zoom school districts were given flexibility to determine the services to support their ELL population based on identified needs and available resources.

Because of funding from S.B. No. 504 of the 77th Session, non-Zoom school districts and the SPCSA were able to serve more than 1,500 ELL students in various programs. The positive outcomes of that effort are listed on pages 37 and 38 of [Exhibit C](#). Additionally, the non-Zoom school districts and the SPCSA made recommendations for legislation to improve the program including increasing funding to ensure access for all prekindergarten ELL students; ensure availability of necessary resources and expansion; expand services to middle schools; and provide greater flexibility to allow school districts to use funding for quality professional development that aligns with the instructional needs of ELL students.

Decision unit E-275 of B/A 101-2615 recommends additional General Fund appropriations of \$25 million in each fiscal year of the 2015-2017 biennium to increase Zoom Schools in the CCSD and the WCSD from 24 schools to 48 schools in FY 2016 and to increase funding for other ELL programs and services offered by the non-Zoom school districts and charter schools. This would bring the total State funding for ELL programs to \$50 million in each fiscal year of the 2015-2017 biennium.

E-275 Educated and Healthy Citizenry — Page K-12 EDUCATION-33

As part of this MBI, the Governor recommends General Fund appropriations of \$30,000 in each year of the 2015-2017 biennium for an annual external evaluation of the Zoom School programs. Another \$3,000 was recommended for travel expenses to monitor the schools receiving Zoom funding statewide. This funding was approved in NDE's budget on May 12, 2015.

Under S.B. No. 504 of the 77th Session, expenses for professional development and family engagement are not allowable expenses for the Zoom School program in the 2013-2015 biennium. The CCSD and WCSD reports other local and federal funding sources were utilized for the support of professional development and family engagement for Zoom Schools. The CCSD expended \$85,000 for professional development and nearly \$300,000 for family engagement in FY 2014. The WCSD expended \$50,000 for professional development and \$80,000 for family engagement from non-Zoom funding sources in FY 2014.

Senate Bill 405, as amended, expands the allowable uses of the funding for Zoom Schools to include professional development, recruitment and retention incentives and family engagement. It also caps the amount of funding that may be expended on these administrative expenditures costs at 2 percent for both the Zoom School and non-Zoom School ELL programs. Inclusive of the annual \$25 million enhancement recommended by the Governor, this brings the total funding recommended for ELL programs to nearly \$50 million in each year. The 2 percent cap is \$927,724 in each year for the 48 Zoom Schools and \$72,276 in each year for the non-Zoom Schools.

**SENATE BILL 405 (2nd Reprint)**: Expands the program of Zoom schools and the provision of programs and services to children who are limited English proficient in certain other schools. (BDR S-887)

Senate Bill 405 requires the SBE to prescribe a list of recruitment and retention incentives to offer teachers and other licensed educational personnel for the school districts and the SPCSA that receive ELL funding from the State. One of the reasons for doing this is the high vacancy rate at low-performing schools with high student populations of at-risk and ELL students. The hope is this

funding will help attract and retain high quality teachers to teach to these students.

The Board of Trustees of the CCSD must identify at least three middle schools, junior high schools or high schools to operate as Zoom Schools and the Board of Trustees of the WCSD must identify one middle school, junior high school or high school to operate as a Zoom School. Targeted services include reduced class sizes for ELL students, English language literacy-based classes, direct instructional intervention to each ELL student using assessment data of that pupil, extended school days, free of charge intersession or summer academy, including transportation, professional development, recruitment and retention incentives, family engagement and other evidence-based programs and services approved by the NDE designed to meet the specific needs of ELL students.

Preliminary estimates by the CCSD for expansion of the Zoom School program into the middle and high school level indicate it would cost approximately \$1 million for each middle school and \$1.5 million for each high school to implement.

Fiscal staff notes that the entire additional \$25 million in each fiscal year in decision unit E-275 was inadvertently placed in the expenditure category for Zoom Schools rather than allocating the additional funding between the Zoom School and the non-Zoom School expenditure categories. Consequently, the Budget Office requested a technical adjustment be made reallocating the recommended funding to both the Zoom School and non-Zoom School expenditure categories. Additionally, the NDE provided Fiscal staff with the FY 2015 count of ELL students, totaling 75,606 students statewide. This represents an increase of 4,620 students identified as ELL when compared to the FY 2014 count of 70,986 students statewide. A technical adjustment was made in the [Exhibit C](#) closing document to increase the non-Zoom Schools base funding of \$1.5 million to \$3.6 million, an increase of \$2.1 million in each year of the 2015-2017 biennium, as shown in the table on page 39 of [Exhibit C](#). The right-hand column of the this table shows the revised funding allocations proposed for the 2015-2017 biennium.

With the Governor's proposed expansion of the State-funded FDK program to all schools by FY 2017, the FDK programs in Zoom Schools will be funded with the State funding provided for FDK programs. Therefore, the Zoom funding



would no longer be used to fund FDK. This frees up the Zoom School FDK funds for other items such as expanding the number of Zoom Schools.

Do the Committees wish to approve additional General Fund appropriations of \$25 million in each fiscal year of the 2015-2017 biennium to expand the number of Zoom Schools in the CCSD and the WCSD from the 24 existing Zoom Schools to at least 48 Zoom Schools and to increase funding for ELL programs and services offered by the non-Zoom Schools, with the expansion of allowable uses of funds and contingent upon the passage and approval of S.B. 405?

**Assemblyman Edwards:**

I am concerned about the logistics. School districts are unable to find enough qualified teachers to fill the current vacancies. The CCSD issued a recent report indicating FDK will result in another 309 vacancies. What kind of a plan exists to ensure the vacant teacher positions will be filled?

**Ms. Waller:**

These issues must be addressed by the school districts. They develop the plans and make the decisions for recruitment.

**Assemblyman Edwards:**

When school districts request funds in a grant application, are they required to demonstrate their ability to fill the teacher vacancies and show capacity in their facilities to operate these expanded programs?

**Ms. Waller:**

Zoom School program funds are not requested through a grant process. The funds are distributed as shown on the chart on page 39 of [Exhibit C](#). Recipients of the funds are required to report annually the number of students served, types and amounts of services provided, numbers of licensed teachers in the classrooms and outcomes. The Governor's recommendation to fund an external evaluation will provide additional information to the Legislature regarding the number of teachers in the classroom and the effectiveness of the programs.

**Assemblyman Edwards:**

Is there any information about the anticipated number of teachers who would move to these positions and receive a pay raise through the incentives versus the number of new hires?

**Ms. Waller:**

The funding available for the incentives to recruit or retain licensed educational personnel will be capped at 2 percent. It would not be an increase in salary, but rather a one-time incentive payment. The SBE will develop the list of approved incentives that may be offered by the districts at the Zoom Schools.

**Assemblywoman Bustamante Adams:**

The Zoom School program has proven to be extremely effective. I am grateful for the opportunity to increase the funding for next biennium.

**Assemblywoman Dickman:**

The Zoom School program has not been proven over time. I could support continuing this program at the same funding level, but I cannot support doubling the funding.

**Ms. Waller:**

The Taskforce of K-12 Education that met during the interim discussed recommendations from the prior interim for the State to modify its funding formula and move to a weighted formula. There was lengthy discussion about the possibility of developing a weight that would be added above the Base Budget to provide the services needed for the ELL and at-risk student populations. The Governor's recommendation to increase the funding to expand the Zoom schools so soon after the initiation of the program was based on a desire to reach the recommended funding level of 0.5 above the base for ELL students.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE IN DECISION UNIT E-275 OF B/A 101-2615 ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$25 MILLION IN EACH FISCAL YEAR OF THE 2015-2017 BIENNIUM TO EXPAND THE NUMBER OF ZOOM SCHOOLS FROM THE 24 EXISTING TO AT LEAST 48 ZOOM SCHOOLS AND TO INCREASE THE ELL PROGRAMS AND SERVICES OFFERED BY THE NON-ZOOM SCHOOLS, WITH THE EXPANSION OF ALLOWABLE USES

OF FUNDS AND CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 405 AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN DICKMAN AND TITUS VOTED NO).

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 2 of B/A 101-2615 is the new Victory Schools grant program discussed on pages 40 and 41 of [Exhibit C](#). The Governor proposes in decision unit E-276 an MBI to create a new Victory Schools grant program to provide additional services to underperforming elementary, middle and high schools identified as one- or two-star schools in the highest poverty ZIP Codes of a school district.

E-276 Educated and Healthy Citizenry — Page K-12 EDUCATION-33

The Executive Budget recommends General Fund appropriations of \$24.9 million in FY 2016 and \$25 million in FY 2017 to fund at least 33 schools that would be known as "Victory Schools." Data from this funding initiative would be utilized to calculate a per-pupil funding weight for at-risk pupils that would eventually be incorporated into the K-12 funding formula. Preliminary details provided by the NDE indicate that Clark, Elko, Humboldt, Nye and Washoe County School Districts would have schools eligible for this new funding. The NDE also indicates that the schools designated as and/or served by Title I grant funds would be eligible to receive Victory School grant funds.

Senate Bill 432 establishes the Victory Schools.

**SENATE BILL 432 (2nd Reprint)**: Provides for the distribution of money to certain public schools designated as Victory schools. (BDR S-1187)

The amended bill requires:

- The NDE to designate each Victory School for FY 2016 on or before June 1, 2015.
- The amount of funding to be distributed per pupil attending a Victory School must be calculated by dividing the amount of the appropriation for Victory Schools by the total number of pupils who are enrolled in Victory Schools statewide.
- The board of trustees of each school district or the governing body of each charter school that is designated as a Victory School to conduct an assessment of the needs of the pupils that attend the school. The assessment must include soliciting input from the community served by the Victory School.
- On or before August 15, 2015, the board of trustees and the governing body of each charter school designated as a Victory School must submit to the NDE a comprehensive plan for meeting the educational needs of pupils enrolled in each Victory School.
- An independent evaluation of the effectiveness of the programs and services offered by each Victory School, which must include consideration of the achievement of pupils who have participated in and have received such services from Victory School programs. Additionally, when completed, the evaluation must be provided to the NDE and the Legislative Committee on Education.
- The SBE must require a Victory School to take corrective action if pupil achievement and school performance are unsatisfactory, as determined by the SBE. If the unsatisfactory achievement and school performance continues, the SBE may direct the NDE to withhold any additional money that would otherwise be distributed to the underperforming Victory School.

Subsections 8 and 9 of section 2 of S.B. 432, as amended, outline the eligible uses of Victory School funding. Several are the same as the targeted services currently permissible under the Zoom School program, as noted by an asterisk:

- A prekindergarten program free of charge, if such a program is not funded by another grant.
- An expansion of FDK classes, not otherwise funded through a legislative appropriation.
- Operate reading skills centers.
- A summer academy or other learning opportunities for pupils free of charge at times when school is not in session.
- Professional development for teachers and other educational personnel.
- Provide programs to recruit and retain highly effective teachers and other educational personnel.
- Provide evidence-based social, psychological or health care services to pupils and their families, including wrap-around services.
- Provide for family engagement.
- Provide programs and services designed to improve school climate and culture.
- Provide evidence-based programs and services specifically designed to meet the needs of pupils who attend the school, as determined using the assessment of needs conducted by the board of trustees or the governing board of each charter school.
- Any combination thereof.

The amended bill also provides that unexpended funding in the first year must be carried forward to the second year of the biennium, and unexpended funding at the end of the 2015-2017 biennium must revert to the State General Fund.

Do the Committees wish to approve General Fund appropriations totaling \$24.9 million in FY 2016 and \$25 million in FY 2017, as recommended by the Governor, to create a new Victory Schools grant program to provide

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additional services to at least 33 underperforming elementary, middle and high schools identified as one- or two-star schools in the highest poverty ZIP Codes of a school district that would be known as Victory Schools, contingent upon the passage and approval of S.B. 432 or similar legislation?

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE IN DECISION UNIT E-276 OF B/A 101-2615 GENERAL FUND APPROPRIATIONS TOTALING \$24.9 MILLION IN FY 2016 AND \$25 MILLION IN FY 2017, AS RECOMMENDED BY THE GOVERNOR, TO CREATE A NEW VICTORY SCHOOLS GRANT PROGRAM TO PROVIDE ADDITIONAL SERVICES TO AT LEAST 33 UNDERPERFORMING ELEMENTARY, MIDDLE AND HIGH SCHOOLS IDENTIFIED AS ONE- OR TWO-STAR SCHOOLS IN THE HIGHEST POVERTY ZIP CODES OF A SCHOOL DISTRICT, CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 432 OR SIMILAR LEGISLATION.

SENATOR ROBERSON SECONDED THE MOTION.

**Senator Lipparelli:**

Can Turnaround Schools also receive funds from the Victory Schools program?

**Chair Kieckhefer:**

Schools can receive funds from both the Turnaround Schools program and Victory Schools program but funds cannot overlap for Zoom Schools and the Read by Three program.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN DICKMAN, EDWARDS AND TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 3 of B/A 101-2615 is the new Special Education Contingency Account discussed on pages 41 and 42 of [Exhibit C](#).

In decision unit E-277, the Governor proposes a \$5 million General Fund appropriation in FY 2017 to establish a new Special Education Contingency Account. This account would be used to reimburse school districts and charter schools for extraordinary expenses related to the education of students with disabilities. The NDE would develop the regulations concerning the qualifications and guidelines for the reimbursement of extraordinary expenses in FY 2016.

E-277 Educated and Healthy Citizenry — Page K-12 EDUCATION-34

This recommendation was made by the Task Force on K-12 Public Education Funding, although a specific funding level was not recommended. Task Force members were supportive of the creation of a contingency account, particularly to assist small districts and charter schools with high-cost students with disabilities. The Task Force also recommended that the NDE develop a plan for the operational guidelines of the contingency account for presentation to the 2015 Legislature, as well as review the possibility of transferring the existing NRS 395 program into the new contingency account program. The NRS 395 program provides that if special education services are not available for a student in his/her home school district, the State must place the student in a program outside the home district that can meet the student's individual education plan. The State is also responsible for monitoring the facility in which the student has been placed.

Senate Bill 508, heard by the Senate Committee on Finance on May 14, 2015, would among other things, create the Special Education Contingency Account. Extraordinary expenses are defined in the bill as:

1. Not ordinarily present in the typical special education delivery system at a public school.
2. Associated with the implementation of the individualized education program of a pupil with significant disabilities, as defined by the SBE to provide an appropriate education in the least restrictive environment.
3. Costs which exceed the total special education funding available to the school district or charter school for the pupil.

As discussed in previous hearings, the federal MOE is calculated at both the State and local level. At the State level, the NDE must budget, in aggregate, no less than the prior year funding level. The NDE clarified this requirement by noting the U.S. Department of Education indicates that the state MOE is tied to an appropriation standard, not an expenditure standard. At the local level, the local education agency must expend the same amount of local funds, or State and local funds, for students with disabilities that were spent the previous fiscal year, either on an aggregate or per capita basis. A school district or charter school would be penalized for not meeting MOE due to any reduction of local and State funds supporting costs for students with disabilities.

Fiscal staff inquired how the payments from the Special Education Contingency Account might affect State and/or local MOE. In response, the NDE indicates payments from the Special Education Contingency Account would affect the MOE for both State and local educational agencies. With regard to the State MOE, it appears that the addition of State funding in the amount of \$5 million in FY 2017 would become part of the State's annual MOE. Concerning the local MOE, because the funding would be utilized for exceptional services, school districts or charter schools would be able to justify the potential lowering of MOE based on any one or more of the five exceptions provided by Title 34, Code of Federal Regulations 300.204, one of which includes the assumption of cost by the high-cost fund operated by the NDE.

Do the Committees wish to approve a \$5 million General Fund appropriation in FY 2017 to establish a Special Education Contingency Account to reimburse school districts and charter schools for extraordinary expenses related to the education of students with disabilities, as recommended by the Governor, contingent upon the approval and passage of S.B. 508?

**Assemblyman Edwards:**

If the \$5 million or any portion of it is not used during the fiscal year, will the remaining funds revert to the General Fund?

**Ms. Waller:**

If this is not outlined in S.B. 508, these Committees can make the decision to have this occur. However, this budget account is typically for programs that do not revert funding to the General Fund, but rather carry over funds to the next year. If no language is added requiring funds to revert to the General Fund, the



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funds would automatically carry over to the next biennium and be available for extraordinary expenses.

**Assemblyman Edwards:**

I do not want to allow a large build up in reserve.

**Ms. Waller:**

The only way it would build up is if an enhancement were recommended by the Governor. Otherwise, the same funding level would continue until such time an enhancement was requested.

**Chair Kieckhefer:**

If there are unused funds, this Body could appropriate less funds next biennium.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE IN DECISION UNIT E-277 OF B/A 101-2615 A \$5 MILLION GENERAL FUND APPROPRIATION IN FY 2017 TO ESTABLISH A SPECIAL EDUCATION CONTINGENCY ACCOUNT TO REIMBURSE SCHOOL DISTRICTS AND CHARTER SCHOOLS FOR EXTRAORDINARY EXPENSES RELATED TO THE EDUCATION OF STUDENTS WITH DISABILITIES, AS RECOMMENDED BY THE GOVERNOR, AND CONTINGENT UPON THE APPROVAL AND PASSAGE OF S.B. 508.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 4 of B/A 101-2615 is the expansion of the State-funded FDK program discussed on pages 43 through 45 of [Exhibit C](#).

The Governor recommends in decision unit M-300 General Fund appropriations of \$42.1 million in FY 2016 and \$43 million in FY 2017 to support the existing State-funded FDK program. Additionally, as one of the MBIs, the Governor

proposes in decision units E-287 and E-292 to expand full-day kindergarten to all school district and charter school kindergartens by FY 2017 at a student-to-teacher ratio of 21:1. In decision unit E-293, a total of \$10 million is recommended to assist school districts with the purchase of portable classrooms. The table on page 43 of [Exhibit C](#) lists the recommended funding for the expansion of the FDK program and portable classrooms. A total of \$74.4 million is recommended over the 2015-2017 biennium.

M-300 Fringe Benefits Rate Adjustment — Page K-12 EDUCATION-32  
E-287 Educated and Healthy Citizenry — Page K-12 EDUCATION-34  
E-292 Educated and Healthy Citizenry — Page K-12 EDUCATION-34  
E-293 Educated and Healthy Citizenry — Page K-12 EDUCATION-35

By way of background, State-funded FDK was approved for the first time by the 2005 Legislature. The 2005 Legislature appropriated \$22 million from the State General Fund to provide full-day kindergarten in 114 at-risk schools across the State.

During the budget hearings the NDE testified that, through this biennium, State-funded FDK has reached approximately 73 percent of the kindergarten classrooms throughout the State. With the expansion of the program by the 2013 Legislature, the majority of the remaining schools are no longer at-risk, but rather tuition-based FDK programs and some half-day programs. The FDK program will be an optional program; however, indications are few, if any, half-day programs would continue. For the 2015-2017 biennium, while the CCSD indicates a 2-year implementation would be preferable, the WCSD confirms that with only 13 schools and 26 classrooms remaining to convert to FDK, they would accomplish full implementation of the State-funded FDK program in FY 2016.

Another component of the FDK program MBI is funding the FDK program in charter schools beginning in the 2015-2017 biennium. The Governor's budget includes \$2.6 million in FY 2016 and \$5.2 million in FY 2017 to implement this initiative. The Executive Budget indicates that half of the expansion would be funded in FY 2016 and the remaining schools would be funded in FY 2017. Currently, 28 charter schools offer kindergarten and all 28 schools would receive funds for the new FDK program. When asked about the impact this MBI would have on charter schools, the NDE indicated that most charter schools

already operate the FDK program so the impact would be minimal. Only one school operates a half-day kindergarten program due to facility constraints.

Upon further review of the calculations for the FDK expansion initiative, General Fund appropriations of \$2.6 million in FY 2016 and \$5.2 million in FY 2017 to fund the FDK program for charter schools was duplicated in the enhancement to complete the expansion of the program in school districts. Moreover, the NDE advised Fiscal staff that the initial calculations of the cost to complete the FDK expansion did not account for the base funding in the DSA, which funds all kindergarten students at a weight of 0.6 percent. Additionally, the funding for the kindergarten CSR program was not considered as an offset to the total projected cost, which was calculated in total with a kindergarten student-to-teacher ratio of 21:1.

As a result, the NDE advised Fiscal staff that the total combined FDK funding recommended for school districts and charter schools can be reduced to \$8 million in FY 2016 and \$27.9 million in FY 2017, a reduction of \$13.9 million in FY 2016 and \$14.5 million in FY 2017. Inclusive of the technical adjustment to reduce the combined funding recommended in the Governor's budget based on updated calculations provided by the NDE, funding recommended to support the State-funding FDK program totals \$50.2 million in FY 2016 and \$70.9 million in FY 2017.

Do the Committees wish to approve General Fund appropriations totaling \$8 million in FY 2016 and \$28.5 million in FY 2017, as revised by the technical adjustment noted above by Fiscal staff, to complete the expansion of the State-funded FDK program for school districts and to begin the implementation of the FDK program in charter schools in the 2015-2017 biennium?

**Assemblyman Kirner:**

Is FDK attendance required?

**Ms. Waller:**

No, kindergarten is not required, either full day or half day.

**Assemblyman Kirner:**

Some students are ready for school whereas some are not. Are there any age or testing requirements for acceptance into kindergarten?

**Ms. Waller:**

The law requires children to attend school by age 7. School district policy may provide for screenings, assessments and communications with parents to determine a child's readiness for kindergarten.

**Assemblywoman Kirkpatrick:**

After 22 years of fighting for FDK for the children in my district, I am excited about this initiative and wholeheartedly support it.

**Senator Goicoechea:**

Can parents chose to skip kindergarten and enroll their children in first grade at age 6?

**Ms. Waller:**

Yes, kindergarten is not required. Children must enroll in first grade by age 7.

**Senator Goicoechea:**

I struggle with spending that kind of money in some of the rural areas. We have children who enroll directly into first grade ready for school because the parents did a good job preparing them at home. Although I agree with the option and flexibility, this is a lot of money.

**Assemblyman Edwards:**

This initiative started out to be a lot of money. The technical adjustment has lowered the cost.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE GENERAL FUND APPROPRIATIONS TOTALING \$8 MILLION IN FY 2016 AND \$28.5 MILLION IN FY 2017 IN DECISION UNITS M-300, E-287, AND E-292 OF B/A 101-2615, AS REVISED BY THE TECHNICAL ADJUSTMENT NOTED BY FISCAL STAFF, TO COMPLETE THE EXPANSION OF THE STATE-FUNDED FDK PROGRAM FOR SCHOOL DISTRICTS; TO BEGIN THE IMPLEMENTATION OF THE FDK PROGRAM IN CHARTER SCHOOLS IN THE 2015-2017 BIENNIUM

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WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL  
ADJUSTMENTS AS NEEDED.

SENATOR WOODHOUSE SECONDED THE MOTION.

**Assemblywoman Dickman:**

Could you please repeat the fiscal impact?

**Chair Kieckhefer:**

The cost is \$8 million in FY 2016 and \$28.5 million in FY 2017, or a total of \$36.5 million for the 2015-2017 biennium. The Governor originally proposed \$64.4 million for the biennium. This is a reduction of approximately \$27.9 million from the Governor's recommended budget.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

As part of this MBI, the Governor recommends in decision unit E-293 of B/A 101-2615 \$10 million over the 2015-2017 biennium to assist school districts with the purchase of portable classrooms.

The NDE conducted a poll of the 17 school districts. Based upon the results of the poll, 13 school districts advise they will not need new facilities. However, 2 of the 13 school districts indicate additional facilities may be required depending upon whether the new Tesla factory significantly increases enrollment. Elko and Lander County School Districts indicate two portables would be needed. The WCSD indicates up to five portables may be required, but more portables could be needed depending on the impact the Tesla factory has on enrollment. The CCSD reports 87 additional portables would be needed.

At the work session for K-12 Education on April 24, 2015, the CCSD testified that with the passage and approval of S.B. 119, which authorizes the board of trustees of the CCSD and the WCSD to issue general obligation bonds for one additional period of 10 years, the CCSD could use capital funds to purchase

the portable classrooms needed to complete the final implementation of the State-funded FDK program. The WCSD indicates it would not be able to use its capital funding for the five portables estimated to be needed to complete the final implementation of the State-funded FDK program. Based on the information provided by the CCSD with regard to the ability to use its capital funding to purchase portable classrooms, by removing 87 of the estimated 94 portables needed, it appears that the funding recommended by the Governor for portable classrooms could be reduced from \$5 million in each year to \$1 million in each year of the 2015-2017 biennium to provide school districts, excluding CCSD, with sufficient assistance to purchase the estimated number of portable classrooms needed.

**SENATE BILL 119**: Revises provisions relating to educational facilities.  
(BDR 28-732)

The Committees may wish to consider the following options:

- A. Approve General Fund appropriations of \$5 million in each fiscal year of the 2015-2017 biennium, as recommended by the Governor, to assist school districts with the purchase of portable classrooms.
- B. Approve General Fund appropriations of \$1 million in each fiscal year of the 2015-2017 biennium to assist school districts with the purchase of portable classrooms.
- C. Do not approve the Governor's recommended General Fund appropriations of \$5 million in each fiscal year of the 2015-2017 biennium to assist school districts with the purchase of portable classrooms.

**Senator Goicoechea:**

I cannot support this. The bricks and mortar should be supplied by the local school districts rather than the State. Remember, FDK is an optional program.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE OPTION B  
AUTHORIZING IN DECISION UNIT E-293 OF B/A 101-2615  
GENERAL FUND APPROPRIATIONS OF \$1 MILLION IN EACH

FISCAL YEAR OF THE 2015-2017 BIENNIUM TO ASSIST SCHOOL DISTRICTS WITH THE PURCHASE OF PORTABLE CLASSROOMS.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN DICKMAN AND TITUS VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATOR GOICOECHEA VOTED NO.)

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 5 of B/A 101-2615 is the kindergarten class-size reduction (KCSR) program discussed on pages 45 through 47 of [Exhibit C](#).

The 2013 Legislature appropriated State General Funds totaling \$53.4 million over the 2013-2015 biennium, to phase in a statewide KCSR program targeting a pupil to teacher ratio of 21:1, with a maximum pupil-to-teacher ratio of up to 25:1, based upon the approval of a school district's superintendent. Additionally, up to \$14 million was authorized to be distributed to school districts to assist with the purchase of necessary facilities to provide kindergarten at the prescribed pupil-to-teacher ratio over the 2013-2015 biennium.

For the 2015-2017 biennium, the Executive Budget continues funding for the support of the KCSR program in the amount of \$24.5 million in FY 2016 and \$25 million in FY 2017. The Governor's budget does not recommend any additional funding for the KCSR program in the upcoming biennium to assist with the purchase of portable classrooms, although the recommended budget does include funding to assist school districts with the purchase of portable classrooms for the FDK program.

According to the most recent CSR program report for the second quarter of FY 2015, 120 schools in 8 school districts reported more than 21 kindergarten students per class, which is permissible with an approved variance of a district superintendent. However, 16 schools in 4 school districts, including Clark, Douglas, Lyon and Washoe Counties, reported kindergarten class sizes

over the maximum limit of 25 students per kindergarten class required under the KCSR program.

When asked by Fiscal staff why these four school districts did not comply, the NDE responded that Douglas and Elko County School Districts each have one school over the 25:1 student-to-teacher ratio. At the request of the State Superintendent of Public Instruction, Douglas County School District submitted a Corrective Action Plan, pursuant to NRS 385.175, which provides that the Superintendent of Public Instruction can request a plan of corrective action from the board of trustees of a school district or the governing body of a charter school if the State Superintendent determines that the school district or charter school has not complied with a requirement or any other statute or regulation governing K-12 public education.

With respect to the Elko County School District, the school that is over the 25:1 maximum student-to-teacher ratio by 4 students is Owyhee. The NDE notes that this school has had difficulty hiring an additional teacher for that school. The Elko County School district has been requested to submit a corrective action plan to the State Superintendent to correct the issue. The NDE reports it does not have any information regarding the noncompliance by the WCSD and the CCSD. The NDE indicates it is now prepared to request a corrective action plan each time the KCSR ratio exceeds the maximum 25:1 threshold.

Based on the implementation of the new KCSR program, Fiscal staff asked if the NDE would recommend any legislative changes to ensure schools comply with the maximum pupil to teacher ratio of 25:1 as prescribed by the KCSR program. The NDE responded that it would recommend a provision to authorize remote rural schools the ability to submit a variance request with a proposed plan of corrective action to the SBE or the State Superintendent in instances where a class-size ratio exceeds 25:1. The State Superintendent handled the situation with the Douglas County School District in this manner; however, there is no explicit statutory direction for this action. The NDE advises it would prefer to see a corrective action plan, such as providing a paraprofessional or aide to assist the teacher, in lieu of waiving the class-size requirement. Further, the NDE notes there is also no guidance on how to compel the larger school district to comply with class-size requirements.



Fiscal staff further notes that with the Governor's proposal to complete the implementation of the FDK program in FY 2017, the calculation of the 21:1 student to teacher ratio has been included in that category. As such, to facilitate the grant process, staff would suggest the funding for the KCSR program be transferred and combined with the FDK program expenditure category.

Do the Committees wish to approve General Fund appropriations totaling \$24.5 million in FY 2016 and \$25 million in FY 2017 for the support of the KCSR program?

If so, do the Committees wish to:

- A. Consolidate the recommended funding for KCSR program with the funding for the FDK program.
- B. Add language in the education-funding bill to allow remote rural school districts to submit a variance request to the SBE or the State Superintendent of Public Instruction with a proposed plan of corrective action in instances where the maximum pupil to teacher ratio prescribed by the KCSR program exceeds 25:1.

**Chair Kieckhefer:**

Are variances in other CSR programs handled by the SBE?

**Ms. Waller:**

That is correct.

**Chair Kieckhefer:**

Is this program currently funded?

**Ms. Waller:**

That is correct. This program is in the Base Budget; it is not an enhancement. This funding is part of the reason that the enhancement to the FDK funding was reduced. If this funding is not approved, we would need to relook at increasing the FDK enhancement.

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**Chair Kieckhefer:**

Are you saying if this is not approved, the FDK program would need to be increased?

**Ms. Waller:**

That is correct.

**Chair Kieckhefer:**

So everyone is clear, this is not an enhancement. This is Base Budget funding that we decided to fund last Session at a class size level of 25:1.

**Assemblywoman Benitez-Thompson:**

I would hope that if we are going to have a conversation about this, it would be along the lines that 25:1 is already too high a ratio versus going to an even higher number.

**Chair Anderson:**

Is this the Base Budget funding that we have been spending that we are simply continuing and looking to transfer and combine it with the FDK program funding?

**Ms. Waller:**

That is correct.

SENATOR ROBERSON MOVED TO APPROVE IN B/A 101-2615 GENERAL FUND APPROPRIATIONS TOTALING \$24.5 MILLION IN FY 2016 AND \$25 MILLION IN FY 2017 FOR THE SUPPORT OF THE KCSR PROGRAM; TO APPROVE CONSOLIDATION OF THE KCSR PROGRAM FUNDING WITH THE FDK PROGRAM FUNDING; TO ADD LANGUAGE IN THE EDUCATION FUNDING BILL TO ALLOW REMOTE RURAL SCHOOL DISTRICTS TO SUBMIT A VARIANCE REQUEST TO THE SBE OR THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION WITH A PROPOSED PLAN OF CORRECTIVE ACTION IN INSTANCES WHERE THE MAXIMUM PUPIL-TO-TEACHER RATIO PRESCRIBED BY THE KCSR PROGRAM EXCEEDS 25:1.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

The Other Closing Issue in B/A 101-2615 is described on page 47 of [Exhibit C](#). Decision unit E-960 recommends \$7.6 million in each year of the 2015-2017 biennium for continued support of the three Regional Professional Development Programs (RPDP), including the Nevada Early Literacy Intervention Program and special administrator training programs. This represents no change from the ongoing funding approved by the 2013 Legislature.

E-960 TRANS SCHL REMEDIATION 2615 To RPDP 2618 — Page K-12  
EDUCATION-35

Additionally, the Governor recommends transferring the funding for the RPDPs from the School Remediation Trust Account, B/A 101-2615, to the new proposed Professional Development Programs budget, B/A 000-2618, in order to streamline professional development programs. This recommendation appears reasonable.

Fiscal staff recommends closing the Other Closing Issue as recommended by the Governor and requests authority to make technical adjustments, as necessary.

NDE - Professional Development Programs — Budget Page K-12 EDUCATION-39  
(Volume I)

Budget Account 000-2618

SENATOR LIPPARELLI MOVED TO APPROVE THE OTHER CLOSING ISSUE FOR B/A 101-2615 APPROPRIATING \$7.6 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM FOR CONTINUED SUPPORT OF THE THREE RPDPs, AS RECOMMENDED BY THE GOVERNOR, WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Waller:**

The State Supplemental School Support Account, B/A 101-2617, is discussed on pages 48 and 49 of [Exhibit C](#).

The State Supplemental School Support Account was created as a result of I.P. No. 1 of the 75th Legislative Session, which was approved by the 2009 Legislature. The petition imposed an additional tax on the gross receipts from the rental of transient lodging, also known as Room Tax, in certain counties as specified in NRS 244.33561. For the period of July 1, 2009, through June 30, 2011, the proceeds of this tax were to be credited to the State General Fund. Beginning on July 1, 2011, the proceeds were to be credited to B/A 101-2617 to be distributed to school districts and charter schools to improve the achievement of students and to attract and retain qualified teachers and nonadministrative employees as specified in NRS 387.191. However, the 2011 Legislature approved the transfer of IP No. 1 of the 75th Legislative Session Room Tax revenues to the DSA as a State funding source for the 2011-2013 biennium. The 2013 Legislature also approved the Governor's recommendation to continue the transfer of the IP No. 1 of the 75th Legislative Session Room Tax revenues to the DSA as a State funding source through June 30, 2015. There are no major closing issues in this account.

Decision unit E-130 proposes to continue the transfer of IP No. 1 of the 75th Legislative Session Room Tax revenues and related interest earnings forecast of \$151.9 million for FY 2016 and \$156.3 million for FY 2017 to the DSA as a State funding source.

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If the transfer of IP No. 1 of the 75th Legislative Session Room Tax revenues to the DSA is approved, Fiscal staff requests approval to include back language in the education-funding bill to extend the sunset through June 30, 2017, similar to the Legislature's actions in previous biennia.

On May 1, 2015, the Economic Forum met to reproject the State's General Fund revenues. Similarly, the IP No. 1 of the 75th Legislative Session Room Tax revenues have also been reprojected for the upcoming biennium. Based on updated revenue forecasts, the IP No. 1 of the 75th Legislative Session Room Tax revenues, inclusive of interest earnings, have been reprojected at \$154.7 million for FY 2016 and \$159.2 million for FY 2017, an increase of \$5.7 million when compared to the \$308.2 million of IP No. 1 of the 75th Legislative Session Room Tax revenue and interest earnings included in the Executive Budget. The technical adjustment to increase the IP No. 1 of the 75th Legislative Session Room Tax revenues and interest earnings based on the reprojection is included in the [Exhibit C](#) closing document. If the transfer of IP No. 1 of the 75th Legislative Session Room Tax revenues, inclusive of interest earnings, to the DSA were to sunset as originally scheduled, additional General Fund appropriations totaling \$313.9 million would be required to support the Governor's recommended funding level in the DSA for the 2015-2017 biennium.

Fiscal staff recommends this budget be closed as recommended by the Governor, inclusive of the technical adjustment to update the projected IP No. 1 of the 75th Legislative Session Room Tax revenues and interest earnings and with approval to include back language in the education-funding bill to extend the sunset through June 30, 2017. Fiscal staff also requests authority to make other technical adjustments, as necessary.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE DECISION UNIT E-130 OF B/A 101-2617, AS RECOMMENDED BY THE GOVERNOR, INCLUSIVE OF THE TECHNICAL ADJUSTMENT TO UPDATE THE PROJECTED IP NO. 1 OF THE 75TH LEGISLATIVE SESSION ROOM TAX REVENUES AND INTEREST EARNINGS; AND WITH APPROVAL TO INCLUDE BACK LANGUAGE IN THE EDUCATION FUNDING BILL TO EXTEND THE SUNSET THROUGH JUNE 30, 2017; AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS, AS NECESSARY.

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SENATOR ROBERSON SECONDED THE MOTION.

**Assemblywoman Dickman:**

I am tired of things that are supposed to sunset never sunsetting.

**Chair Kieckhefer:**

If this were to sunset, the taxes would not go down and we would need to generate an additional \$313.9 million in General Fund from somewhere else.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Waller:**

The Professional Development Programs budget, B/A 000-2618, is discussed on pages 50 through 54 of [Exhibit C](#).

The Executive Budget recommends the establishment of a new budget for Professional Development Programs beginning in the 2015-2017 biennium. According to the NDE, the budget would streamline the budgets for professional development. The funding source recommended for this new budget is State General Fund.

The Governor recommends in decision unit E-298 an MBI known as the Great Teaching and Leading (GTL) Fund. Testimony provided by the State Superintendent of Public Instruction during the budget hearing indicated that in addition to investing in high-quality professional development, this initiative would invest in improving leadership development and the teacher pipeline, which would address the shortage of teachers and the difficulty of recruiting and retaining teachers in the State.

In support of this MBI, the Governor recommends a General Fund appropriation of \$4.9 million in each fiscal year of the 2015-2017 biennium in this budget. Additionally, included and approved in B/A 101-2612 is State support totaling \$165,062 over the 2015-2017 biennium for the personnel and associated operating costs of one new position to administer the GTL program and an annual \$30,000 General Fund appropriation to contract for an external evaluation.

NDE - Educator Effectiveness — Budget Page K-12 EDUCATION-105 (Volume I)  
Budget Account 101-2612

Senate Bill 474, as amended and passed, would implement this MBI. Subsection 5 paragraph (a) of section 1 of S.B. 474, as amended, defines entities eligible for grants from the GTL as:

- The governing body of a regional training program for the professional development of teachers and administrators.
- The board of trustees of school districts.
- The governing body of a charter school.
- The State Public Charter School Authority.
- A university, state college or community college within the Nevada System of Higher Education.
- Employee associations representing licensed educational personnel or nonprofit educational organizations.

**SENATE BILL 474 (2nd Reprint)**: Makes various changes concerning the professional development of teachers, school administrators and other educational personnel. (BDR 34-1183)

According to S.B. 474, as amended, the Superintendent of Public Instruction must assign a committee to review the grant applications and make recommendations to the SBE for awarding grants of money from the GTL fund. The evaluation committee would be comprised of various public and

private stakeholders. Additionally, the bill provides that grant awards must be issued by December 31 of each year and a grant of money may be awarded for a period of up to 5 years. Annual reporting for multi-year grants would be required, otherwise an entity receiving a GTL grant would be required to the Superintendent of Public Instruction no later than 120 days after the grant period ends. Further, the bill, as amended, does not specify a certain percentage of funding be allocated for professional development, leadership development or improving the teacher pipeline.

Senate Bill 474, as amended, requires no more than 25 percent of State funding be awarded to any single entity in a grant period to ensure that multiple entities would be eligible to receive State GTL grant funds. The 25 percent limitation would not apply to an award of funding received from gifts or grants, which may have specific conditions imposed on the use of such funds. Subsection 9 of section 1 of S.B. 474, as amended, requires an entity that receives a grant of money to use the funding in accordance with the priorities of programs prescribed by the SBE which include:

- Professional development for teachers and administrators and other licensed educational personnel.
- Programs of preparation for teachers, administrators and other licensed educational personnel.
- Programs of peer assistance and review for teachers, administrators and other licensed educational personnel.
- Programs of leadership training and development.
- Programs to recruit, select and retain effective teachers and principals.

According to supporting documentation, the focus of the GTL Fund program in FY 2016 is to fund professional development related to the rollout of the Nevada Educator Performance Framework, new science standards, teacher recruitment and training, and leadership training. The NDE indicates S.B 474 would set the professional development priorities for the GTL in FY 2016. With respect to a tentative timeline for the first year of the initiative, the NDE indicates a Request for Proposal would be issued with



a 30-day submission window. The evaluation committee would then make recommendations to the SBE in August/September and funding would be disbursed immediately afterwards for a FY 2016 implementation. Beginning with the second year of the 2015-2017 biennium, documentation indicates that the SBE would establish annual priorities of professional development and would fund grants according to such priorities.

Performance goals for the GTL program that have been identified by the Department include the following:

- An increase in the percentage of educators receiving high-quality professional development in key criteria areas to be determined annually by the SBE.
- A decrease in the number of teacher vacancies.
- An increase in the equitable distribution of highly-qualified/highly-effective teachers, particularly in designated high-need schools and in science, technology, engineering and math subject areas.
- An increase in the availability of principals for turnaround schools and other identified leadership posts.

In response to concerns expressed by the Subcommittees that rural school districts and charter schools may have limited resources and experience in applying for grants, the NDE indicated it is developing an electronic application whereby all districts and charter schools will be able to submit information in a consolidated application format. Additionally, the NDE noted that the SBE could also decide to award specific funding to rural school districts and charter schools.

Do the Committees wish to approve General Fund appropriations of \$4.9 million in each fiscal year of the 2015-2017 biennium, as recommended by the Governor, to establish the GTL competitive grant program, contingent upon the passage and approval of S.B. 474?

SENATOR ROBERSON MOVED TO APPROVE DECISION UNIT E-298 OF B/A 101-2618, APPROVING \$4.9 MILLION IN EACH FISCAL YEAR OF THE 2015-2017 BIENNIUM, AS RECOMMENDED BY THE GOVERNOR, CONTINGENT UPON APPROVAL OF S.B. 474 OR SIMILAR LEGISLATION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Waller:**

Major Closing Issue No. 2 is a proposal to modify the funding structure of the RPDP. Decision unit E-299 proposes funding this MBI in FY 2017 with \$6.6 million redirected from the existing RPDP. The remaining RPDP budget of \$1 million would be divided among the three regional programs to fund the cost of one director, one staff position and the general annual operating expenses. All other staff and contractors would be compensated by the awarding of grant allocations through the GTL fund. The redirection of \$6.6 million in FY 2017 from the RPDP budget to the GTL competitive grant program is not prescribed in S.B. 474, as amended, but rather is a recommendation contained in the Governor's budget.

**E-299 Educated and Healthy Citizenry — Page K-12 EDUCATION-39**

The RPDP was established by NRS 391.512 in 1999 to provide research-based professional development opportunities for teachers and administrators statewide. The organization was further directed by NRS 391.544 to focus on training teachers in the standards established by the Council to Establish Academic Standards for Public Schools, NRS 389.520, and to establish and implement the Nevada Early Literacy Intervention Program (NELIP). The NELIP is designed to provide training for teachers who teach kindergarten and Grades 1 through 3 on methods to teach fundamental reading skills.

The three RPDPs provide professional development to the school districts assigned to each region as follows:

- Southern Nevada Regional Professional Development Program (SNRPDP) which includes Mineral, Lincoln, Esmeralda, Clark and Nye.
- Northwest Regional Professional Development Program (NWRPDP) which includes Carson City, Lyon, Churchill, Storey, Douglas and Washoe.
- Northern Nevada Regional Professional Development Program which includes Humboldt, Elko, Pershing, Eureka, Lander and White Pine.

For the 2011-2013 biennium, S.B. No. 197 of the 76th Session required a significant percentage of the SNRPDP and the NWRPDP budgets to be directly appropriated for transfer to the CCSD and the WCSD in order for those districts to have the ability to purchase professional development services from other sources in addition to purchasing professional development services from the RPDPs. Information provided by the SNRPDP and the NWRPDP indicated that the revised funding allocation imposed by this bill made it difficult for these two regional training programs to budget resources when large percentages of their budgets became discretionary, thereby impacting decisions about hiring.

The NDE also testified during the 2013 legislative budget hearings that it supported reverting to the original allocation of State funding to the RPDP that existed prior to the change enacted by S.B. No. 197 of the 76th Session. The 2013 Legislature subsequently approved returning to the original funding model for the RPDP in the 2013-2015 biennium, wherein all funding for the RPDP would be appropriated to the NDE for distribution to each of the three RPDPs through their assigned school district fiscal agent.

Fiscal staff further notes that during the 2013 Legislative Session, the Governor, through S.B. No. 467 of the 77th Session, proposed a change in the governance structure of the RPDP, which would have required the RPDPs to report to the NDE in lieu of reporting to independent governing bodies and the Statewide Coordinating Council for the coordination of the RPDPs. The bill was amended to remove the proposed governance change, based in part on testimony of education stakeholders opposing the proposal.

Testimony provided by the Superintendent of Public Instruction indicates S.B. 474, as amended, would give the SBE the decision-making authority over State funding for educator professional development by allowing the SBE to determine and to establish the priorities for State-funded professional development. Currently, the RPDPs must provide professional development based on the assessment of needs for training within each region and the priorities of training adopted by each respective governing body, as prescribed by statute.

In response to questions from Fiscal staff, the NDE confirmed that in FY 2016 the RPDP budget would continue to be funded at \$7.6 million. The RPDPs, along with other eligible entities, would also be able to apply for GTL grant funding in FY 2016 to provide professional development as prioritized in the legislation that would implement the GTL program. In FY 2017, the SBE would set the statewide priorities of professional development services to be provided on or before September 30 of each year for which grants of money would be awarded on or before December 31 of that year. All of the eligible entities, including the RPDPs, would be able to apply for GTL grants.

During the budget hearing stakeholders, including representatives from rural school districts and the RPDPs, expressed concerns with the proposed change to the funding structure of the RPDPs noting that it would reduce the flexibility of the RPDPs to respond to changing problems and needs of administrators and teachers, which was identified as being a critical component in the rural school districts. More specifically, stakeholders indicated if funding is received in the form of competitive grants, when needs change or unanticipated problems emerge, the RPDPs would not have the flexibility to meet those needs as funding received through a competitive grant would be restricted to the purposes outlined in the grant award.

With the proposed statutory change to require the RPDPs to follow the professional development priorities established by the SBE, it is unclear why the existing \$6.6 million in FY 2017 from the RPDP budget should be redirected to the GTL competitive grant program.

The Committees may wish to consider the following options:

- A. Approve a modification to the funding structure of the existing RPDP and redirect General Fund appropriations of \$6.6 million in FY 2017 from the RPDP budget to the GTL competitive grant program as recommended by the Governor and contingent upon the passage and approval of S.B. 474.
- B. Do not approve a modification to the funding structure of the existing RPDP which would allow the RPDP to retain General Fund appropriations of \$6.6 million in FY 2017 rather than redirecting this amount to the GTL competitive grant program.

**Chair Kieckhefer:**

Option B makes the most sense considering the changes made to S.B. 474. It will be important for the RPDPs to comply with the priorities established by the SBE.

**Ms. Waller:**

Decision Unit E-960 of B/A 000-2618 recommends the transfer of General Fund appropriations in the amount of \$7.6 million each year of the 2015-2017 biennium for the RPDP from the School Remediation Trust Account, B/A 101-2615, to the new Professional Development Programs budget, B/A 000-2618. The transfer is recommended to streamline professional development programs. This recommendation appears reasonable.

E-960 TRANS SCHL REMEDIATION 2615 TO RPDP 2618 — Page K-12  
EDUCATION-40

SENATOR WOODHOUSE MOVED TO SELECT OPTION B TO NOT APPROVE DECISION UNIT E-299 OF B/A 101-2618 MODIFYING THE FUNDING STRUCTURE OF THE EXISTING RPDP WHICH WOULD ALLOW THE RPDPs TO RETAIN GENERAL FUND APPROPRIATIONS OF \$6.6 MILLION IN FY 2017 RATHER THAN REDIRECTING THIS AMOUNT TO THE GTL COMPETITIVE GRANT PROGRAM; AND TO APPROVE DECISION UNIT E-960 OF B/A 101-2610 TO TRANSFER GENERAL FUND APPROPRIATIONS OF \$7.6 MILLION EACH YEAR OF THE 2015-2017 BIENNIUM FOR THE RPDPs FROM THE SCHOOL

REMEDATION TRUST ACCOUNT, B/A 101-2615, TO THE NEW  
REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM, B/A 000-2618.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Waller:**

The Incentives for Licensed Education Personnel budget, B/A 101-2616, is discussed on pages 55 and 56 of [Exhibit C](#). Fiscal staff is responsible for developing closing recommendations for this budget.

NDE - Incentives For Licensed Education Personnel — Budget Page K-12  
EDUCATION-44 (Volume I)  
Budget Account 101-2616

*Nevada Revised Statutes* 391.166 creates a Grant Fund for Incentives for Licensed Educational Personnel and requires each school district to establish a program of incentive pay for licensed educational personnel designed to attract and retain those employees.

Financial incentives must not exceed \$3,500 per year. Assembly Bill No. 1 of the 23rd Special Session repealed the statutory language of NRS 391.165, which required the purchase of retirement credits for teachers in at-risk schools, psychologists, and teachers in the fields of mathematics, science, special education and English as a second language. However, A.B. No.1 of the 23rd Special Session provides an option for those employees participating in the program prior to July 1, 2007, to continue the purchase of retirement credits until they have received an additional 1 full year of retirement credit at which time they would be eligible to participate in the new program of teacher incentive pay set forth in NRS 391.166.

The 2013 Legislature did not continue funding for the program of incentive pay for licensed educational personnel beginning in the 2013-2015 biennium, but continued to fund outstanding retirement credit purchase liabilities.

Under the grandfathered provisions of the One-Fifth Retirement Credit Purchase program, the enabling legislation refers to participation in the program ceasing once the employee receives 1 full year of retirement service credit, rather than ceasing after a specific timeframe to earn the retirement service credit. Therefore, the One-Fifth Retirement Credit Purchase program will need to be funded until all eligible employees participating in the program prior to July 1, 2007, have received an additional 1 full year of retirement service credit. Of the original 5,449 eligible participants opting in to continue the purchase of retirement credits, an estimated 1,197 participants would continue to be eligible to earn retirement service credits for the 2015-2017 biennium.

The Executive Budget recommends General Fund appropriations totaling \$3 million in each year of the 2015-2017 biennium to continue funding the estimated outstanding liability of the One-Fifth Retirement Credit Purchase program. The Governor continues a change implemented by the 2009 Legislature to approve funding the cost of the One-Fifth Retirement Credit Purchase program in the year following the obligation being incurred.

According to information provided by the NDE, the cost of retirement credits earned in FY 2013 and purchased in FY 2014 totaled approximately \$4.9 million for 1,128 eligible participants, at an average cost of \$4,380 per credit. The NDE has not yet finalized the FY 2015 payments for the purchase of retirement service credits earned in FY 2014, but projects the cost to be \$1.5 million for 348 eligible participants, an average cost of \$4,353 per credit. Fiscal staff inquired about the significant decline in the number of eligible participants from 1,128 in 2013 to 348 in FY 2014, and was informed that the decline is due to the fact that a significant number of teachers have now obtained the 1 full year of retirement service credit and are no longer eligible to participate in the program.

Based on the significant reduction in the number of eligible participants earning retirement service credits between FY 2013 and FY 2014, Fiscal staff made a technical adjustment in the [Exhibit C](#) closing document to reduce the recommended funding for the projected outstanding liability of the

One-Fifth Retirement Credit Purchase program from \$3 million to \$2 million in each year of the 2015-2017 biennium. However, to ensure sufficient funding is available for the purchase of any unanticipated increase of retirement service credits earned, the Committees may wish to consider providing the NDE with authority to transfer appropriations for the purchase of retirement service credits earned between fiscal years of the 2015-2017 biennium.

Based on updated projections, Fiscal staff recommends the approval of General Fund appropriations totaling \$2 million in each year of the 2015-2017 biennium to continue funding the outstanding liability of the One-Fifth Retirement Credit Purchase program, with authority to include back language in the education funding bill to transfer appropriations for the purchase of retirement service credits earned between fiscal years of the 2015-2017 biennium. Fiscal staff also requests authority to make other technical adjustments as necessary.

ASSEMBLYMAN ARMSTRONG MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$2 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM TO CONTINUE FUNDING THE OUTSTANDING LIABILITY OF THE ONE-FIFTH RETIREMENT CREDIT PURCHASE PROGRAM WITH AUTHORITY TO INCLUDE BACK LANGUAGE IN THE EDUCATION FUNDING BILL TO TRANSFER APPROPRIATIONS FOR THE PURCHASE OF RETIREMENT SERVICE CREDITS EARNED BETWEEN FISCAL YEARS OF THE 2015-2017 BIENNIUM AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**Chair Kieckhefer:**

We will now move to the "Report on Budget Closing Differences," ([Exhibit D](#)).

**Cindy Jones (Assembly Fiscal Analyst):**

The first item is the Office of the Attorney General, Administrative Fund, B/A 101-1030.

**ELECTED OFFICIALS**

AG - Administrative Fund — Budget Page ELECTED-84 (Volume I)  
Budget Account 101-1030

The Executive Budget includes \$336,181, which includes \$190,614 of General Fund, over the 2015-2017 biennium for a deputy solicitor general position within the Office of the Attorney General (OAG).

During testimony on this item, the OAG indicated that the deputy solicitor general position would work with the existing solicitor general to review all appellate briefs filed on behalf of the OAG to ensure consistency on the State's position for appellate matters and to help reduce the caseload of appellate cases assigned to the existing solicitor general. Further, the new deputy solicitor general position would review requests for the OAG to participate in amicus briefs and other sign-on requests from other states. The Assembly Committee on Ways and Means voted to close the budget as recommended in the Executive Budget, which included the deputy solicitor general position. The Senate Committee on Finance voted to not approve the addition of a deputy solicitor general position.

If this position is approved today, the actual salary would be determined in the Pay Bill.

**Assemblywoman Kirkpatrick:**

Some of the Assembly Committee members expressed concerns about approving this position. Therefore, I recommend the Assembly agree with the Senate.

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ASSEMBLYWOMAN KIRKPATRICK MOVED TO CONCUR WITH THE SENATE IN DISAPPROVING THE GOVERNOR'S REQUEST FOR \$336,181, WHICH INCLUDES \$190,614 OF GENERAL FUND, OVER THE 2015-2017 BIENNIUM FOR A DEPUTY SOLICITOR GENERAL POSITION WITHIN THE OAG.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Jones:**

The next item is the State Treasurer, B/A 101-1080.

Treasurer - State Treasurer — Budget Page ELECTED-179 (Volume I)  
Budget Account 101-1080

The Senate Committee on Finance approved \$10,658 in each fiscal year of the 2015-2017 biennium for 15 additional in-state travel trips. Subsequent to the budget closing by the Senate Committee on Finance, the Treasurer's Office requested a reduction of \$4,278 in each fiscal year in the costs for six trips recommended for the State Treasurer to eliminate the per diem reimbursement originally recommended. The Assembly Committee on Ways and Means approved the revised amount of \$6,380 in each fiscal year of the 2015-2017 biennium for the 15 additional in-state trips.

**Chair Kieckhefer:**

The Senate Committee on Finance concurs with the Assembly Ways and Means to reduce the travel funds in B/A 101-1080.

SENATOR GOICOECHEA MOVED TO CONCUR WITH THE ASSEMBLY COMMITTEE ON WAYS AND MEANS TO REVISE THE IN-STATE TRAVEL IN B/A 101-1080 TO \$6,380 IN EACH FISCAL YEAR AS RECOMMENDED BY THE TREASURER'S OFFICE.

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SENATOR WOODHOUSE SECONDED THE MOTION.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Ms. Jones:**

Next is the Office of the Controller, B/A 101-1130.

Controller - Controller's Office — Budget Page ELECTED-234 (Volume I)  
Budget Account 101-1130

The Senate Committee on Finance approved the Governor's recommendation for General Fund appropriations of \$150,124 in FY 2016 and \$19,257 in FY 2017 for the purchase of equipment and associated maintenance costs to add videoconferencing capabilities to the existing State Computer Training Facility in Carson City. The Assembly Committee on Ways and Means closed the budget without approving this recommendation.

ASSEMBLYMAN ANDERSON MOVED TO CONCUR WITH THE SENATE COMMITTEE ON FINANCE TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS OF \$150,124 IN FY 2016 AND \$19,257 IN FY 2017 FOR THE PURCHASE OF EQUIPMENT AND ASSOCIATED MAINTENANCE COSTS TO ADD VIDEOCONFERENCING CAPABILITIES TO THE EXISTING STATE COMPUTER FACILITY IN CARSON CITY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

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**Mark Krmpotic (Senate Fiscal Analyst):**

The next item is the Department of Tourism and Cultural Affairs, Nevada Humanities, B/A 101-2894.

COMMERCE AND INDUSTRY

TOURISM AND CULTURAL AFFAIRS

Tourism - Nevada Humanities — Budget Page TOURISM-30 (Volume II)  
Budget Account 101-2894

The Assembly Committee on Ways and Means approved the Governor's recommendation to continue providing funding to Nevada Humanities, Inc. with General Fund appropriations of \$50,000 in each year of the 2015-2017 biennium. The Senate Committee on Finance approved the addition of \$25,000 in General Fund appropriations in each year, for a total of \$75,000 provided to Nevada Humanities, Inc. in each year of the 2015-2017 biennium.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO CONCUR WITH THE SENATE COMMITTEE ON FINANCE TO APPROVE THE ADDITION OF \$25,000 IN GENERAL FUND APPROPRIATIONS IN EACH YEAR, FOR A TOTAL OF \$75,000 PROVIDED TO NEVADA HUMANITIES, INC. IN EACH YEAR OF THE 2015-2017 BIENNIUM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Mr. Krmpotic:**

Next, is the Department of Motor Vehicles, Field Services, B/A 201-4735.

PUBLIC SAFETY

MOTOR VEHICLES

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DMV - Field Services — Budget Page DMV-96 (Volume III)  
Budget Account 201-4735

The Governor recommended 14 additional DMV services technician positions for the five major metropolitan field offices to cover vacant positions, based on a vacancy rate of 3 percent (3 percent x 481 FTE = 14 FTE). The Governor also recommended two new DMV services supervisor positions to maintain the Department's supervisory ratio. The Assembly Committee on Ways and Means recommended approval of the Governor's recommendation to provide the Department with Highway Fund appropriations of \$786,506 in FY 2016 and \$786,998 in FY 2017 for 16 new positions proposed to cover vacant positions.

The Senate Committee on Finance also approved the Governor's recommendation for 14 new DMV Services Technician positions and 2 DMV Services Supervisor positions for the five major metropolitan DMV field offices to cover vacancies; however, the Senate Committee on Finance recommended appropriating the Highway Funds allocated for these positions of \$786,506 in FY 2016 and \$786,998 in FY 2017 to the IFC Contingency Account, directing the Agency to seek these funds from the IFC if the Department is able to justify the need for these positions after it fills the 59 additional positions approved for the five major metropolitan field offices beginning July 1, 2015.

SENATOR GOICOECHEA MOVED TO CONCUR WITH THE ASSEMBLY  
WAYS AND MEANS COMMITTEE ON B/A 201-4735 TO ACCEPT THE  
GOVERNOR'S RECOMMENDATION FOR HIRING 16 NEW POSITIONS  
WITHOUT HAVING TO OBTAIN APPROVAL FROM IFC.

SENATOR PARKS SECONDED THE MOTION.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Mr. Krmpotic:**

The next account with closing differences is the Colorado River Commission,  
B/A 296-4490.

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## INFRASTRUCTURE

### COLORADO RIVER COMMISSION

CRC - Research and Development — Budget Page COLORADO RIVER COMM-10  
(Volume III)  
Budget Account 296-4497

The Senate Committee on Finance voted to approve the Governor's recommendation for Water Administration Charges of \$122,898 in FY 2016 and \$338,614 in FY 2017 to add a new unclassified deputy director position and a new unclassified natural resource specialist position with associated operating costs to support increasing activity related to the water resources of the Colorado River. The Governor's recommendation includes \$50,000 in FY 2017 to produce a water conference in cooperation with Southern Nevada Water Authority that would include invitations to various water agencies in the Colorado River Basin states. It would further Nevada's Colorado River issue efforts and inform our sister states of the special needs and problems within Nevada relative to water resources.

The Assembly Committee on Ways and Means voted to not approve the Governor's recommendation to add the two new positions and \$50,000 to produce a water conference.

SENATOR GOICOECHEA MOVED TO CONCUR WITH THE ASSEMBLY  
WAYS AND MEANS COMMITTEE ON B/A 296-4490 TO NOT APPROVE  
THE GOVERNOR'S RECOMMENDATION TO ADD THE TWO NEW  
POSITIONS AND \$50,000 TO PRODUCE A WATER CONFERENCE.

SENATOR WOODHOUSE SECONDED THE MOTION.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

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**Rick Combs (Director, Legislative Counsel Bureau):**

The last account with unresolved issues is the Nevada Legislature Interim budget, B/A 327-2626.

LEGISLATIVE-JUDICIAL

LEGISLATIVE BRANCH

LEG - Nevada Legislature Interim — Budget Page LEGISLATIVE-15 (Volume I)  
Budget Account 327-2626

When B/A 327-2626 was closed in the Senate Committee on Finance and Assembly Committee on Ways and Means, a difference in the closing amounts occurred. Both Committees approved two new staff members, one for each House. Both Committees approved out-of-state travel totaling \$4,000 in each year for those two new positions. Both Committees approved grade increases to existing positions within each House.

The Assembly elected to close the budget by only funding the two new positions in the even-numbered fiscal years and allowing the two new positions to be funded out of the Session budget in the odd years. This was based on a question asked of me during the closing regarding an option that would reduce the amount of the enhancement item for FY 2017 by \$138,374. The positions requested are intended to be permanent, regardless of their funding source. We would simply make a change in accounting on July 1 at the beginning of each fiscal year to change the account from which the positions are paid.

**Chair Kieckhefer:**

This was an error on my part. Mr. Combs had addressed me before Committee and I neglected to heed his suggestion to save money. Therefore, I would accept a motion from the Senate to concur with the Assembly's closing action on this item.

SENATOR ROBERSON MOVED TO CONCUR WITH THE ASSEMBLY  
WAYS AND MEANS COMMITTEE ON THE CLOSING ACTION FOR  
B/A 327-2626.

SENATOR WOODHOUSE SECONDED THE MOTION.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

**Chair Kieckhefer:**

I will now open this hearing for public comment.

**Victoria Carréon (Director of Education Policy, Guinn Center for Policy Priorities):**

We conducted a comprehensive analysis of all the Governor's education priorities. I have provided you with a handout ([Exhibit E](#)), summarizing our education priorities. Based on evidence-based research, these initiatives have the greatest potential to make a positive impact on student achievement. We appreciate your consideration and funding of many of these important items.

**Victor Joecks (Executive Vice President, Nevada Policy Research Institute):**

I am here to put on record research information that runs counter to some of the items that passed today:

**A. Class Size Reduction:**

National data from institutes, such as the Center for American Progress, report there is no correlation between class size reduction and a school's star ranking. The Nevada Legislative Counsel Bureau did a study in 2001 on class size programs and found that students in larger classes outperformed those in smaller classes.

**B. Full Day Kindergarten:**

The Rand Corporation did a longitudinal analysis of over 7,000 students and reported, "Attendance in full-day kindergarten had little effect on reading achievement, but was negatively associated with mathematics achievement and the development of nonacademic school readiness skills. There was little difference in the reading achievement of students attending full-day or half-day kindergarten programs as they progressed through school. However, in mathematics, attendance in a full-day kindergarten program was negatively associated with later fifth-grade performance when the nonacademic readiness skills of students were taken into account. Children who participated in



a full-day kindergarten program demonstrated lower levels of nonacademic readiness skills through the fifth grade, including poor dispositions towards learning, lower self-control and worse interpersonal skills than children in part-day programs. Children in full-day programs also showed a greater tendency to engage in externalizing and internalizing problem behaviors than did children in part-day programs.”

The CCSD did a study on full-day kindergarten in 2006 where they found there was a benefit for at-risk students; however, for non-at-risk students, performance actually fell in second grade for those students who had gone through a full-day kindergarten program.

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**Chair Kieckhefer:**

Written comments were submitted by Sylvia Lazos on behalf of the Latino Leadership Council ([Exhibit F](#)) regarding the education budget closings.

Seeing no further public comment or other business before these Committees, this meeting is adjourned at 1:51 p.m.

RESPECTFULLY SUBMITTED:

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Jackie L. Cheney,  
Committee Secretary

APPROVED BY:

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Senator Ben Kieckhefer, Chair

DATE: \_\_\_\_\_

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Assemblyman D. Paul Anderson, Chair

DATE: \_\_\_\_\_

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
	C	56	Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Closing List #3, May 16, 2015
	D	2	Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Report on Budget Differences
	E	2	Victoria Carréon, Guinn Center for Policy Priorities	Legislative Testimony, Department of Education Budgets
	F	1	Sylvia Lazos, Chair, Education Committee, Latino Leadership Council	Written Testimony, Latino Leadership Council Education Budget Closings