

**MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIPS**

**Seventy-Eighth Session
February 19, 2015**

The meeting of the Subcommittees on K-12/Higher Education/CIPS of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Ben Kieckhefer at 8:03 a.m. on Thursday, February 19, 2015, in Room 3137 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Joyce Woodhouse

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman Pat Hickey, Chair
Assemblyman Derek W. Armstrong, Vice Chair
Assemblyman D. Paul Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Marilyn Kirkpatrick
Assemblyman Randy Kirner
Assemblyman James Oscarson
Assemblywoman Heidi Swank

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Julie Waller, Senior Program Analyst
Emily Cervi, Committee Assistant
Trish O'Flinn, Committee Secretary

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OTHERS PRESENT:

Dale A. R. Erquiaga, Superintendent of Public Instruction, Department of Education
Steve Canavero, Ph.D., Deputy Superintendent for Student Achievement,
Department of Education

Chair Kieckhefer:

We will open the hearing today with the presentation from the Superintendent of Public Instruction.

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

I will be referring to the document titled “The Executive Budget DSA & Related K-12 Budgets” ([Exhibit C](#)) during my presentation. It is important to understand the context within which the Governor has proposed such a significant increase in education spending after the Great Recession. Nevada’s education system is comprised of 17 school districts, the State Public Charter School Authority, regional training programs, adult basic education, private schools and home schools. Within this system there are 724 public schools serving 450,153 Kindergarten through Grade 12 (K-12) students and 6,000 pre-kindergarten (pre-K) students, 203 private schools serving 20,235 students, over 31,000 adult students and 25,000 teachers and administrators.

Nevada’s student population reflects the State’s growing diversity. White students account for 36 percent of student enrollment and students of Hispanic origin account for 40 percent. The remaining 24 percent is split among African-American, Asian and those students who identify themselves as belonging to two, or more, categories. The current education funding formula, called the Nevada Plan, was written in 1967 and was adequate for a rural, homogeneous State. It does not account for the changing demographics in Nevada. In addition to ethnicity, there are three additional population subgroups tracked by the Department of Education (NDE). Fifty-five percent of the students in Nevada’s schools qualify for free- and reduced-price lunch. That is one indicator of some level of poverty. Fifteen percent of the students in our schools are in an English language learner (ELL) program. Statewide, 11 percent qualify under some level of special education services. Nevada’s schools and districts are becoming more complex.

Another factor in the Governor's proposal is the annual "Quality Counts" report published by *Education Week* magazine. Nevada does not fare well in these reports. The report has six categories: chance for success; K-12 achievement; standards, assessment and accountability; teaching profession; school finance; and transitions and alignment. The first category, chance for success, is comprised of family income, parental level of education, parental employment, linguistic integration and preschool and kindergarten enrollment. Nevada's low preschool and kindergarten enrollment rates are the only factors the State has control over in this category. The table on page 6 of [Exhibit C](#) shows the grades Nevada received in January 2015, Cs and Ds.

The rate at which students are retained in a grade is higher in Nevada than in 42 other states. Although the numbers are comparatively low, hovering around 1 percent, they are indicative of longer term problems. A student kept back in a grade is less likely to graduate. As students approach their senior year of high school, both the school and the Department keep track of the number of credits attained. Often, students who do not have enough credits to graduate leave the system entirely, contributing to the dropout rate. There are two ways the dropout rate is measured. The "event dropout rate" is the number of students who drop out in Grades 9 through 12, divided by the number of students who enrolled in those grades at the beginning of the school year. Nevada's event dropout rate is 3.9 percent compared to a national average of 3.3 percent. The "cohort dropout rate" more closely aligns to Nevada's graduation rate of 70 percent, compared to a national average of 80 percent. Although the graduation rate has improved, Nevada remains last in the Nation in graduation rates. In addition, the graph on page 11 of [Exhibit C](#) highlights the disparity of graduation rates among various ethnic groups. American Indian, Hispanic and African-American students graduate at lower rates than Caucasian students.

For the first time, the Department began aggregating underperforming schools this year based on three different data sets and reporting them in unison. The intent is to engender a conversation about underperformance, its causes and ways to address the problem. Of the three categories, two are based on federal designations under Title I of the Elementary and Secondary Education Act, and one is based on the Nevada School Performance Framework. Title I funding is given to local educational agencies and schools with high numbers or high percentages of

children from low-income families to help ensure that all children meet challenging state academic standards.

We have identified 78 schools in three categories. There are 27 Priority Schools, Title I served schools whose overall performance is among the lowest 5 percent. Totalling 37, Focus Schools are those Title I-served schools whose performance is among the lowest 10 percent based on their achievement gaps. Finally, the One Star category contains 14 schools that have earned fewer than 32 index points from all the measures in the Nevada School Performance Framework, or Star System.

Chair Kieckhefer:

Is the goal to have all 78 of those schools fit into one category so each one is captured in this model? Will individual schools fit into more than one category and thereby receive extra-special attention?

Mr. Erquiaga:

The goal is to have a means of serving schools through this theory of action. There are other strategies that do not involve money. Some schools may be served in more than one way. Ideally, only one strategy would be applied to an individual school, but in some cases extra help is needed.

The Governor has proposed an aggressive and robust expansion of categorical programs to address the barriers to improved academic performance. These barriers include chronic underperformance, early literacy issues, and the need for a diversified funding stream for a diverse population. Overall, the Governor has suggested investing more than \$400 million in four main areas: modernization of the Nevada Plan, increased early learner programs, expanded middle and high school programs and investment in change programs. An external evaluation process would determine if the program is achieving the desired results and if on-going funding is justified.

The modernization of the Nevada Plan for school finance consists of four initiatives: add special education weights and establish a special education contingency account for a total of \$30 million in expenditures; expand the "Zoom Schools" and focus on the ELL population with \$50 million added to the Base Budget; create a Victory Schools Program focused on high poverty populations at a cost of

\$50 million; and fund a Gifted and Talented Program at a cost of \$10 million. The early-learner programs include funding the State match for the federal Preschool Development Grant at a cost of \$10 million, completing the expansion of full-day kindergarten at \$85 million and adding a new program, Read by Grade 3, at a cost of \$27.2 million.

Middle and high school programs include implementation of a technology grant program costing \$48.4 million, expansion of career and technical education programs at a cost of \$8 million, college and career readiness grants funded at \$8 million and expansion of Nevada's Jobs for America's Graduates program totaling \$4.6 million. Investing in change includes funding of \$9.8 million for the great teaching and leading fund for \$36.2 million, the safe and respectful learning environment office and social worker grants to schools, \$10 million for the turnaround of underperforming schools and \$20 million for the Charter School Harbor Master matching grant.

The illustration on page 18 of [Exhibit C](#) highlights the progression of underperforming schools through this system. Each of the identified schools is assigned to a program area and will then either exit the improvement system to success, or exit for additional help. If these other programs are not effective, a bill has been submitted to create a plan for turnaround schools.

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

The first budget is the Distributive School Account (DSA). The DSA is the basic funding mechanism for school districts and charter schools as defined by the Nevada Plan. Special Education and class-size reduction (CSR) programs are also funded through this account. Each Session, the Legislature determines the level of State aid for school districts and charter schools. A guaranteed amount of basic support per pupil is calculated for each school district and is established in law each Session. The State, through the DSA, and local communities, through local revenues, share responsibility for providing the money needed to fund public education.

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NDE - Distributive School Account — Budget Page K-12 EDUCATION-18 (Volume I) Budget Account 101-2610

Revenues are projected for this account. It is important to understand the Nevada Plan is a shared responsibility. When conceived, the Nevada Plan was to stabilize local funding so per-pupil spending would be the same regardless of where a student lived, or how the local economy was doing. The State guarantees a level of funding, including some of the local contributions to the DSA. Basic support per pupil is based on actual expenditures from the previous fiscal year with various adjustments, including a 2 percent salary increase for step and column adjustments, as well as fringe benefit rate adjustments comparable to those used for State employees. Projected enrollment growth is another area for adjustment of the basic budget. Maintenance unit M-200 requests funding for enrollment growth at an expected rate of 1.25 percent each year, or \$36.3 million dollars in FY 2016 and \$69.7 million in FY 2017.

M-200 Demographics/Caseload Changes — Page K-12 EDUCATION-19

As a corollary to enrollment growth, school districts and charter schools are protected during times of declining enrollment through the “hold harmless” provision of *Nevada Revised Statute* (NRS) 387.1233. Guaranteed funding is based on the higher of the current, or previous year’s, enrollment, unless the decline in enrollment is more than 5 percent, in which cases the funding is based on the higher of the current, or the previous 2 years, enrollment. This is not budgeted. The impact of hold harmless in FY 2015 was the addition of 3,031 students at a cost of \$17.9 million. I have concerns about calculation of the hold harmless due to shifting enrollments in an era of school choice; it means the State may pay for students twice as they move in and out of districts and charter schools.

Chair Kieckhefer:

Will there be legislation to address how we calculate hold harmless?

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Mr. Erquiaga:

Yes. The Governor has prepared a bill to do so.

BILL DRAFT REQUEST 1184: Provides for long-term modernization of the Nevada Plan for providing state financial aid to school districts. (Later introduced as [Senate Bill 508.](#))

One of the figures used to calculate the DSA is teacher salary. Nevada is ranked 18th nationwide, just below the national average. Starting teachers are paid about \$39,000 a year. Maintenance unit M-300 adjusts fringe benefit rates in the DSA based on health benefit rates calculated by the Public Employees' Benefit Program and the retirement rate calculated by the Public Employees' Retirement System.

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

Chair Hickey:

When benefits are combined with the base salary, does that change Nevada's ranking?

Mr. Erquiaga:

I do not have that information. I will get it for the Subcommittees.

Chair Kieckhefer:

Have the 2 percent step and column increases always been included in the Base Budget, rather than as a decision unit included in the DSA to fund this?

Mr. Erquiaga:

Yes, it has always been part of the Base Budget.

Chair Kieckhefer:

So far, what you have outlined in this budget account is maintaining the current system.

Mr. Erquiaga:

That is correct. This budget account reflects funding the current system at the current rates.

Chair Kieckhefer:

Including the 2 percent step and column adjustments of approximately \$98 million and the caseload increase of \$106 million, there is almost \$200 million in additional spending required to maintain our existing position.

Mr. Erquiaga:

That is correct. We also adjust for enrollment over what will be Legislatively approved.

Chair Kieckhefer:

Moving forward, if enrollment growth is considered a maintenance unit, the 2 percent step and column increase should also be a maintenance unit.

Senator Roberson:

There are certain political interest groups that question the need for additional education funding. They argue that reform alone is needed to improve education outcomes. Their argument is based on the fact that education spending has increased over the past few decades without a corresponding improvement in education outcomes. Additionally, they charge that any new education spending will be wasted or, at the very least, not used effectively or efficiently. How would you respond to those arguments?

Mr. Erquiaga:

It is easy to say the failures of the past indicate we should not do anymore until we have figured out the perfect system. There are 35,000 children per year behind those statistics in the system that I have temporary stewardship over. I do not like the idea of telling the families of these 35,000 children that they must wait while we figure it out. The Governor has presented an aggressive reform and modernization agenda. He has instructed us to draw a line in the sand regarding our underperformance. The Governor's proposal is to invest and to reform in a fiscally responsible way. It is simplistic to say we will add more money and cross our fingers. It is equally simplistic to say we will change the laws and hope for the best. I began my presentation with context about where we are failing our children. This budget is the right approach to correct that.

The Executive Budget recommends the extension of taxes scheduled to sunset in enhancement units E-125, E-130 and E-140 to ensure adequate funding of the DSA.

E-125 Sustainable and Growing Economy — Page K-12 EDUCATION-20
E-130 Sustainable and Growing Economy — Page K-12 EDUCATION-20
E-140 Sustainable and Growing Economy — Page K-12 EDUCATION-21

Subsequent to the adoption of the Nevada Plan, special education became an entitlement program funded through units; you would buy a classroom teacher. When the program began, special education students were segregated and taught in separate classrooms, so the purchase of a teacher made sense. Special education programs no longer isolate their target groups, and this system of defining the costs of special education is outmoded. Enhancement unit E-299 will convert special education units to an equivalent per-pupil weighted formula. The addition of \$25 million in FY 2017 will achieve a weight of approximately 0.51. This begins an annual increase in weighted-formula funding over subsequent biennial budgets until an additional weight of 1 (twice the basic per-pupil guarantee) is achieved, as recommended by the Task Force on K-12 Public Education Funding created by S.B. No. 500 of the 77th Session. Due to federal maintenance of effort (MOE) requirements which provide funding per student must remain the same as the previous year, some smaller school districts may have higher per-pupil weights.

E-299 Educated and Healthy Citizenry — Page K-12 EDUCATION-21

Assemblyman Oscarson:

Is the addition of money to these programs and early intervention services likely to lead to savings in the long run?

Mr. Erquiaga:

Absolutely. Early intervention in special education has long been studied. We now have preschool programs for special education students. It is difficult to differentiate between a learning disability and a language acquisition challenge. If we wait too long for that diagnosis, the students may be irreparably behind.

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Senator Woodhouse:

What progress has the Department made on the Base Budget formula funding?

Mr. Erquiaga:

The Department will be submitting a bill later this Session to begin the modernization of the Base Budget formula. As a result of the Task Force recommendations, we have focused our efforts in this budget cycle on the middle piece, the categoricals.

Senator Woodhouse:

Have you addressed the 13-percent cap for the weighted formula as proposed by the Task Force?

Mr. Erquiaga:

In moving to a weighted formula in special education, the fear is that it would create a tendency to over-identify students in the quest for money. The policy bill we are preparing will address that issue.

Assemblywoman Benitez-Thompson:

Regarding the new funding for special education, if the local jurisdictions do not raise the expected revenue, the State will make its MOE. Is this provision for the 2015-2017 biennium only, or will it be ongoing?

Mr. Erquiaga:

As the weight increases, the districts will catch up. However, MOE is a federal requirement that must be met.

Assemblywoman Benitez-Thompson:

With the transfer of the gifted and talented program into another budget account, will those students be taken out of the special education count?

Mr. Erquiaga:

They will remain in the count, but the funding mechanism will change.

Chair Kieckhefer:

Is gifted and talented a recognized special education category?

Mr. Erquiaga:

It is under the State definition of special education, but not under federal law.

Chair Kieckhefer:

From a mechanics perspective, the budget is still built on the unit formula. You increase the unit costs to achieve the \$25 million increase. Will it be through the policy bill that this is adjusted in the second year of the biennium?

Mr. Erquiaga:

There will be two parts. The policy bill will direct us to shift in the second year of the biennium and the repeal of unit funding will begin in July 2016. The Department will be required to adopt new regulations.

Assemblyman Armstrong:

Is the 1.25 percent allocated for population growth too conservative?

Mr. Erquiaga:

The projections over the last few years have been conservative and there have been unplanned supplemental adjustments. The economists in the Governor's office are confident that these projections will prove out over time; the spike will smooth out.

Chair Kieckhefer:

Regarding the overall weights to be rolled out with the changes to the Nevada Plan, have there been discussions about segregation of the additional funding, rather than lumping it with the basic per-pupil support?

Mr. Erquiaga

Yes. Those discussions have been started. Currently, we are segregating by category. It could be done in other ways. The basic guarantee funding would be in one lump sum, and money for special education, ELL, gifted and poverty could be put into another lump and distributed. Alternatively, these categories of money follow the child to his or her school. The crafting of the language will be critical; it is important the money is not lost in the process. Special education is different because it is an entitlement.

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Chair Kieckhefer:

Will the policy bill being drafted address any of these issues?

Mr. Erquiaga:

The bill is focused on calculating information; the shift to the percentages assigned to the categories has not been made yet. If we need to work out language when we bring the bill, we can do that.

The State's CSR program has a long history. It was created by the Legislature in 1989 and implemented in FY 1991. The Legislature expressed its intent about what class sizes ought to be in Grades K through 3. Each Legislative Session, the funding is set for the program. Due to the economic circumstances of the State, it is not always at the level originally set in statute. The current status of the CSR program is outlined on page 41 of [Exhibit C](#). In Grades 1 and 2, the student to teacher ratio is 16:1; in Grade 3, it is 19:1. An alternative model allows for ratios of 22:1 for Grades 1 through 3 and 25:1 in Grades 4 through 6. This alternative model cannot be used in the Clark or Washoe County School Districts. As money was taken out of the budgets during the Great Recession, another model was created, called the "Plus 2" program, to ameliorate the class-size impact. The Department is not submitting a bill draft to continue the Plus 2 program.

The regular CSR program is being utilized by the Esmerelda, Eureka, Lander, Lincoln, Pershing and White Pine County School Districts. The alternative program is used by the Carson City and Churchill, Douglas, Elko, Mineral, Nye and Storey County School Districts. Currently, there are four districts using the Plus 2 program: Clark, Humboldt, Lyon and Washoe Counties. The Clark and Washoe County School Districts will have to return to the regular CSR program, while Humboldt and Lyon will choose which of the programs they prefer.

Class-size reduction has been the subject of a Legislative Counsel Bureau (LCB) audit. The Department has been directed to improve: CSR planning, submission and approval of variance requests, and data monitoring and the effectiveness of the CSR plans. The Department is working with the school districts to develop a process for creation and submission of CSR plans to the State Board of Education consistent with NRS 388.720. The level of variances is very high with 81 percent of schools reporting some kind of CSR variance. Class sizes are larger than they are funded to be. Until now, the Board has approved variances retroactively, rather

than prospectively, as required in NRS 388.700 and 388.720. Kindergarten CSR variance works differently; the class size is set at 21:1 and the local superintendent of schools can waive class size to a ratio of 25:1. As noted on page 47 of [Exhibit C](#), there are six schools in the State with kindergarten class sizes greater than 25. Language in NRS 388.710 requires the State Board of Education to determine the data used to monitor each school district and measure the effectiveness of the implementation of the school district's CSR plans. This data was never identified and agreed upon; therefore, the monitoring has not been done. At its March 12 meeting, the Board will review a recommendation from the Department and the school districts regarding the data.

Assemblywoman Benitez-Thompson:

How do we know what the student-to-teacher ratios are for first through third grades in those schools that have variances?

Mr. Erquiaga:

In prior years, this information was aggregated by district and the Legislature added a school-level report to the Interim Finance Committee, as well as to the State Board of Education.

Chair Kieckhefer:

The language of NRS 388.710 seems to focus on ensuring that student-teacher ratios have been achieved. Do we track any data that measures the effectiveness of reducing class size to improve student outcomes?

Mr. Erquiaga:

Tracking the impact of CSR on student achievement is not required in law and is not reported in any aggregated way. There have been national studies about class size. The Department and LCB Research Division staff engaged in a study at least a decade ago. Under the Nevada School Performance Framework, analysis of the schools' Star System status indicates there is no correlation between class-size and Star status.

Chair Kieckhefer:

This budget includes \$350 million in General Fund appropriations for this program. That money buys approximately 2,300 teachers a year. If the funding was

eliminated, the impact would be dramatic. The State has used the CSR program as a method of directing the districts to hire teachers with the money they are given.

Mr. Erquiaga:

That is correct. School construction has also followed this pattern and classrooms are smaller. A sudden, dramatic increase in class size is not physically possible.

Due to the expansion of full-day kindergarten, enhancement unit E-246 is the elimination of CSR funding for kindergarten in at-risk schools.

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

Assemblywoman Benitez-Thompson:

Will the elimination of at-risk kindergarten funding result in increased class size?

Mr. Erquiaga:

The kindergarten CSR program and the kindergarten expansion program began in at-risk schools. We think all these schools will be covered by the end of this biennium.

Assemblywoman Benitez-Thompson:

Do you anticipate any of the at-risk kindergarten classes being over class-size limits?

Mr. Erquiaga:

They are not differentiated in the CSR provisions of the appropriations bill. Unless the local superintendent approves a 25:1 ratio, the allowable ratio is 21:1.

Assemblywoman Kirkpatrick:

I want to make sure there is not a gap in the funding. All-day kindergarten is not implemented for everybody until the end of the second year of the biennium.

Assemblyman Anderson:

As part of the initiative to improve academic performance, would the third-party auditors mentioned be used to monitor the impact of CSR? Is the plan to engage the auditors before the programs begin to determine what should be tracked and to define the process?

Mr. Erquiaga:

No. The evaluation program is for the new category-based programs. There is no funding budgeted for an external evaluation of CSR. If the Legislature required that, it would make sense to use the money prospectively to account for permitting variances as part of that plan.

Assemblywoman Kirkpatrick:

A full-day kindergarten class may be approved for as many as 25 students. I do not want that to be the standard. How will we determine if that is the standard?

Mr. Erquiaga:

We have the data regarding the variances and will provide it to the Subcommittees. I have not done an analysis with my staff as to how widespread that variance is, but it is considerable. You may wish to change the language in the appropriations bill as well.

Chair Kieckhefer:

There is not an evaluation requirement on the \$350 million CSR program, but there is on the \$6.6 million early childhood education expenditure. We will want to consider adding evaluation requirements.

It is important to note the impact of some of the proposed sunset extensions to this account. For example, the extension of the local school support tax in enhancement unit E-140 has a direct impact of \$376 million. If it is not extended, a General Fund appropriation would be required.

Chair Hickey:

As you detail the new programs, please address the reasoning behind the creation of category-based funding and how that money is distributed to the classrooms.

Chair Kieckhefer:

There is ongoing discussion and discrepancy exists over how the Base Budget was built in the DSA. Some of the districts are concerned a decision was made that negatively affects their appropriation. Elimination of the Plus 2 in the CSR program has a direct impact on the districts if they need to hire teachers and fill classrooms.

The next budget account is B/A 101-2615, the School Remediation Trust Fund.

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-32
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Mr. Erquiaga:

The school remediation trust fund is used for the Zoom Schools and the full-day kindergarten expansion. Two new programs have been added to this account: Victory Schools and the Special Education Contingency fund.

The rationale for categorical spending is that it operates like a grant program; the funding must be used by the program it is intended for. If the schools or districts use the money for its intended purpose, funding will continue the next year. Additionally, as the Legislature is asked to find new revenue to fund the \$400 million in categorical moneys, those expenditures equate almost dollar-for-dollar to the Governor's proposal for a graduated business license fee. It is important to focus on the fact this money is being spent on a specific intervention or initiative or for a particular type of student. This is an integrated proposal that should not be pulled apart.

Zoom Schools were created during the 2013 Session to address the 15 percent of Nevada's student population who are currently in an ELL program. It is primarily an elementary school program. But we still have long-term ELL students in high school that have not acquired academic language. Therefore, adjustments have been made to the Zoom School Program. The Governor's proposal doubles the amount of money in Zoom Schools. It was a \$50 million appropriation last biennium; the recommendation is for an additional \$25 million in both FY 2016 and FY 2017. This will double the program in the Clark and Washoe County School Districts. A grants program made funding available to rural school districts and charter schools. In the last biennium, 24 elementary schools in the Clark and Washoe County School Districts received funding for this program. In the coming biennium, we know that number will at least double. Full-day kindergarten is a required strategy and as we fund more all-day kindergarten, we will replace the Zoom funding spent on kindergarten. We will then add more elementary schools, doubling the grants program. The two largest school districts, Washoe and Clark Counties, will be required to designate middle and high schools. We need to begin gathering data and developing an understanding of the work involved. It is a different challenge if

the student is a long-term ELL, rather than a child who has just entered school without academic language.

Chair Kieckhefer:

Is there any reasonable way to estimate how many additional schools will be served when you are able to back out the money for full-day kindergarten?

Mr. Erquiaga:

We have not yet performed that calculation, but we have begun gathering the data necessary for the analysis. The information will accompany the forthcoming policy bill.

Chair Kieckhefer:

Is there a target percentage or number of students reached in the expansion to the middle and high schools?

Mr. Erquiaga:

We will use the highest population numbers working with the Clark and Washoe County School Districts to select those schools.

Assemblywoman Kirkpatrick:

Who will maintain the plan on how the full-day kindergarten program will roll out?

Mr. Erquiaga:

We will work very closely with the districts to identify the schools that will convert to full-day kindergarten in the first year and initiate communication with parents. We will also begin communication with those citizens whose local schools will not convert to full-day kindergarten until the second year of the biennium. Choosing the Zoom Schools must be more clearly communicated as well.

Assemblywoman Kirkpatrick:

That is the message; every child should have the same opportunity. For those who need more, we should be able to spend more. It is a challenge to educate the public and communicate implementation of the program.

Mr. Erquiaga:

Clearly communicating the various stages of the plan is the uncomfortable part of a categorical, phased-in change. It would be easier to communicate if we were to suddenly shift everything; however, funding restrictions require the approach we have outlined. We have to clearly communicate our rationale.

Senator Woodhouse:

I want to clarify that the expansion of the Zoom program into the middle and high schools is not aimed at elementary students who failed in the Zoom program. The expansion targets students who enter the school districts in the eighth grade or later.

Mr. Erquiaga:

The data captured by the external evaluators will be used to calculate weighted per-pupil funding for ELL.

Chair Kieckhefer:

Do you have an estimate of the current weight per pupil for ELL?

Mr. Erquiaga:

The current program reached almost 17,000 students and attained a 0.21 weight. The Committee recommended 0.5.

The Zoom School Program has six components: pre-K, kindergarten, reading centers, summer academy, professional development and family engagement. The first four are in-school and the latter two are grant-based programs. Teaching an ELL student academic language acquisition skills is not the same as teaching a child to read. Faculty may not have teaching ELL endorsements on their licenses; helping them obtain this knowledge allows the focal point of the work to be on literacy.

The pre-K program has reported successes from the three areas of funding: the grant program and both Clark and Washoe County Zoom School Programs. The grant program reported that 77 percent of children participating showed at least a 0.5 increase in English language proficiency, as measured by the WIDA-MODEL assessment. Using Teaching Strategies GOLD data, the Clark County Zoom School Program reported that the percentage of students who met or exceeded expectations in language increased from 13 percent in November 2013 to

84 percent in May 2014. Using the Early Language and Literacy Classroom Observation tool, in the Washoe County Zoom School Program, the average score increased from 3.9 to 4.3. While these are all good indications of the program's success, it is important to see how student performance continues over time.

Assemblywoman Benitez-Thompson:

There are three different assessment tools. It would be easier to assess the data in aggregate if they all used the same tool.

Mr. Erquiaga:

Absolutely. The good news is the preschool development grant includes quality assurance and evaluation components to standardize the measures used and the kind of data collected for these programs.

Steve Canavero, Ph.D. (Deputy Superintendent for Student Achievement, Department of Education):

The full-day kindergarten and reading center components of the Zoom School program appear to be successful as outlined on pages 56 and 57 of [Exhibit C](#). In reviewing the data, one of the most promising areas of intervention are the summer academies and intersessions. There are remarkable benefits when we interrupt the learning loss all students experience while on extended break from the classroom.

Chair Kieckhefer:

Is transportation provided for the summer session?

Dr. Canavero:

Yes, it is.

Assemblywoman Benitez-Thompson:

According to the information on page 58 of [Exhibit C](#), the Clark County Zoom School program included 17 days of instruction, while the Washoe County program was 5 weeks. Are the total number of classroom instruction hours the same?

Dr. Canavero:

There is some coordination between the school districts to determine the best practices. The variations in number of days and number of hours are based upon location and school calendars. Some are intersessions for full-year school

calendars; others are on a traditional calendar with longer breaks and longer programs. There is no standardized summer session format.

Mr. Erquiaga:

Page 59 of [Exhibit C](#) is the basic cost analysis of the Zoom schools. The cost per student in Clark and Washoe Counties is \$1,283 for the 15,870 students served; for the grant program, the cost is \$1,071 for the 935 students served.

Chair Kieckhefer:

This type of data regarding the return on the investment of taxpayer dollars makes it easier to invest in education programming.

Assemblywoman Kirkpatrick:

Are the additional resources the district may have contributed factored into the cost analysis?

Mr. Erquiaga:

No. If the districts added local funding to their programs, it is not captured in this data.

Enhancement unit E-276 is funding for the Governor's proposed Victory schools program targeting poverty as a risk factor. The Task Force initially envisioned suitability for the Victory schools based upon eligibility for free- and reduced-price lunch programs. This is one measure of poverty, but it is not the only one. The Department used U.S. Census Bureau definitions based on ZIP Codes to identify the 20 poorest ZIP Codes in the State. To qualify for the program, a school must be within one of these ZIP Codes and must also be underperforming. The targeted counties are Clark, Elko, Humboldt, Nye and Washoe. In the rural counties, this targets a number of Native-American schools. District-sponsored charter schools are included, but the State-sponsored charter schools do not meet the poverty index as their student populations are not geographically based.

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Like the Zoom schools, entire schools will be designated as Victory schools. The school district must present a plan for the school and the ZIP Code to receive this

funding. The plan must include family and community input and wrap-around services such as children's dental care or hunger prevention among others.

Assemblywoman Kirkpatrick:

What is the difference between empowerment schools, Zoom schools and Victory schools?

Mr. Erquiaga:

State law requires large school districts to designate a certain percentage of schools as empowerment schools. Rights and responsibilities are granted through a memorandum from the district. A Zoom school is a targeted intervention based on a specific root cause: the attainment of English language skills. Victory schools will receive funding for intervention based on poverty. No Zoom school will be a Victory school, but both categories of schools receive funding from other sources, such as federal Title I monies. Schools participating in these programs are required to provide an analysis of how they use the money they already have. The funds for either Zoom or Victory schools will be last-end money targeting what has been identified as a root cause for the underperformance of the school and the students.

Assemblywoman Kirkpatrick:

Where can we follow that data? I am still trying to find the list of the 78 underperforming schools.

Mr. Erquiaga:

We will provide that list, but we should also clearly post the information on the NDE website. We may require the districts to post that information as well.

Assemblyman Anderson:

If the Zoom and Victory school funds are last-end dollars, meaning the schools also receive other funds, how do we determine which program is working as the school improves?

Mr. Erquiaga:

That is the critical question about Victory schools. They are already resourced in some way, yet they are still underperforming. The plan required of the districts and the schools must include all funding received as well as identification of the barrier to be addressed with these last-end dollars. The NDE will evaluate the ways the

barrier is addressed and the outcomes achieved. The focus for the Victory program will vary from school to school. The challenges of a rural Native-American school will not be the same as those of a school in an urban Clark County district.

Assemblyman Anderson:

That will be key for the Legislature's understanding of the impact of the program in the next Legislative Session. During the transition from categorical-based funding to a weighted system, we need to guard against duplicative funding.

Mr. Erquiaga:

I hear your advice and admonitions. Phasing in a new funding formula and philosophy is difficult. There will be issues caused by how data from different programs relate to one another. The Board and the Governor were adamant that the State needs to move in this direction.

Assemblywoman Benitez-Thompson:

The policy will be vetted in the Legislative Committees on Education. But, regarding the plan for expenditures based on the typology designations, ensuring a multi-year commitment is important to create fidelity. If schools transition back and forth between these different categories, how will we accurately measure the results? How will we have confidence in the success of any strategy? Current graduating seniors may have had multiple education philosophies over the course of their primary and secondary school careers.

Mr. Erquiaga:

I agree. In addition to the necessity for a school-based consistency, the transiency of Nevada's population can add to the complexity.

Chair Kieckhefer:

As schools achieve success, what is the timeline for shifting resources to another low-performing school?

Mr. Erquiaga:

The school performance framework contains triggers for when a school moves from one-star status to two-star status and up. In addition, Dr. Canavero is working to create goals for exit strategies. There are also federal requirements for achievement that are written into the State's framework.

Chair Kieckhefer:

Is there a concern that these supports are the cost of having a successful school in some of these communities? Without the supports, will the schools regress?

Mr. Erquiaga:

That is a concern. Categorical intervention strategies have an inherent flaw; once performance is improved and funding is eliminated, the underlying challenges remain. Over time, the funding reform has to be based on student weights. Funding levels should be based on students and their needs.

The next section of B/A 101-2615 is the expansion of full-day kindergarten to all school district kindergartens by FY 2017 at a student-to-teacher ratio of 21:1. Enhancement unit E-287 requests funding of \$19.4 million in FY 2016 and \$37.2 million in FY 2017 for regular school districts. Enhancement unit E-292 requests funding of \$2.6 million in FY 2016 and \$5.2 million in FY 2017 for charter schools. Enhancement unit E-293 requests funding of \$5 million in both FY 2016 and FY 2017 for the purchase of portable units to accommodate the need for more classrooms. Approximately 74 percent of Nevada schools currently offer full-day kindergarten.

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E-292 Educated and Healthy Citizenry — Page K-12 EDUCATION-34
E-293 Educated and Healthy Citizenry — Page K-12 EDUCATION-35

Chair Kieckhefer:

In a half-day kindergarten program, how many hours are spent in the classroom?

Mr. Erquiaga:

It is 2.5 to 3 hours a day.

Chair Kieckhefer:

How many classroom hours are contained in a full-day kindergarten program?

Mr. Erquiaga:

It is more than 5 hours, excluding lunch.

Chair Kieckhefer:

Kindergarten attendance remains optional for families. Is it feasible for parents to enroll their children in the program, but pick them up at lunchtime?

Mr. Erquiaga:

There could be a public request for those arrangements and the districts will have to develop policies for early withdrawal. It is a school management issue, not an appropriations issue.

Enhancement unit E-277 is the creation of a \$5 million special education contingency fund starting in FY 2017. During FY 2016, the Department will develop and adopt regulations about the application process, the distribution of funds and the type of disability that would be eligible. It is critical to have funds available. Some students with disabilities require supports that cost \$40,000 or \$100,000. No student weight will reach that level of funding, yet the district is required to provide the support. Maintenance of effort provisions will apply.

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Chair Kieckhefer:

Will the existing NRS Chapter 395 program be eliminated and will the Board be directed to develop guidelines for the use of the contingency account?

Mr. Erquiaga:

Yes, that is correct.

Chair Kieckhefer:

The vision in the education budget is refreshing.

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Chair Kieckhefer:

We will not be able to take public comment today. We have scheduled a new meeting for February 27 to finish the hearing on these budget accounts. Prepared remarks may be submitted for inclusion in the record ([Exhibit D](#)), ([Exhibit E](#)), ([Exhibit F](#)), ([Exhibit G](#)), ([Exhibit H](#)). The meeting is adjourned at 10:38 a.m.

RESPECTFULLY SUBMITTED:

Trish O'Flinn,
Committee Secretary

APPROVED BY:

Senator Ben Kieckhefer, Chair

DATE: _____

Assemblyman Pat Hickey, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	5		Attendance Roster
	C	86	Dale A. R. Erquiaga	The Executive Budget DSA and Related K-12 Budgets
	D	2	UNLV Health Impact Assessment	Health and Full-Day Kindergarten in Nevada
	E	2	Children's Advocacy Alliance	Policy Brief School Readiness
	F	2	Honoring our Public Education Nevada	Testimony Caryne Shea
	G	3	Guinn Center	Testimony Guinn Center
	H	4	Max Gakh	Testimony Max Gakh