

**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 27, 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 8:06 a.m. on Friday, February 27, 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
Senator Joyce Woodhouse

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

Assemblyman Pat Hickey, Chair (Excused)
Assemblyman D. Paul Anderson (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Michael C. Sprinkle, Assembly District No. 30

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Assemblyman Chris Edwards, Assembly District No. 19

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Julie Waller, Policy Analyst
Emily Cervi, Committee Assistant
Jackie L. Cheney, Committee Secretary

OTHERS PRESENT:

Dale Erquiaga, Superintendent of Public Instruction, Department of Education
Mindy Martini, Deputy Superintendent, Business and Support Services,
Department of Education
Steve Hansen, Superintendent, Lincoln County School District
Chelli Smith, Project Facilitator, Southern Nevada Regional Professional
Development Program
Victoria Carreón, Director of Research and Policy, Guinn Center for Policy
Priorities
John Eppolito
Steve Canavero, Deputy Superintendent for Student Achievement, Department
of Education
Julia Teska, Director, Budget Division, Department of Administration
Victor Joecks, Executive Vice President, Nevada Policy Research Institute
Daphne O. Deleon, Chair, Nevada Broadband Task Force, Division of State
Library and Archives, Department of Administration
Seth Rau, Policy Director, Nevada Succeeds
Max Gakh, Scholar in Residence, School of Community Health Sciences,
University of Nevada, Las Vegas
Jenn Blackhurst, President, Honoring our Public Education
Bob Clifford, Nevadans for Local Control of Education
Jim Falk, Chairman, Nevadans for Local Control of Education
Jim McIntosh, Chief Financial Officer, Clark County School District
Tom Ciesynski, Chief Financial Officer, Washoe County School District

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Chair Kieckhefer:

We will begin with the budgets for the Nevada Department of Education (NDE).

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

I have provided a handout entitled "The Executive Budget DSA and Related K-12 Budgets" ([Exhibit C](#)).

The 2015-2017 Executive Budget recommends the creation of a new Professional Development Programs budget, budget account (B/A) 000-2618. This proposal modifies the funding structure of the Regional Professional Development Program (RPDP) and funds a new initiative for professional development.

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NDE - Professional Development Programs — Budget Page K-12 EDUCATION-39
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Budget Account 000-2618

As described on page 66 of [Exhibit C](#), decision unit E-298 establishes the Great Teaching and Leading (GTL) Fund adding approximately \$4.9 million in State General Fund monies each year of the biennium for State coordinated professional development activities.

E-298 Educated and Healthy Citizenry — Page K-12 EDUCATION-39

Every audit and review criticizes the way we manage professional development dollars. Nevada does not have a cohesive strategy at the State level for the rollout of standards. Professional development monies are distributed in block grants to three RPDPs comprised of regional school districts. The RPDPs decide their priorities based on their regional governing board's direction. The GTL initiative establishes a statewide coordinated strategy for rolling out standards. It proposes the RPDPs provide input for setting statewide priorities, but once established, all professional development activities must tie to those priorities through a competitive grant process.

Historically, Nevada has fallen short in providing adequate training and development for teachers and principals. The GTL initiative increases funding for professional development recognizing highly effective educators are the best strategy for improving student achievement.

Last biennium, approximately \$2 million was directed by the State Board of Education (SBE) to the RPDPs to develop the Nevada Educator Performance Framework (NEPF). The GTL initiative will operate in a similar fashion. The SBE sets annual statewide priorities, in consultation with the RPDP governing boards, and funds those priorities through a distribution grant process. To ramp up the program quickly in the first year, the criteria for the new science standards; teacher recruitment and training; leadership training; and instructions for the rollout of the NEPF will be established in law. A bill draft request (BDR) is forthcoming from the Department of Administration, Budget Division, containing implementation requirements for the GTL initiative.

In FY 2016, the GTL funds can be used for professional development related to the rollout of the NEPF, new science standards, teacher recruitment and training, and leadership training. Beginning with FY 2017, the SBE will establish annual priorities for professional development in consultation with the regional governing boards.

As described on page 67 of [Exhibit C](#), the types of services funded under the GTL initiative include:

- Professional development of teachers and administrators
- Teacher preparation programs
- Peer assistance programs
- Leadership training and development grants
- Programs to recruit, select and retain effective teachers and principals

The RPDPs, school districts, charter school authorities, systems of higher education, employee associations and nonprofit organizations are eligible to submit GTL grant applications.

The regional professional development program costs of \$7,560,948 are transferred from the School Remediation Trust Fund, B/A 101-2615,

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decision unit E-960, to Professional Development Programs, B/A 000-2618, decision unit E-960, to consolidate and streamline funding for the professional development programs.

E-960 Trans Schl Remediation 2615 To Rpdp 2618 — Page K-12
EDUCATION-40

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

E-960 Trans Schl Remediation 2615 To Rpdp 2618 — Page K-12
EDUCATION-35

In addition to the new General Fund appropriations recommended to create the GTL competitive grant program, Governor Brian Sandoval proposes funding this major budget initiative in FY 2017 with \$6.6 million redirected from the existing RPDP, B/A 000-2618, decision unit E-299. The remaining RPDP budget of \$1 million would be divided between the three regional programs to fund the cost of one director and one staff person. This will ensure regional staff and infrastructure are in place to manage the professional development grants.

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Assemblywoman Kirkpatrick:

Will the same dollars be available for the various regions under this new funding structure?

Mr. Erquiaga:

Yes. The old monies remain; however, the new structure requires that programs within the RPDPs be in alignment with the SBE statewide-established priorities.

Assemblywoman Kirkpatrick:

Please explain the process for funding the RPDPs.

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Mr. Erquiaga:

The SBE sets statewide priorities in consultation with the RPDP governing boards; the RPDPs then submit grant proposals in alignment with those priorities.

Chair Kieckhefer:

Is this a competitive grant process or is there a fixed formula for regional distribution of the funds?

Mr. Erquiaga:

In FY 2017, there are two types of monies, the new \$4.9 million GTL money and the \$6.6 redirected money. The \$4.9 million will be issued through competitive grants. Redirected money will continue to be formula based; however, monies must be spent on programs in alignment with the SBE established statewide priorities.

Assemblywoman Benitez-Thompson:

How will the funding be distributed in FY 2016?

Mr. Erquiaga:

In FY 2016, the RPDPs continue with their existing budget. In addition, \$4.9 million in new funds are available for grant applications submitted by Institutions of higher education, employee associations and nonprofit organizations for projects that focus on the NEPF rollout, new science standards, teacher recruitment and training, and leadership training.

Assemblywoman Benitez-Thompson:

Will the total net funds remain the same in FY 2016?

Mindy Martini (Deputy Superintendent, Business and Support Services, Department of Education):

The funds decrease by \$20,000. I will research this and provide the specifics about why this is occurring.

Assemblyman Kirner:

How will the GTL initiative decrease the number of teacher vacancies?

Mr. Erquiaga:

Grants can be issued to the Nevada System of Higher Education (NSHE) to increase the number of students going to school to become teachers with a job placement component. Grants can be issued to the various school districts or nonprofit organizations for the recruitment and placement of teachers.

Assemblyman Kirner:

How will the rural school districts compete for grants considering they may not have staff to write the grants, or staff with grant writing expertise?

Mr. Erquiaga:

The rural representatives, even those in the smallest districts, have been successful in applying for similar grants. I have seen their grant work for more than 15 years through my association with the Commission of Educational Technology, and I believe this will not be an issue for them.

Steve Hansen (Superintendent, Lincoln County School District):

In addition to being a superintendent, I serve as a member of the Statewide Council for the Coordination of the Regional Training Programs. My comments represent both perspectives.

Generally, we support the Governor's initiatives for education and efforts to improve professional development. We have concerns about losing responsiveness and flexibility. Under the existing system, we address most issues immediately through a simple review and approval process. We have the flexibility to make determinations on an individual need basis without having to apply for grants and fit into a statewide mandate. Please consider actions to protect our flexibility and responsiveness.

Chelli Smith (Project Facilitator, Southern Nevada Regional Professional Development Program):

We have a governing board and a coordinating council that oversee and approve our budgets and budget amendments. Project budgets are scrutinized and the recipients of the funds are expected to adhere to those budgets. Any revisions must be approved.

We have enjoyed the flexibility to meet the needs of the teachers, administrators and students in a timely manner. This will be lost under the proposed new structure. Following are recent examples of situations that may not have been possible under the proposed new grant structure:

- The State was asked to do a revision to the Nevada Academic Contents Standards Website; they did not have funds to hire teachers to do the work. Each RPDP contributed dollars to pay for those teachers. If we had written a grant, and those dollars had been allocated in a particular way, this would not have been possible.
- A principal in Mineral County requested help to develop a new literacy framework for her teachers. We moved funds to accomplish this unplanned project. Under the new structure, this would not have been possible without an approved grant.
- In collaboration with the universities, we assumed responsibility to administer the credential endorsements for teachers of a second language, librarians and media specialists. This saved participating teachers \$98 per credit. If we had written a grant, and this had not been included, we would not have been able to move monies to do this.

We have always defined the priorities for the RPDPs. Professional development programs are about teacher content knowledge and pedagogy to support the students within their classroom. The current structure is working and we would like to see it continued outside the proposed grant process.

Victoria Carreón (Director of Research and Policy, Guinn Center for Policy Priorities):

The greatest indicator of student success is the quality of instruction. We agree the State should play a greater role in professional development. We propose the State:

- Adopt statewide standards for a high quality professional development program.

- Ensure rigorous evaluations are done that focus on quality training and student achievement.
- Focus efforts on our neediest schools with the highest numbers of low-income students.
- Fund disbursement decisions weighted towards overall State achievement goals such as improving literacy.

John Eppolito:

I am representing myself. Clark County School District (CCSD) says they will spend \$8 million for professional development to educate teachers about the Common Core State Standards Initiative for Nevada. Washoe County School District indicates they will spend \$1.7 million per year for 7 years for Common Core professional development. This is too much money for a program not proven to be cost-effective.

Assemblywoman Benitez-Thompson:

We have heard testimony expressing concerns about losing flexibility and responsiveness to fund certain projects. Please respond to these concerns.

Mr. Erquiaga:

Under the new proposed structure, priorities are set and grant awards are made in FY 2016 for implementation in FY 2017. This allows grantees time, if applicable, to do Requests for Proposals (RFPs) for contract services.

I agree responsive teacher support is important. The governing regional training board can include basic support of classroom teachers as one of the priorities submitted to the SBE for consideration. If it fits under the statewide priorities, a grant could be requested to fund a roving position to provide this service.

Chair Kieckhefer:

We will now move to other State education programs, B/A 101-2699, discussed on pages 69 through 86 of [Exhibit C](#).

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NDE - Other State Education Programs — Budget Page K-12 EDUCATION-24
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Mr. Erquiaga:

This budget 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. In addition, this budget contains special or categorical appropriations approved by the Legislature. Page 69 of [Exhibit C](#) lists the existing categorical programs funded by this account to be continued without change. The new and expanded categorical programs are listed on page 70 of [Exhibit C](#).

The Read by Grade 3 program is described on page 71. Decision unit E-280 provides about \$4.9 million in FY 2016 and \$22.3 million in FY 2017 for this new initiative. This is a literacy-planned competitive grant program for reading proficiency programs in kindergarten through third grade and not served through Zoom School funding, the new Victory Schools grant program or the federal Striving Readers Comprehensive Literacy grant program. The grant application requires literacy plans with performance measures.

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

The Nevada reading proficiency rates are not acceptable. Every subsequent success indicator hinges on reading. The Read by Grade 3 program supports activities effective in improving academic achievement of students in kindergarten (K) through Grade 3 by funding items such as literacy coaches, grants and contracts.

Legislation is forthcoming that will address the policy implications for schools in Grades K, 1, 2 and 3. This bill will serve as the operating mechanism for how this money will be appropriated.

Assemblyman Kirner:

What performance standards will be required by the grants to help assure our children can read by Grade 3?

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

The Nevada State Improvement Plan for Education states 85 percent of our third grade students will meet the reading proficiency requirements within the next 3 years. The traditional Criterion-Referenced Test (CRT) scores are used for projections. Once we see the implementing legislation and understand what types of interventions will be funded, grant-specific performance standards will be developed.

Mr. Erquiaga:

We do not have an aligned statewide assessment for measuring growth. Measuring growth varies from district to district. The NDE will set statewide growth goals and the districts will propose the measures for students in Grades K through 2.

Assemblyman Kirner:

Measuring individual growth is good, but the ultimate goal is to have 100 percent of students pass the reading proficiency test by Grade 3.

Mr. Canavero:

Growth measures progress. This tells us if a student's skill base is increasing fast enough to reach the required reading proficiency by the third grade.

Assemblyman Armstrong:

Are the funds proposed for the Read by Grade 3 initiative replacing the federal Striving Readers Comprehensive Literacy grant funds? If so, does the Department anticipate using the Striving Readers program strategies in the Read by Grade 3 program?

Mr. Erquiaga:

The Striving Readers program is a federal program through the U.S. Department of Education (DOE) to improve literacy for all children, birth through Grade 12. Nevada was awarded \$75 million over a 5-year grant period set to expire in early FY 2017. This Striving Readers program has only been available in a few Nevada counties, whereas the Read by Grade 3 program will offer a pool of money available statewide. We gained knowledge from the Striving Readers program that will be of benefit going forward. Most of the Read by Grade 3

initiative will be driven by the State Literacy Plan. The K through Grade 3 portion of the Plan was built on the Striving Readers work.

Assemblywoman Kirkpatrick:

Which schools will be given priority?

Mr. Erquiaga:

Read by Grade 3 is not a needs-based program; rather, it is a performance-based program. The money will go first to the schools with the lowest reading proficiency for third graders.

Assemblywoman Kirkpatrick:

Who determines the criteria for grant applications and who can apply?

Mr. Erquiaga:

Read by Grade 3 will be a school-based grant, including charter schools. The school districts may assist schools with grant applications.

The Read by Grade 3 Request for Proposals will require coordination of literacy programs with Zoom and Victory Schools. In areas where Zoom and Victory Schools exist, grant applications must show coordination of resources and demonstrate a compelling need for additional dollars or the weight will be assigned to schools with no assistance.

Assemblywoman Benitez-Thompson:

How will the grant dollars issued to schools turn into contracts?

Mr. Erquiaga:

Contractors can provide literacy tools such as technical assistance, software or professional development. A school may choose to hire a contractor to provide services rather than hire a literacy coach or staff person.

Assemblywoman Benitez-Thompson:

Are contractors hired often?

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Mr. Erquiaga:

Yes. Contracts are utilized at both district and school levels. Assessments and software program contracts are examples of commonly provided services by contractors.

The underperforming schools turnaround initiative is described on page 72 of [Exhibit C](#). Decision unit E-297 provides General Fund appropriations of approximately \$5 million in each fiscal year of the 2015-2017 biennium to support the turnaround of persistently underachieving schools.

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Nevada has 78 underperforming schools. The only funds available for turning around underachieving schools today come from the federal government. Some schools receive services from Zoom or Victory School dollars and some schools receive no assistance. This initiative provides grants to underperforming schools that can be used for vendor contracts, performance management assessment, staff incentives and other services targeting student achievement. Grant funds can be used to pay for more instructional time by extending the teacher's day to work with more students 1:1.

Chair Kieckhefer:

How does the NDE define success in growth and adequacy?

Mr. Canavero:

This is determined on an individual school basis. The schools will define their own internal measures of success in conjunction with the statewide goal of exiting with a three-star accountability rating status within 3 years.

Assemblyman Armstrong:

Will all the underperforming schools receive turnaround grants or will there be a competitive grant process?

Mr. Canavero:

It is performance based.

Senate Bill (S.B.) 77, introduced on December 14, 2015, requires NDE to designate public schools demonstrating unsatisfactory pupil achievement and school performance as a turnaround school. The bill further requires the Department to establish a 3-year turnaround plan for these schools intended to make changes to improve pupil achievement and school performance. If underachieving schools have not made adequate progress within 3 years, NDE will:

1. Extend the period for the turnaround plan, or
2. Close the school, or
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)

Assemblyman Armstrong:

How was the recommended \$5 million in each fiscal year of the 2015-2017 biennium for the NDE's Office of School Turnaround Grants determined?

Mr. Canavero:

We obtained information about what other States are doing and determined a reasonable estimate for a statewide strategy.

Assemblywoman Kirkpatrick:

Nevada has a high level of transients. Considering the requirement for turnaround schools to make adequate improvement within 3 years, many of the original students may not be there throughout the 3 years. This could affect the school's ability to succeed as teachers are constantly acquiring new students and having to start over. Transients should be tracked and considered in the progress determination.

Mr. Canavero:

This information is captured for all schools. If this is identified as a barrier, strategies and funds could be included in the grant to mitigate the effects.

Assemblyman Kirner:

If a grant is awarded to a turnaround school, and the school achieves the three-star rating, is the grant terminated even if the school continues to improve.

Mr. Erquiaga:

Yes. This is the difficult part of this work. Just when the school begins to succeed, the money is moved to an underperforming school. We do everything possible to help them sustain their status and suggest other possible programs that may assist.

Senator Woodhouse:

These programs sound wonderful; however, setting the goals and standards and the grant writing, approval and monitoring process will be extremely labor intensive for all involved. I am particularly concerned about the rural areas having enough staff to do their grant requests.

Mr. Erquiaga:

The NDE budget request includes new staff for planning and administering the grant awards. I am concerned about the district's ability to respond to the requirements. The strategy adopted for these new initiatives ties accountability to statewide goals, rather than simply increasing money in the Distributive School Account (DSA), B/A 101-2610.

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Assemblywoman Kirkpatrick:

What are other states doing with their underperforming schools?

Mr. Erquiaga:

I will provide that information.

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The next initiative is the Gifted and Talented Education (GATE) program described on page 73 of [Exhibit C](#). Approximately 3 percent of Nevada students, identified through a State-approved assessment process, are included in this population.

The 2015-2017 Executive Budget, B/A 101-2699, decision unit E-300, increases 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. This is a per-pupil allocation amounting to approximately \$400 per eligible student.

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Current funding for GATE is \$174,243 per year located in the DSA, B/A 101-2610. The E-900 decision unit transfers funds to E-900 in B/A 101-2699. The funding is for instructional programs incorporating educational technology for gifted and talented pupils. In FY 2015, six school districts received these funds ranging from \$10,687 to \$35,889.

E-900 TRANSF DSA 2610 GATE TO OTHER STATE ED PROG 2699 — Page K-12 EDUCATION-22

E-900 TRANSF DSA 2610 GATE TO OTHER STATE ED PROG 2699 — Page K-12 EDUCATION-29

Chair Kieckhefer:

Where does the per-pupil allocation go?

Mr. Erquiaga:

The money goes to the governing board for the school district or charter where the student resides.

Chair Kieckhefer:

How do you ensure the money is spent on the student?

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Mr. Erquiaga:

The NDE will establish policies to ensure the money is used properly for the eligible students and is used to supplement, not supplant, existing funds.

Chair Kieckhefer:

Is the allocation based upon identified students on a particular day?

Mr. Erquiaga:

That is correct. We have a report that identifies the number of qualifying students in each district.

Chair Kieckhefer:

When is the count done?

Mr. Erquiaga:

I will provide this information.

The Nevada Ready 21 (NR21) is a new initiative discussed on pages 74 through 76 of [Exhibit C](#). The goal is to provide every student access to a personal, portable device connected wirelessly to the Internet and access to skilled educators who value connected personalized student-centered learning. Decision Unit E-294, B/A 101-2699, includes \$23.2 million in General Fund appropriations each year of the 2015-2017 biennium for this new program.

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About a year ago, the NDE asked the school districts and stakeholders to come together to identify a plan to improve instructional technology in our schools. After working for many months, the task force produced the NR21 plan. The details of the plan are available on the NDE Website. In summary, the task force determined two lines of need: (1) skilled educators who value connectivity and know how to use it in a classroom, and (2) access to the devices themselves. The task force recommends a device-agnostic approach that districts could choose school by school or districtwide, but must substantiate their selection through documentation.

It was suggested the middle schools be the focus in the first biennium with high schools to follow. The program will roll out over 6 years. As students advance, this program could roll with them enabling them to continue with instructors and devices. The program is phased in during FY 2016. Whole schools must adopt the proposed concept, not just a few chosen classrooms. The NR21 plan provides for:

- NDE to have a management contract for rolling out the funding and the implementation process, including training and assistance with purchasing.
- Funding distributed via the Commission on Educational Technology as a competitive grant program.
- A seven-member committee comprised of representatives from NDE, the Commission, private sector, program mentors, nonapplicant schools and school districts, and any other entity the program director and Commission see fit. This committee will review applications and make recommendations to the Commission for final approval.
- An application process for districts to submit plan proposals, including their detailed implementation plans. Proposed plans must describe how the following elements will be addressed in the district's programs: instruction, professional development, communication, evaluation and assessment, and leadership and finance.

Nevada has broadband and Internet challenges because of our geography and costs. Decision unit E-295 provides \$1 million in each fiscal year in an incentive grant pool, distributed by the Commission on Educational Technology, to assist schools with broadband and Wide Area Network requirements of 1:1 instructional devices. This money can be used as State match to leverage E-Rate dollars from the Federal Communications Commission, which provides discounts for schools and libraries to afford telecommunications and Internet access. All Nevada schools and school districts are eligible for E-Rate dollars.

An evaluation committee will be appointed through the Commission on Educational Technology that will move through the schools in the grants

process. The coordination with the districts in their planning is crucial to ensure the instructors are prepared and the investment is sustainable over time.

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Assemblyman Oscarson:

The Nevada Broadband Task Force is diligently working on connectivity issues. Last mile connectivity issues exist preventing our children from using these devices in schools. These issues must be resolved above all else.

Mr. Erquiaga:

The Governor's Office budget includes an initiative for broadband connectivity. It includes a proposal for mapping and understanding last mile challenges that would allow the State to coordinate the solution. We are coordinating our effort with the Governor's Office.

We contacted Switch Communications, Inc. last fall and requested help in resolving our last mile communication issues. They agreed to help us by using their contracts and connections to establish last mile connections for our rural school districts. In summary, we are coordinating efforts and have a plan but have not solved the last mile connection problems at every school. It is a work in progress.

Assemblyman Oscarson:

It is important to also work with Connect Nevada and take advantage of other coordination opportunities as we go along.

Assemblyman Armstrong:

Is the NR21 program going to utilize the \$3.7 million that is already in the budget for technology?

Mr. Erquiaga:

Yes. The Nevada Ready 21 program monies are in addition to the \$3.7 million already in the budget for technology.

Next, I will talk about the proposed expanded program for public broadcasting described on pages 77 and 78 of [Exhibit C](#). We have a long-standing positive relationship with the Public Broadcasting Service (PBS) in Nevada.

Decision unit E-284 in B/A 101-2699 proposes an additional \$233,000 each fiscal year of the 2015-2017 biennium to expand public broadcasting for items related to kindergarten readiness, literacy initiatives and dropout prevention. The PBS also provides teacher resources and teacher relicensing programs for continuing education.

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Currently, allocations for the distribution of funding are determined by the Nevada Public Broadcasting Association. For the upcoming biennium, to strengthen accountability of the funds, funds will be allocated through the Commission on Educational Technology, which operates through a public process and has a history with program evaluation required by statute. The Commission will require reports consistent with the allocation of technology funds to monitor the use and effectiveness of the public broadcasting funds.

Another new initiative to provide social workers and professionals in schools is described on page 79 of [Exhibit C](#). Governor Brian Sandoval has made school climate, behavioral and mental health a high priority in the 2015-2017 biennium. Decision unit E-281 in B/A 101-2699 establishes block grant funding for social workers or other licensed mental health workers in public or charter schools based on needs identified through a health screening survey tool. The money is phased in with about \$11.9 million appropriated in FY 2016 and \$24.3 million in FY 2017. The goal is to save lives, improve mental health in schools and positively affect student achievement.

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This will be accomplished through a coordinated effort between the NDE and the Department of Health and Human Services (DHHS) to build a system of care. At-risk schools will be identified and prioritized through existing, or new, climate surveys. Schools must submit a plan describing their proposed system of care, including how the professionals delivering the services will be utilized.

We are working with DHHS to evaluate the possibility of leveraging Medicaid and private health insurance money to maximize funding.

Assemblyman Armstrong:

Will the social worker or other licensed mental health workers be school district employees or contractors?

Mr. Erquiaga:

We plan to hire contractors as recommended by the Governor's Behavioral Health and Wellness Council.

Chair Kieckhefer:

Has anyone assessed the staffing needs and availability of professionals for this project?

Mr. Erquiaga:

Assembly Bill No. 386 of the 77th Session established a pilot program for administration of mental health screenings for pupils enrolled in selected secondary schools in the Clark and Washoe County School Districts. I will provide a copy of the information from that study.

Finding social workers and mental health professionals presents a workforce challenge. The DHHS has experienced a shortage of social workers. Moving social workers from State service into this program, particularly in the rural areas, is a risk. We are working with DHHS to find ways to lengthen the potential hire list. Options, such as hiring interns who could work under the supervision of social workers employed by State agencies, are being considered.

Chair Kieckhefer:

The Washoe County School District recently created two school-based health centers. Has anyone reviewed those operations as part of this project?

Mr. Erquiaga:

We have been working with Dr. Tracey Green at DHHS who is a champion of school-based health centers.

Page 80 of [Exhibit C](#) discusses the Jobs for America's Graduates (JAG) program. The JAG 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.

The JAG model includes a comprehensive set of services that applies a holistic approach to assisting students, including classroom instruction, competency-based curriculums, adult mentoring, summer employment training, student-led leadership, job and post-secondary education placement services, 12-month follow-up services and an accountability system.

Current JAG funding is \$750,000 per fiscal year. The program serves 23 schools and 667 students across the State. Decision unit E-289 of B/A 101-2699 recommends additional General Funds of \$1.75 million in FY 2016 and \$2.85 million in FY 2017. This will expand the number of participating JAG schools from 23 to 34 in FY 2016 and from 34 to 48 by the end of FY 2017. The total JAG program funding in Nevada will increase to \$2.5 million in FY 2016 and \$3.6 million in FY 2017.

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Chair Kieckhefer:

In full disclosure, I serve on the Nevada JAG Board of Directors.

Assemblywoman Swank:

Who are the members on the JAG Board and where are they geographically located? What is the median grade point average of students who graduate from the JAG program?

Mr. Erquiaga:

I will provide that information to you.

Assemblyman Armstrong:

Has the State become an employer for students in the JAG program?

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Mr. Erquiaga:

No.

In full disclosure, I serve as a nonvoting member of the JAG Board.

Pages 81 and 82 of [Exhibit C](#) define the new efforts for college and career readiness. Decision unit E-285 of B/A 101-2699 includes General Fund appropriations of \$3 million in FY 2016 and \$5 million in FY 2017 to establish this program aimed at ensuring students graduate from high school career and college ready.

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Pursuant to *Nevada Revised Statute* 389.07, the SBE is required to select a college and career readiness assessment; they selected the American College Testing (ACT). The purpose of the assessment is to: (1) provide information to students on areas of his or her academic strengths and weakness, including areas where additional work is needed to prepare for college and career success without the need for remediation, and (2) allow educational personnel to use the results to provide appropriate interventions for the students to prepare for college and career success.

The college and career readiness initiative redefines the Grade 12 year from one where students enroll in minimum credit hours for graduation to one that prepares students for college or career success. Students can take remedial classes to strengthen weak areas identified by the test; excel by dual enrollment to gain college credits while attending high school; or attend science, technology, engineering and mathematics programs, not funded by other means.

Chair Kieckhefer:

Can these funds be used to pay for Advanced Placement (AP) exams?

Mr. Erquiaga:

No. The AP exam fees are addressed in the NDE budget account.

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Assemblywoman Swank:

Does dual enrollment apply only to college classes or can it be used for technical skill training and apprenticeship programs?

Mr. Erquiaga:

All agreements are with the NSHE for community colleges, university or college credits for academic or career technology classes.

The next item is the career and technical education (CTE) program expansion depicted on pages 83 and 84 of [Exhibit C](#). Decision unit E-283 in B/A 101-2699 provides a General Fund appropriation of \$4 million each year of the 2015-2017 biennium to increase the 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

About 50,000 Nevada students participate in a CTE program. Some students take only one class; others complete a three-course series and get a completion certificate. The goal is to increase the number of persons completing the three-course series.

Chair Kieckhefer:

What CTE program areas have been identified for expansion?

Mr. Erquiaga:

We work with the Sector Councils in the Office of Economic Development. Our goal is to fund programs that result in jobs.

The Charter School Harbor Master Fund implements a new State match program for private philanthropy in establishing a fund to recruit “Best in Class” national charter management organizations to Nevada. Decision unit E-291 of B/A 101-2699 provides \$10 million each fiscal year of the 2015-2017 biennium for this initiative.

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This initiative will help address a critical shortage of high quality seats by offsetting the basic startup costs for national charter management organizations and will provide new options for students in underserved areas and in underperforming schools.

Schools awarded these monies must work on acquiring their teacher and principal talent. They receive no bond money and no facilities. We provide them a per-pupil guarantee. This creates a challenge and limits the number of national organizations that come to Nevada.

Assemblyman Armstrong:

Would the proposed funding be matched dollar for dollar by private philanthropy?

Mr. Erquiaga:

Yes.

Assemblywoman Benitez-Thompson:

Please help me understand the big picture. There are ten different competitive grants potentially available to 724 schools plus charter and private schools. This equates to potentially 8,000 grants which your office will have to process, monitor and perform follow-up evaluations. How will the NDE administration handle this volume?

Mr. Erquiaga:

Some grants are only for particular types of schools so not all schools will be applying for all grants.

Assemblywoman Benitez-Thompson:

How many grant applications do you anticipate?

Mr. Erquiaga:

I will provide a written estimate of the number of grants that may be possible for each program next week during the budget hearing for the NDE administrative budget hearing.

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Assemblywoman Benitez-Thompson:

Please provide a flow chart of the grant process including timelines for the application submittal, review time frames, the award process and the back-end evaluation. This will help us understand how your office will manage this over the biennium.

Mr. Erquiaga:

I will, but I cannot provide all this information by next week. I will try to complete this task sometime in March 2015.

Assemblywoman Swank:

Please provide the number of schools eligible to apply for each grant and the number of students who will benefit. I want to ensure equal distribution between charter schools and regular public schools.

Mr. Erquiaga:

I will provide the requested information.

Page 86 of [Exhibit C](#) illustrates the categorical funding impact showing the investment in new State funding per pupil.

Chair Kieckhefer:

We will now move to the DSA, B/A 101-2610, discussed on pages 21 through 49 of [Exhibit C](#).

Julia Teska (Director, Budget Division, Department of Administration):

The DSA is the budget through which the State distributes direct financial aid to local school districts. The Legislature determines the level of State aid for schools, and each district's and charter school's share is developed through a formula called the *Nevada Plan for School Finance*, which allows for differences across districts in costs of providing education and in local wealth.

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; locally collected revenues from the 2.25 percent Local School Support Tax

(LSST), increased to 2.60 percent for the 2013-2015 biennium; and one-third of the ad valorem property tax received by the districts for operating purposes.

General Fund appropriations provide the majority of the revenue to the DSA from which the State share of financial aid to schools is paid. The Governor recommends proceeds from the 2009 Initiative Petition No. 1 room tax revenue continue to be transferred from the State Supplemental School Support Fund to the DSA as a State funding source through the 2013-2015 biennium. The DSA is also supplemented with an annual tax on slot machines; interest earned on investments from the permanent school fund; revenue from leases of federal land for mineral exploration and from royalties; LSST from sales that cannot be attributed to any particular county; and, beginning in FY 2015, 75 percent of the medical marijuana excise tax. Page 24 of [Exhibit C](#) illustrates the funding sources.

The process for building the annual DSA begins with an annual report, required by *Nevada Revised Statutes* 387, submitted by the school districts and charter schools summarizing their revenues and expenditures for the previous fiscal year. These reports, referred to as “the 387 reports”, are submitted to NDE by November 1, which then submits the information to the Legislative Counsel Bureau (LCB) and Department of Administration by November 25. The combined General Fund and special education expenditures are listed on a spreadsheet and calculations are made to determine the base funding for the next biennium. For example, FY 2014 actual expenditures are reported on November 1, 2014, and are used to calculate the DSA for FY 2016 and FY 2017. The base year is the first year of each biennium.

Average salaries and benefits are determined for a number of categories based upon actual expenditures and number of full-time equivalent (FTE) employees. The largest category is licensed traditional classroom teachers. Ratios based upon the enrollment and actual FTEs reported are carried forward into FY 2016 and FY 2017. Those average salaries are rolled up with increases of 2 percent per year.

Operating expenditures for FY 2014 are carried forward at their actual amounts into FY 2016 and FY 2017.

Generally, equipment is removed from the Base Budget. Equipment replacements are shown in separate decision units.

School districts can chose to transfer contributions for future costs of retiree health benefits to a holding account. These amounts are excluded from the base calculation.

A few more items are not carried forward or included in the base amount. For example, beginning in the 2013 Legislative Session, under the "Plus 2" waiver program, transfers from the Class Size Reduction (CSR) account were made to the General Fund account. The CSR is funded separately. If we left those expenditures in the DSA, we would be funding the same dollars in both the CSR account and the DSA. Consequently, those funds are backed out for FY 2016 and FY 2017.

Equipment depreciation is not continued in the DSA base amount. Additionally, approximately \$1 million of land and buildings expenditures are excluded from the DSA base amount.

Other obligations reported in the annual expenditure report are not carried forward in the base amounts for FY 2016 and FY 2017 as these are not actual expenditures, but rather funds the districts have set aside for future expenditures. These will be accounted for in the DSA when the funds are actually expended.

The total spending amount must be determined before we can calculate the basic support amount. In FY 2014, the total expenditures including the other obligations, the postemployment liabilities, equipment replacement and land and buildings were \$3.226 billion. Approximately \$9 million of expenditures are one-time costs not continued in the base, \$1.1 million is for land and buildings and \$500,000 was equipment depreciation. This was not continued in the Base Budget because it is not considered a true expenditure, but rather a paper transaction. Another \$34 million of other equipment expenditures are not included in the base because they are funded in enhancement unit E-710, and almost \$98 million of other obligations are not continued. After all these calculations and the 2 percent increase to FTE costs is added for FY 2015,

FY 2016 and FY 2017, the \$3.226 billion becomes \$3.162 billion in FY 2016 and \$3.21 billion in FY 2017.

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

The main reason for this difference is that \$98 million of other obligations, not considered true expenditures, are not being carried forward from FY 2014 into FY 2016 and FY 2017. As previously discussed, the CSR of approximately \$36.5 million was not included in the base to avoid funding those dollars in two different locations.

Up to this point, we are only building the Base Budget. We have not yet included the enrollment increases or the employee fringe benefit increases. This is how a lower starting point occurred in FY 2016 and FY 2017 than reported by the districts in FY 2014.

Chair Kieckhefer:

What is the amount of the 2 percent roll up costs included in the Base Budget?

Ms. Teska:

The total for the 2015-2017 biennium is approximately \$97 million.

Once the Base Budget is established, we add the changes to the Public Employees' Retirement System (PERS) rate and health benefit increases, the projected enrollment increases and, in FY 2017, a \$25 million enhancement for increased special education funding. The DSA calculations start with General Fund and special education appropriations added together. After we go through all the calculations, we remove the amount for special education because it has its own line item. Consequently, the \$3 billion numbers include the special education funding.

In addition to the aforementioned, the CSR calculations are in there. It is important to note that as of the 2015-2017 biennium, the only CSR in the DSA itself is for Grades 1 through 3. The kindergarten CSR funds reside in the School Remediation Trust Fund account.

The total proposed expenditures, including special education, are \$3.249 billion in FY 2016 and \$3.354 billion in FY 2017. To get to the basic support number, we must continue with more adjustments. The first adjustment is to deduct the approved special education funding of \$138.4 million for FY 2016 and \$167.9 million in FY 2017. Next, we remove the local revenues, which are outside the Nevada Plan and are not guaranteed by the State. These are largely 75 cents per \$100 of assessed property valuation, the portion of the governmental services tax that goes to the school districts, franchise taxes and miscellaneous other outside revenues. The total projected expenditures for FY 2016 and FY 2017 of revenues outside the DSA are \$647 million in FY 2016 and \$670 million in FY 2017. To put that into perspective, expenditures of \$606 million in FY 2014 and \$621 million in FY 2015 were legislatively approved.

We start with the total expenditures and remove the revenues outside of the DSA and programs included in the DSA numbers that are funded as a specific category. This includes special education, school lunch, State match to federal dollars and \$128,000 in special transportation funding that reimburses the Lyon County School District. The largest of these programs is special education. After this is done, we arrive at \$2.545 billion in FY 2016 and \$2.598 billion in FY 2017. Basic support will be based on these numbers. Finally, these figures are divided by the total projected enrollment to determine the \$5,669 in FY 2016 and \$5,716 for FY 2017 as shown on page 25 of [Exhibit C](#).

Next, I want to talk about the impact of the local revenues. We have heard discussions about these numbers not agreeing with the numbers the school districts are experiencing in their own budgets. This has to do with how we have historically built the DSA and some timing issues.

The legislatively approved revenues outside the State's guarantee in FY 2014 were \$606 million. The actual outside revenues received in FY 2014 were approximately \$35 million more than what was legislatively approved. The additional \$35 million is not introduced into the DSA numbers until FY 2016 because they show up as additional base funding in FY 2016 outside the basic support. The school districts received that money in FY 2014 so it does not appear on their books as new revenue in FY 2016. It is new to the DSA because it is over and above what was approved in the 2013 Legislative

Session for FY 2014. Consequently, this creates a timing and perception issue as to whether the districts are actually receiving any additional funding. The districts have already received the money, but our formula shows the money is essentially new to the DSA formula in FY 2016.

Three things are contributing to the discussion occurring with school districts regarding their perception of what they should receive. Conveniently, all the numbers are around \$35 million each for these three separate issues. First is the CSR transfer (amounting to approximately \$36.5 million in FY 2014) that school districts have been using as General Fund money. The bill, that was in place for 4 years providing these funds, sunsets June 30, 2015, and there are no plans to extend it. Those funds are not available in the General Fund for the school districts beyond that date.

Secondly, \$35 million was received in FY 2014 that was not included in the DSA formula used to compute their FY 2014 allocation. The DSA formula is counting that as new revenue in FY 2016 and, if the districts have already expended it, then it is not new revenue to them in FY 2016. The third item concerns the average teacher costs. The FY 2014 legislatively approved costs used for the average teacher costs, including salaries and benefits, were \$75,756. The actual FY 2014 expenditures reported on the November 1 report were \$74,077. This starting point is almost \$1,700 per FTE lower for our calculations going forward than what was included in the budget 2 years ago. The \$1,700 does not sound like a lot, but when you multiply it by 20,566 FTEs, it equates to \$34.5 million.

In summary, three separate items, of approximately \$35 million each are combining to affect the budget for the upcoming biennium. The methodology is consistent with what we have done historically; we have used the same basic DSA methodology for at least the past 15 years. These three issues in FY 2016 create a disconnect between how the districts have been preparing financially for the upcoming biennium versus our methodology and the numbers.

Chair Kieckhefer:

There is general agreement that the DSA has been calculated consistently with how it has been ascertained in previous years. The districts are in a position where they face a statutory deadline for presenting budgets for the next school

year to their committees and boards without the certainty of what the Legislature is going to do. A number of problems are surfacing on how we build and approve our kindergarten through Grade 12 (K-12) budget and they are unfolding as we speak.

At this point, I would like to open the meeting to public comment. The LCB submitted ([Exhibit D](#)) entitled "The Nevada Plan" showing a comparison of FY 2013-2015 and FY 2015-2017 biennium dollars.

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

I have submitted my written testimony ([Exhibit E](#)). This is the question foremost in my mind: why have decades of spending increases not led to increases in student achievement?

The LCB has found Nevada's per-pupil inflation adjusted education spending has nearly doubled since 1983. It was \$4,854 in 1983 and \$8,781 in 2011. During that time, our high school graduation rate fell below 50 percent. These Subcommittees need to ask where that money has gone and why it has not led to increased student achievement. This should be done before approving new spending and new programs.

Superintendent Dale Erquiaga has not adequately responded to these questions. He emphasizes the problems Nevada students are facing. Because of those problems, it is imperative the Legislature not believe that money and good intentions will increase student achievement.

The best example is CSR. While Nevada has spent \$2.8 billion on this program, in 2013 just 27 percent of Nevada's fourth graders were proficient, or better, on the National Assessment of Educational Progress fourth-grade reading test. Last week Superintendent Erquiaga acknowledged there is no correlation between class size and star rankings. I encourage these Subcommittees to examine the CSR program and ask for accountability. This biennium, about \$350 million is being expended on a program that has no correlation with student achievement.

I encourage these Subcommittees to review the student-to-teacher ratios. Last Session, reports were made about 30-40 students in a classroom. Some classes

were reported to have 50 students to 1 teacher. Superintendent Erquiaga says there are 25,000 teachers in Nevada with 450,000 students. That is a student to teacher ratio of 18 to 1. Why are some classes reported as having a much higher student-to-teacher ratio? What are the other teachers doing?

Daphne O. Deleon (Chair, Nevada Broadband Task Force, Division of State Library and Archives, Department of Administration):

I submitted written testimony ([Exhibit F](#)) on behalf of the Nevada Broadband Task Force and Connect Nevada in support of funding in B/A 101-2699, decision units E-294 and E-295. We have been working in partnership for the last 5 years to review and document the gaps in broadband infrastructure throughout Nevada.

The NR21 plan will help fill in our middle and last mile gaps. This plan is essential to move Nevada forward. It not only benefits our students, but our communities and State as a whole.

The available E-Rate money has doubled in size in recent months. Nevada has the perfect opportunity to leverage more E-Rate money for Nevada schools. I urge the Committee to support the NR21 plan proposals including the \$1 million for broadband connectivity and upgrades.

Seth Rau (Policy Director, Nevada Succeeds):

Nevada Succeeds has been working with a consortium based in Las Vegas, including stakeholders from all over the State, to discuss legislative priorities. Participants include representatives from NSHE institutions, private institutions of education preparation, Teachers for America, the Latino Leadership Counsel, the Clark County Black Caucus, Honoring Our Public Education for Nevada (HOPE) and many others supporting the education of Nevada students.

We support the Great Teaching and Leading Fund initiative, B/A 101-2618. This initiative positively transforms teacher leadership preparation in Nevada. We support the new college and career readiness grants, B/A 101-2699, decision unit E-285. This is a step in the right direction to ensure our twelfth graders are prepared to enter college without remediation.

Finally, we support a strong weighted formula system so dollars are directed to the students most in need.

Mr. Eppolito:

First, I will comment on the Read by Grade 3 initiative, B/A 101-2699, decision unit E-280. I suggest the \$100 million proposed in professional development to teach teachers about Common Core be moved into the Read by Grade 3 initiative.

Sandra Stotsky, who served on the National Validation Committee for the Common Core State Systematic Initiative, indicates "Common Core supports the reverse of what a century of research indicates should be for the basis of reading and writing skills development." Louisa Moats, who was also involved in Common Core, states: "Common Core standards disregard decades of research on reading ready development." Shortly after the standards were published, 500 early-childhood experts, including pediatricians, researchers and psychologists, found the early-childhood Common Core standards to be so developmentally inappropriate that they called for their suspension in Grades K through 3. It makes no sense to spend money on something we know does not work. The teachers know what to do. Other states have proven and tested noncopy written standards, like the Massachusetts standards, that can be modified to meet the needs of Nevada students.

Next, I want to comment on the Nevada Ready 21 Initiative, B/A 101-2699, decision unit E-294, providing students with personal, portable technology devices connected wirelessly to the Internet. Over \$46 million is requested for this initiative for the 2015-2017 biennium.

A 2014 *New York Times* article about Steve Jobs stated he was a low-technology parent. The author of the article went on to say he had met a number of technology chiefs, executive officers and venture capitalists who said similar things. They strictly restrict their children's time on computer screens.

The National Center for Education Statistics wants states to report over 400 data points on their children. One of the data points is the Internet Protocol, also called IP addresses, on the 1:1 devices. Los Angeles Unified

School District spent over \$1 billion for 1:1 devices, half on the devices and half for improvement to the infrastructure. Somehow, they determined the children were using them inappropriately and confiscated all the devices.

Let the teachers teach. We do not need computers in the classroom. If you want to get children ready for the 21st century, consider teaching children how to do computer programming beginning in Grade 1, as in the country of Estonia. Why are we teaching our children to be consumers of these devices? They should be developers of these devices. Nevada's 1:1 program is problematic on many levels without even considering the cost.

The Smarter Balanced Assessment Consortium (SBAC) test that Nevada plans to use is being challenged as illegal in a Missouri court. North Dakota is beginning to question the constitutionality of the SBAC. In March 2014, *Education Week* reported there are only 17 states left using the SBAC testing. Nevada is spending \$7 million dollars a year for SBAC testing which may be on the way out. If it is not on the way out, what is the benefit of comparing Nevada's data with only 15 to 17 states?

I support charter schools not having to comply with the Common Core requirements. According to the Website *thebestschools.org*, none of the 50 best private day schools in America advertises they use Common Core.

Max Gakh (Scholar in Residence, University of Nevada, Las Vegas, School of Community Health Sciences):

I research and teach in the area of public health law and policy. We are conducting a health impact assessment (HIA) to study the possible health effects of full-day kindergarten, as proposed in B/A 101-2615. I am not here to speak either for, or against, the proposal. Rather, I want to make you aware of what we are doing and present some preliminary findings. I have submitted written testimony ([Exhibit G](#)) and a handout entitled, "Health and Full Day Kindergarten in Nevada" ([Exhibit H](#)).

This is the first HIA in Nevada. Nationwide, over 300 HIAs have been completed, or are underway, demonstrating how different decisions have health impacts down the line. Our project is funded by the Health Impact Project,

2015, a collaboration of the Robert Wood Johnson Foundation and the Pew Charitable Trusts.

We are exploring how legislative changes to full-day kindergarten could affect health. These changes may positively or negatively affect students' physical development, cognitive development, social development, educational attainment and access to school-based services. We conducted a survey, focus group and meetings with key stakeholders. Through this feedback, we have determined people tend to be most interested in the connections to educational attainment, physical development and school services for full-day kindergartners. We have researched the literature to gather baseline information to make projections of possible changes to full-day kindergarten in Nevada. Before the end of Session, we plan to produce a final HIA report recommending evidence-informed strategies to maximize positive health impacts and minimize negative ones.

In researching the literature, we revealed preliminary findings about the relationship between full-day kindergarten, education and health as follows:

- Full-day kindergarten is connected to higher test scores in the short term for certain populations, such as English language learners, minority populations, students coming from families of lower socio-economic status and inner-city students.
- There appears to be a connection to long-term test scores for reading and math in the third and fifth grades.
- There is a relationship between third-grade reading test scores and high school graduation rates. The majority of those who are not proficient in third-grade reading do not graduate from high school.
- People with higher educational attainment over a lifetime tend to live longer and healthier lives. They lead healthier life styles, including healthy eating and exercise and are less likely to smoke. Educational attainment is connected to lower rates of chronic diseases such as heart disease, diabetes and hypertension.

Jenn Blackhurst (President, Honoring our Public Education):

We are a nonpartisan, nonprofit, parent advocacy group representing hundreds of families in southern Nevada where approximately 75 percent of Nevada's K-12 student population resides. I have provided written testimony ([Exhibit I](#)) supporting education initiatives vital to improving the quality of education in Nevada. HOPE supports:

- Reforming our antiquated funding formula and creating a stabilization fund.
- Focusing on the moment our youngest students first set foot onto school grounds.
- Investing in specific programs like quality pre-K for under-resourced, English language learner children and full-day kindergarten for all children.
- Implementing professional development that is collaborative and embedded into a teacher's workday on his or her own campus on a routine basis. Professional development is a big factor in attracting, retaining and creating quality teachers in our State.
- Fill the teacher vacancies and implement provisions to attract, retain and create quality teachers in Nevada.

Bob Clifford (Nevadans for Local Control of Education):

Nevadans for Local Control of Education is concerned about NDE's ability to manage over \$400 million of increased educational intervention and grant programs. This is a huge amount of money to be managed by the State, rather than by the local school boards. Every school district will have to hire grant writers. It is highly questionable whether the districts or the State can handle the volume of work created by these initiatives. The changes are too big and are coming too fast.

Churchill County schools cannot afford schoolbooks. It makes no sense to buy students digital devices when there are schools lacking basic school supplies. It is likely students will use the devices for unintended purposes, like what happened in Los Angeles where the devices had to be confiscated.

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Common Core, SBAC and the mental health professionals stationed in the schools are proposing to collect and track inappropriate data on our children that will remain in our children's records for life.

Why do we need a huge new Read by Grade 3 program? Teachers are already doing this. Historically, throwing dollars at the problem has not solved the problems in education. We expect the same results with this initiative.

There is a huge amount of money spread throughout budget line items in support of Common Core and SBAC. Someone needs to pull all these numbers together so we can see what the Common Core standards and SBAC testing are costing. It is impossible to see the total costs because they are spread all over and buried within the budget.

Any evaluations required in these initiatives should not be under the control of NDE but rather under the responsibility of LCB with a requirement that results be reported back to the Legislature.

Jim Falk (Chairman, Nevadans for Local Control of Education):

I am following up on the comments made about the inappropriate use of the electronic devices in Los Angeles. Those children had their devices confiscated because they were accessing pornography. Do we want your children to have access to that?

In 2009, the CCSD was sold a bill of goods involving analyzing and color-coding the personalities of district officials. Over a 6-year period, the District paid \$350,000 to a firm called Emergenetics to do this testing. The profiling was of dubious-to-useless value and has since been dropped. The person largely responsible, who was certified by Emergenetics to do the testing, was Dale Erquiaga, our Superintendent of Public Instruction. This reveals a person lacking the ability to recognize fraud when he is deeply involved in it, or eager to take advantage of the naiveté of public officials. In either case, I would suggest this past performance gives you ample cause to consider with extreme caution anything of a fiscal nature that Mr. Erquiaga puts before you.

Jim McIntosh (Chief Financial Officer, Clark County School District):

I want to explain the potential impact of the DSA and the impact the formula will have on the school districts as we go into the 2015-2017 biennium. Unfortunately, with the confluence of items that have occurred within the DSA, and what we consider to be some fundamental issues about how the DSA is calculated, we are deeply concerned about what that will do to our general operating budget in FY 2016.

First, this results in reduced basic support per pupil at a statewide level. We assume this will transfer to a statewide drop in the basic support for the CCSD. Basic support per pupil represents approximately 85 percent of the funding for the CCSD.

We assume our outside revenues, the largest being the property tax and the governmental services tax will, for the most part, be flat next year. We are assuming small increases in the property tax, but not enough to cover the additional costs for the things we have to incorporate into the budget next year. The budget, as it is submitted per the DSA, and as presented to you by Ms. Teska today, will not have adequate funding in the general operating fund next year for us to balance our budgets and include things like salary rollups and increases to the PERS contribution rate.

Exacerbating this loss is the loss of the Plus 2 waiver. This program has been in place for the past 4 years whereby CSR funds for Grades 1 to 3 have been available in the General Fund. This results in an approximate loss of \$25 million to the CCSD. In addition to the loss of the subsidy, this will exacerbate our recruitment requirements as we lower the class sizes in those areas, particularly in our most difficult grades to recruit, Grades 1 through 3. It will exacerbate our facility requirements. We had 100 portable classrooms last year and 80 this year. Now, we are talking about doubling that in order to meet the CSR by two students in Grades 1 through 3.

The school districts appreciate the categorical funding provided and all the other wonderful programs discussed this morning. Please understand these programs will be supplemental to the general operating fund of the districts. Since we are already facing deficits, please consider using some of the categorical funding to help supplement the DSA.

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Chair Kieckhefer:

Are you comparing operating costs for the current year with basic school support to determine your deficit?

Mr. McIntosh:

We assume a base level of expenditures for FY 2015, which becomes our base for FY 2016, and then apply the additions to that base.

Chair Kieckhefer:

What increased in FY 2015 over FY 2014?

Mr. McIntosh:

The majority of that would be increases to the collective bargaining agreements that were negotiated for in FY 2015.

Chair Kieckhefer:

Have the operating expenditures increased year over year?

Mr. McIntosh:

Yes.

Chair Kieckhefer:

If we approve the Governor's recommendation, including the categoricals, would there be an overall increase in spending in the School District?

Mr. McIntosh:

Yes.

Chair Kieckhefer:

I am sympathetic to the issue of how we budget and how we create this, but I do not want to leave with the impression that we are cutting education funding.

Mr. McIntosh:

I agree that including the categorical funds, along with the basic support, will increase the total education budget.

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Chair Kieckhefer:

As we wrap up this budget process and work towards the next one, I am hopeful we can find ways to improve the process for all parties. We must make sure we are comparing apples to apples when we talk about things.

Ms. Carreón:

The Guinn Center for Policy Priorities and Nevada Succeeds have conducted a comprehensive analysis of Governor Sandoval's proposed measures. I have provided a handout entitled, "Guinn Center for Policy Priorities Legislative Testimony for Education Budgets 2610, 2699, 2615 and 2618" ([Exhibit J](#)). I will highlight our findings on three of those budgets.

The first item is the DSA B/A 101-2610 and the implementation of the new funding formula for special education. The Legislature should take this time to implement the full funding formula as recommended by the Task Force on K-12 Public Education funding. This would include not only special education as a new weighted average, but also weighted averages for English language learners and free-and-reduced lunch participants. This would not have to be funded all at once, but rather could be a multiyear plan. We would recommend that you include hold harmless provisions to ensure rural districts do not receive a loss of funding. As a corollary to that, it is important to include rigorous accounting measures with oversight.

As you are creating a new funding formula, please take special note of charter schools because they currently do not receive full access to categorical funds. Consequently, it may be wise to consider creating a categorical block grant to ensure charter schools have the same funding as other school.

There are three very similar categorical programs aimed at the same goals: Zoom Schools, Victory Schools and Read by Grade 3. All of these are looking at English language acquisition and literacy. Given that they have overlapping goals, we recommend they be combined and consolidated into a single grant. Otherwise, there are duplicate goals and confusion about what schools would receive. This would push the emphasis onto the students and interventions they need as opposed to labeling schools in a somewhat arbitrary fashion.

The other important item is to provide technical assistance to the schools to make sure they provide research-based literacy programs. They should have flexibility to provide research-based programs without specific demarcations in the law as to what should be provided to maximize opportunities and outcomes. They should always be a corollary of ensuring accountability.

The last item is full-day kindergarten. The Guinn Center is a member of the steering committee of the HIA being conducted at UNLV that Mr. Gakh mentioned earlier. We have also been researching this issue extensively and we have seen through the research in Clark and Washoe Counties and some of the rural counties, a positive academic impact from full-day kindergarten. Specifically, the benefits are strongest for those who are English language learners and at-risk students eligible for free-and-reduced lunch. The priority should be on ensuring access for full-day kindergarten for those students and for other students, it is a medium priority.

Tom Ciesynski (Chief Financial Officer, Washoe County School District):

The same issues expressed by Mr. McIntosh exist for Washoe County School District and other school districts throughout the State.

The Governor's budget is a great opportunity with the new programs that have been provided, expansion of existing programs and the funding model changes. However, some unintended challenges occur in terms of per pupil allocation and the recommendations on the CRS Plus 2 waiver. In short, as Mr. McIntosh alluded to, our two-thirds property taxes or the outside revenue will not cover our costs of the 2 percent rollup in the PERS; so, we will be looking at a shortfall in that area.

The CRS Plus 2 also provides a funding cliff. We understand the need to try to get those class sizes reduced, but we will be challenged in hiring teachers to fill those roles. In addition, we have schools that are near capacity and trying to find additional classroom space will be challenging. We are presenting a budget to the Washoe County School District Board of Trustees next week and will be presenting these issues to them. We want to continue the dialogue and discussion regarding how to avoid the timing issues in the DSA funding described by Ms. Teska so we can avoid these types of conversations in the

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future. We want to take this well-thought-out Governor's budget and balance it to fit everyone's needs.

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Chair Kieckhefer:

Seeing there are no further comments, this meeting is adjourned at 10:45 a.m.

RESPECTFULLY SUBMITTED:

Jackie L. Cheney,
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	6		Attendance Roster
	C	86	Nevada Department of Education	The Executive Budget DSA and Related K12 Budgets
	D	1	LCB Fiscal Analysis Division	The Nevada Plan
	E	1	Victor Joecks	Testimony
	F	2	Daphne Deleon, Nevada Broadband Task Force	Testimony
	G	4	Max Gakh	Testimony
	H	2	Health and Full Day Kindergarten in Nevada	Report
	I	2	Jenn Blackhurst, HOPE Honoring Our Public Education Nevada	Testimony
	J	3	Guinn Center for Policy Priorities Legislative Testimony Education Budgets 2610, 2699, 2615 and 2618	Testimony