

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

**Seventy-Ninth Session  
May 12, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:12 a.m. on Friday, May 12, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblyman Jason Frierson, Vice Chair  
Assemblyman Paul Anderson  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Olivia Diaz  
Assemblyman Chris Edwards  
Assemblywoman Ellen B. Spiegel  
Assemblyman Michael C. Sprinkle  
Assemblywoman Robin L. Titus

**COMMITTEE MEMBERS EXCUSED:**

Assemblyman John Hambrick  
Assemblyman James Oscarson  
Assemblywoman Heidi Swank

**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Sarah Coffman, Principal Deputy Fiscal Analyst  
Cathy Crocket, Program Analyst  
Carol Thomsen, Committee Secretary  
Lisa McAlister, Committee Assistant



After roll was called, Chair Carlton opened the hearing on budget account (BA) 1080.

**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**TREASURER - STATE TREASURER (101-1080)**

**BUDGET PAGE ELECTED-205**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the major closing item in budget account (BA) 1080 was the establishment of a public information officer (PIO) position. The position had been requested by the Office of the State Treasurer (Treasurer's Office) during the 2015 Legislature, but was denied because there was insufficient justification for the position. However, the position was established on July 15, 2015, by the Treasurer's Office and funded with salary savings without the approval of the Legislature or the Interim Finance Committee (IFC).

When asked by Fiscal Analysis Division staff how the position would be funded, the Treasurer's Office indicated it had salary and vacancy savings that would be used from underfilling a deputy cash management position. The Treasurer's Office also used funds from a vacant management analyst position and salary savings by filling a management analyst position at a step 3 rather than a step 10, which was the level the position had been budgeted for. In total, that generated approximately \$76,000 in salary savings, and the Treasurer's Office did not have to approach IFC to seek authority for funding the position.

The Treasurer's Office provided an information item to IFC on October 21, 2015, that indicated because Senate Bill 302 of the 78th Session (2015) had been approved, which established the education savings accounts (ESAs), the workload of the Treasurer's Office had significantly increased. In the first month alone, the Treasurer's Office reported receiving 1,500 telephone calls and 500 emails relating to ESAs. The Treasurer's Office indicated that it continued to receive calls regarding ESAs, which was the workload of the current PIO position.

Ms. Coffman stated that the Treasurer's Office would continue using funds generated from salary savings to continue the PIO position in fiscal year (FY) 2017. Four legislatively approved positions had been underfilled:

- Management analyst 3 position filled by a management analyst 1.
- Account technician 2 position filled by an account technician 1.
- Accounting assistant 2 position filled by a clerical trainee.
- Management analyst 3 position filled by a management analyst 2.

Accordingly, the Treasurer's Office was able to generate approximately \$75,000 in salary savings to fund the PIO position in FY 2017 because of underfilled positions. It should be noted that the aforementioned positions were included in The Executive Budget for the upcoming biennium with the salaries and benefits as approved by the 2015 Legislature. Because those positions continued to be underfilled, the Treasurer's Office would have a total of \$50,000 in FY 2018 and \$52,604 in FY 2019 in salary savings built into its budget.

The decision, said Ms. Coffman, was whether the Committee wished to approve total funding of \$78,679 in FY 2018 and \$81,673 in FY 2019 to support the existing public information officer position.

Chair Carlton said it was somewhat complicated because of the way the position had been created. She wanted to ensure that everyone was comfortable with continuing to fund the PIO position because it was created by underfilling other positions. She asked for verification that the current PIO position was filled. Ms. Coffman replied that was correct: the position was filled.

Chair Carlton said even though she had not supported the PIO position in the past and had concerns about the way it was funded, she did not want to fire anyone and was not concerned about retaining the position. What she was concerned about was the salary savings that had been built into the Treasurer's Office budget and how those dollars should be used in the future. Chair Carlton said her recommendation would be to retain the PIO position and approve the funding, but reduce the related amount of salary savings in the Treasurer's Office budget. She asked Ms. Coffman to compose the motion that included elimination of the salary savings.

Ms. Coffman said the motion would be to approve the PIO position and funding of \$78,679 in FY 2018 and \$81,673 in FY 2019, but reduce personnel expenditures by the salary savings of \$50,000 in FY 2018 and \$52,604 in FY 2019.

Chair Carlton clarified that the funding would be for one PIO position, and Ms. Coffman stated that was correct.

Assemblyman Anderson asked for clarification regarding the aforementioned four positions that were currently being underfilled. It appeared that the management analyst 3 position had been budgeted for \$95,427 and that position was currently filled by a management analyst 1 position at a salary of \$51,408, which created a salary savings of \$44,019. There also appeared to be salary savings for the other three positions.

Ms. Coffman stated that was correct: all four positions were currently underfilled, which created a salary savings.

Assemblyman Anderson said it appeared the funding for the PIO position would be included in the base budget, and the motion to reduce salary savings would not eliminate any positions from the Treasurer's Office.

Ms. Coffman said that was correct. There would be no position eliminations or reclassifications of existing positions. The elimination of the salary savings would be a line item within the personnel category of the Treasurer's Office budget. At any time in the future, should funding for the positions need to be increased to the legislatively approved level, the Treasurer's Office could use other salary savings or funds within another category, which, depending on the amount, would require IFC approval.

Assemblyman Anderson said it appeared the salary savings would not limit the ability of the current employees to grow in step increases and work up to the legislatively approved salary level. Ms. Coffman stated that was correct. The positions would not be reclassified, and the current employees could continue to progress, but funding would be required to support that increase. The Treasurer's Office indicated that it could take the underfilled management analyst 1 position from one to three years to progress to a management analyst 3 level.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYMAN ANDERSON MOVED THAT THE COMMITTEE APPROVE TOTAL FUNDING OF \$76,679 IN FISCAL YEAR 2018 AND \$81,673 IN FISCAL YEAR 2019 TO SUPPORT THE EXISTING PUBLIC INFORMATION OFFICER POSITION AND REDUCE PERSONNEL EXPENDITURES BY THE SALARY SAVINGS OF \$50,000 IN FISCAL YEAR 2018 AND \$52,604 IN FISCAL YEAR 2019.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Ms. Coffman stated there were three other closing items:

1. Decision unit Enhancement (E) 226, new equipment.
2. Decision unit E-671, salary adjustment.
3. Decision unit E-710, replacement equipment.

Ms. Coffman noted that a decision would be made at a later date regarding other closing item 2, salary adjustment. Fiscal Analysis Division staff recommended that the Committee approve other closing items 1 and 3 as recommended by the Governor and authorize Fiscal Analysis Division staff to make technical adjustments as necessary. Other closing item 2 would be determined at a later date.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYMAN SPRINKLE MOVED THAT THE COMMITTEE APPROVE OTHER CLOSING ITEMS 1 AND 3 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY. OTHER CLOSING ITEM 2 WOULD BE DETERMINED AT A LATER DATE.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**TREASURER - EDUCATION SAVINGS ACCOUNTS (101-1097)**

**BUDGET PAGE ELECTED-220**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill 302 of the 78th Session (2015) created the education savings accounts (ESA) program. However, in September 2016, the Nevada Supreme Court determined that the mechanism proposed to fund the ESAs was unconstitutional, and because of that decision, no education savings accounts were funded during the 2015-2017 biennium. The Executive Budget proposed the creation of a new ESA budget account.

Ms. Coffman said there were four major closing items in budget account (BA) 1097. The first major closing item was decision unit Enhancement (E) 228, grant awards for the education savings accounts (ESA) program. The Governor recommended funding ESAs with State General Fund appropriations of \$25 million in fiscal year (FY) 2018 and \$35 million in FY 2019, of which \$24.3 million in FY 2018 and \$34.1 million in FY 2019 would support ESA grant awards.

During previous hearings before the Senate Committee on Finance and the Assembly Committee on Ways and Means, Committee members had several questions about revisions to the statutes governing the ESA program. At that point, no bill had been introduced for the ESA program, and the Office of the State Treasurer (Treasurer's Office) was unable to answer a number of questions related to the provisions governing the ESA program as recommended by the Governor.

On March 27, 2017, Senate Bill (S.B.) 506 was introduced, which proposed the following revisions to the ESA program.

- No appropriations were provided for the ESA program at the present time. The original recommendation was to reduce the Distributive School Account (DSA) to fund ESA grants. Senate Bill 506 would provide State General Fund appropriations of \$25 million in FY 2018 and \$35 million in FY 2019 to fund those grants.
- Current law allowed the Treasurer's Office to be responsible for administering the ESA program, and S.B. 506 recommended creating a new Office of Educational Choice within the Department of Education to administer the program.
- The existing law required that students attend 100 consecutive days of public school without interruption to be qualified for an ESA grant, and S.B. 506 required attendance for two consecutive quarters without interruption.
- Current statute was silent on ESA eligibility of children between the ages of 5 years and 7 years who had not previously attended public schools. Statute was also silent regarding ESA eligibility for children with a parent who served in the Armed Forces. Senate Bill 506 provided that children were eligible for an ESA grant if they were at least 5 years of age and less than 7 years of age on or before September 30 or if a parent was a member of the Armed Forces.
- Currently, a child who was a pupil with a disability or with a household income of less than 185 percent of the federal poverty level would be eligible for 100 percent of the statewide average basic support per pupil. All other eligible pupils would receive 90 percent of the statewide average basic support per pupil; S.B. 506 would not change that provision.
- Currently, there was no limit on the number of ESA grants that could be established, and S.B. 506 stipulated that if there were more applications than the funding could support, grants would be awarded in the order of the number assigned to the grant agreement. In addition, S.B. 506 would limit the number of first-time applicants in a school district not to exceed 5 percent of the average daily enrollment of pupils in that school district.
- Currently, no more than 3 percent of each ESA grant could be deducted from the award to support administrative costs, and S.B. 506 would not change that provision.

- Currently, if the enrollment of pupils in a school district or a charter school experienced a decline that was 5 percent or more, hold-harmless provisions would apply regardless of whether the decline was because of students receiving ESA grants. Senate Bill 506 would exclude children who received ESA grants from that calculation to determine the reduction in enrollment as it applied to the hold-harmless provisions.

According to Ms. Coffman, the maximum number of ESA grants that could be funded in FY 2018 and FY 2019 would vary because of the funding differences. She estimated that 4,114 students could receive an ESA grant with 100 percent funding, and 4,571 students could receive an ESA grant with 90 percent funding in FY 2018. For FY 2019, the grants would cover 5,716 students receiving ESA grants at 100 percent funding and 6,351 students receiving ESA grants at 90 percent funding.

The Treasurer's Office indicated it had received approximately 8,500 applications for the ESA grants. The number of applicants far exceeded the number of grants that could be provided with the proposed funding in S.B. 506.

The Committee had requested demographic information related to the applicants who had applied for the ESA grants, and the Treasurer's Office offered the following information:

**ESA Applicant Income**

Applicant Income	Pending	Completed
\$0 - \$50,000	5,641	251
\$50,000 - \$100,000	522	235
\$100,000 - \$250,000	465	270
\$250,000+	60	34
TOTAL	6,688	790

**ESA Applicants by County**

County	Pending	Completed
No County Selected	3,171	0
Carson City	102	29
Churchill County	23	4
Clark County	2,635	656
Douglas County	58	17
Elko County	5	0
Humboldt County	7	3
Lyon County	37	4
Nye County	9	1
Washoe County	462	86
TOTAL	6,509	800

**ESA Applicants by School District**

School District	Pending	Completed
Carson City	24	7
Churchill County	12	3
Clark County	761	181
Douglas County	21	7
Elko County	6	0
Humboldt County	4	3
Lyon County	21	2
Nye County	9	0
State Sponsored Charter Schools	266	104
Storey County	1	0
Washoe County	187	31
TOTAL	1,312	338

Ms. Coffman noted that the totals varied for each table because certain applicants had not provided all requested information on the application.

The Committee also expressed concerns regarding the efforts of the Treasurer's Office to conduct outreach to low-income communities. The Treasurer's Office indicated that because it did not have a budget for the ESA program, it was not able to conduct outreach to low-income communities to make those communities aware of the ESA program. The Treasurer's Office had partnered with the Nevada Policy Research Institute and the Nevada School Choice Partnership to hold multiple informational workshops over the past 18 months to help inform low-income families of their ability to apply for the ESA program.

Ms. Coffman noted that S.B. 506 contained the same appropriations as those identified in BA 1097. Accordingly, if the Committee wished to approve funding for the ESA program, the funding in either the bill or BA 1097 should be eliminated.

The following options were offered for the Committee's consideration:

- A. Approve the Governor's recommendation to provide State General Fund appropriations of \$24.3 million in FY 2018 and \$34.1 million in FY 2019 to support ESA grant awards.
- B. Remove the State General Fund appropriations of \$24.3 million in FY 2018 and \$34.1 million in FY 2019 from BA 1097 for ESA grants, with the understanding that if S.B. 506 was approved, the funding included in the bill would be placed in the appropriate budget.

Should the Committee approve the noted grant awards in BA 1097, Fiscal Analysis Division staff would recommend eliminating the State General Fund appropriations included in S.B. 506.



Assemblywoman Titus thanked Ms. Coffman for her presentation and for the breakdown regarding the ESA applicants' location, income level, and school districts. That had been one of the concerns among proponents; she believed the benefit of the ESA program was that it reached out to low-income families. Assemblywoman Titus wanted to ensure that if the Committee selected option B, any funding in the Treasurer's Office would be placed in the appropriate budget.

Chair Carlton said the decision about the funding would be made by the Legislature, and she did not believe Ms. Coffman could answer that question. Money was included in The Executive Budget to fund the ESA program and was also included in S.B. 506. She did not want Ms. Coffman to get involved in a policy issue that would require a vote of the Committee.

Assemblywoman Titus said it appeared that the question about the \$60 million in current funding could not be answered, and Chair Carlton said Ms. Coffman was not the appropriate person to ask.

Assemblywoman Titus asked whether Chair Carlton could answer that question. The Chair replied that funding had been included in The Executive Budget and in S.B. 506. She believed that the discussion would center around the funding contained in the bill rather than the budget account.

Assemblyman Anderson said there was some transitory language in S.B. 506 that allowed the transition of funds from the Treasurer's Office into the new Office of Educational Choice in the Department of Education (NDE), if approved. He said if the funding was removed from the budget, there would be no need for funding in the Treasurer's Office.

Ms. Coffman said it was her understanding that S.B. 506 included transitory language that would allow the Treasurer's Office to work with NDE and to provide NDE with the information collected to date.

Assemblyman Anderson wondered whether the authorization to expend funds would transfer from the Treasurer's Office to NDE. Ms. Coffman said that was her understanding.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN DIAZ MOVED THAT THE COMMITTEE APPROVE OPTION B: REMOVE THE STATE GENERAL FUND APPROPRIATIONS OF \$25 MILLION IN FY 2018 AND \$35 MILLION IN FY 2019 FROM BUDGET ACCOUNT 1097 FOR EDUCATION SAVINGS ACCOUNT GRANTS, WITH THE UNDERSTANDING THAT IF SENATE BILL 506 WAS APPROVED, THE FUNDING INCLUDED IN THE BILL WOULD BE PLACED IN THE APPROPRIATE BUDGET.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblyman Frierson said the meeting was part of a process rather than the end of a policy debate. There was no change in direction in the Legislature's interest and ability to hold the discussion, but as Chair Carlton commented, Fiscal Analysis Division staff should not be placed in the position of answering questions about the discussion. He opined that the legislative process allowed clarity.

THE MOTION CARRIED. (Assemblywoman Titus voted no. Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

BUDGET CLOSED.

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Chair Carlton explained that because the motion removed the funding from the budget, the other closing items would not be considered by the Committee.

Ms. Coffman requested clarification about whether the motion would remove only the \$24.3 million in FY 2018 and the \$34.1 million in FY 2019 from BA 1080, which did not include the residual amounts for the administration of the accounts. Fiscal Analysis Division staff would seek verification whether it was the Committee's desire to remove the full amount of \$25 million in FY 2018 and the \$35 million in FY 2019 from the Treasurer's Office.

Chair Carlton replied that the intent of the motion approved by the Committee was to remove the full amount from the Treasurer's Office.

#### **ELECTED OFFICIALS**

#### **ELECTED OFFICIALS**

#### **TREASURER - NEVADA COLLEGE SAVINGS TRUST (101-1092)**

#### **BUDGET PAGE ELECTED-224**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there was one major closing item in budget account (BA) 1092. The Governor recommended fund transfers from the Endowment Account of \$2.2 million in each year of the 2017-2019 biennium for the continuation of the Nevada College Kick Start (CKS) Program in decision units Enhancement (E) 127 and E-275.

Ms. Coffman explained that the College Savings Board approved a three-year pilot program from fiscal year (FY) 2014 to FY 2016, where \$50 was deposited into college savings accounts for each kindergarten student who attended public school in Nevada. The initiative was approved by the Interim Finance Committee (IFC) in FY 2014 and was later approved by the 2015 Legislature to continue through the end of the pilot program in FY 2016. The goal of the program was to encourage families to open a 529 college savings account in addition to the CKS account.

Fiscal Analysis Division staff noted that at the June 30, 2016, meeting of IFC, the Office of the State Treasurer (Treasurer's Office) sought approval to receive Endowment Account funds of \$2.5 million, of which \$2.3 million would be used to support the CKS savings account program, and \$250,000 would be used to support the marketing associated with the program.

Ms. Coffman stated the amount also included funding to expand the eligible population to include private school students attending kindergarten, and first through third grade students who did not attend public school, but who would have otherwise been eligible for the program had they attended kindergarten. In addition, the Treasurer's Office sought authority to provide additional incentives of up to \$1,000 to families who either opened a 529 college savings account or entered into a prepaid tuition contract.

Ms. Coffman said IFC did not approve the Treasurer's Office recommendation for the additional incentives and reduced the work program amount by \$310,429. The IFC indicated that the Treasurer's Office could approach the 2017 Legislature with the recommendation for added incentives. Accordingly, the total amount approved by IFC was \$2.2 million, inclusive of the \$250,000 in marketing expenditures.

Two weeks after the June 2016 IFC meeting, the Treasurer's Office testified to the College Savings Board that the amount approved by IFC included funding for the expanded population of students not previously eligible for the CKS program. Because the Treasurer's Office only needed \$1.78 million to fund all kindergarten students in public schools in FY 2017, it had a surplus of \$166,900. The Treasurer's Office sought approval from the College Savings Board to use those funds to establish \$200 incentives for families who had a child who was eligible for the CKS program in FY 2017 and who had established a 529 college savings account or entered into a prepaid tuition contract in FY 2017.

After incentives were adopted by the College Savings Board, the Treasurer's Office indicated that it had opened 147 accounts in November 2016 compared with 71 accounts opened in November 2014. Similarly, it had opened 116 accounts in December 2016 compared with 53 accounts opened in December 2014.

The Treasurer's Office had opened 13,960 accounts to date since the origin of the CKS program. That was approximately 10.3 percent of the 135,348 students who were currently participating in the CKS program.

Ms. Coffman noted that the Committee had requested demographic information related to the students who had a 529 college savings account or a prepaid tuition contract established on their behalf because of their participation in the CKS program. The Treasurer's Office stated that it had not collected any demographic information regarding the population.

Ms. Coffman explained that The Executive Budget included the expanded population of private school kindergarten students and students in first through third grade who would have

been eligible for the CKS program had they attended kindergarten. The Treasurer's Office projected that 39,018 students would participate in the College Kick Start (CKS) Program in each year of the 2017-2019 biennium. That population included public and private school students, and "true up" students—those students in first through third grade who would have been eligible had they attended kindergarten.

Ms. Coffman noted that the NDE had provided the Fiscal Analysis Division with population projections that indicated 35,501 students would be attending kindergarten in FY 2018 and 35,874 students would be attending kindergarten in FY 2019.

The options for consideration by the Committee were:

1. Approve the Governor's recommendation to provide Endowment Account funds of \$1.95 million in each year of the 2017-2019 biennium to provide all public and private kindergarten students and students in first through third grade who would have been eligible for a CKS account had they attended kindergarten, with a deposit of \$50 into a CKS account.
2. Approve fund transfers from the Endowment Account of \$1.7 million in each year of the 2017-2019 biennium to fund \$50 deposits into CKS accounts for public school kindergarten students only, using the estimates provided by the Treasurer's Office of 33,969 students in each year of the biennium.
3. Approve fund transfers of \$1.78 million from the Endowment Account in FY 2018 and \$1.79 million in FY 2019 for \$50 deposits into CKS accounts for public school kindergarten students using estimates of 35,501 kindergarten students in FY 2018 and 35,874 in FY 2019. The estimates were provided by NDE.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE APPROVE OPTION 3: APPROVE FUND TRANSFERS FROM THE ENDOWMENT ACCOUNT OF \$1.78 MILLION IN FY 2018 AND \$1.79 MILLION IN FY 2019 TO FUND \$50 DEPOSITS INTO COLLEGE KICK START ACCOUNTS FOR PUBLIC SCHOOL KINDERGARTEN STUDENTS ONLY, USING THE ESTIMATES PROVIDED BY THE DEPARTMENT OF EDUCATION OF 35,501 KINDERGARTEN STUDENTS IN FY 2018 AND 35,874 IN FY 2019.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Ms. Coffman stated that in addition to the funding for the CKS accounts, decision units E-127 and E-275 included the Governor's recommendation for \$250,000 in each year of the biennium to market the CKS program. However, Fiscal Analysis Division staff noted that in the base budget for BA 1092, the Governor recommended other marketing expenditures of \$1,426,963 in each year of the 2017-2019 biennium. Accordingly, if the Committee approved the \$250,000 recommended for marketing for the CKS program, that would bring total marketing expenditures up to \$1.68 million in each year of the 2017-2019 biennium.

Ms. Coffman pointed out that in June 2016, IFC approved marketing campaign funding of \$800,000. Those marketing dollars were to be used for the college savings account program, the CKS program, and all other college savings programs, with \$250,000 allocated to the CKS program. If the Committee approved the additional \$250,000, approximately \$500,000 per year would be allocated for marketing the CKS program. It should be noted that the marketing expenditures recommended in decision unit E-275 were not accounted for in a separate category, and if approved, the Treasurer's Office would have a total of \$2.2 million in its CKS category to use for related expenditures.

The base budget also included \$68,944 for miscellaneous marketing expenditures, and according to the Treasurer's Office, it had been provided authority by the College Savings Board to provide \$800,000 for the Umbrella Marketing Campaign. Combining the \$746,816 for the Umbrella Marketing Campaign with the \$68,944 for miscellaneous marketing totaled \$815,760 for marketing. Because the marketing campaign contract was only for \$800,000, it appeared that approximately \$15,760 should be reduced to provide a sufficient amount for the contract.

The decision, said Ms. Coffman, was whether the Committee wished to approve the Governor's recommendation to provide additional Endowment Account funds of \$250,000 in each year of the 2017-2019 biennium to market the CKS program in addition to the \$250,000 that was included in the college savings trust base budget.

In addition, Ms. Coffman said that the Committee might wish to provide Fiscal Analysis Division staff with authority to combine miscellaneous marketing expenditures of \$68,944 in each year of the 2017-2019 biennium with the \$746,816 budgeted for each year of the biennium to support the Umbrella Marketing Campaign and to provide Fiscal Analysis Division staff with authority to reduce the total amount each year by \$15,760 to reflect the \$800,000 recommended by the College Savings Board annually.

Assemblywoman Benitez-Thompson said there had been several conversations during IFC meetings about marketing and marketing contracts in an attempt to ascertain the amounts being used for contracts. She said she was never comfortable with the amount of money that was being allocated to marketing, and she offered the following motion:

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO PROVIDE ADDITIONAL ENDOWMENT ACCOUNT FUNDS OF \$250,000 IN EACH YEAR OF THE 2017-2019 BIENNIUM TO MARKET THE COLLEGE KICK START PROGRAM, WHICH WOULD BE IN ADDITION TO THE \$250,000 INCLUDED IN THE COLLEGE SAVINGS TRUST BASE BUDGET.

Assemblywoman Benitez-Thompson believed that the \$250,000 that was recommended would be in addition to the \$250,000 included in the base budget. That would mean an additional \$500,000 over the biennium for marketing. She asked Ms. Coffman for clarification.

Ms. Coffman explained that the Treasurer's Office incurred base marketing expenditures of \$746,816 in FY 2016, and that was carried forward into FY 2018 and FY 2019. While that was not the authorized amount of \$800,000, it accounted for the majority of the funding. Fiscal Analysis Division staff determined that there was \$250,000 in the base budget for the CKS program, along with the additional \$250,000 that was being recommended in decision unit E-275 in The Executive Budget.

Assemblywoman Benitez-Thompson reiterated that her motion to not approve the Governor's recommendation to provide additional Endowment Account funds for marketing would stand.

Assemblywoman Bustamante Adams commented that her concern centered on outreach and the way in which the marketing dollars were used. The marketing appeared to be through traditional avenues, but Nevada did not have a traditional student population. She believed Nevada's student population was diverse, and the marketing effort should consider those when reaching out to students whose parents did not know what a 529 college savings plan was.

Assemblyman Anderson said that as he understood the motion, by not approving the recommendation for an additional \$250,000, the total funding for marketing in FY 2017 would be \$800,000, and the Treasurer's Office could approach IFC for additional funding if necessary.

Ms. Coffman said that the Treasurer's Office could approach IFC. If the requested \$250,000 was not approved, the Treasurer's Office would have \$815,760 for total marketing, of which the Umbrella Marketing Campaign would use \$800,000.

Assemblywoman Diaz echoed Assemblywoman Bustamante Adams' comments about the marketing outreach. She believed the outreach effort was not reaching all students, and the marketing effort needed to take into account that not all Nevadans, especially working class Nevadans, had the financial literacy to understand and navigate how to set their children up

for success through educational savings accounts. She noted that many of her constituents did not have email accounts or know how to navigate the Internet, and some other medium should be used to ensure that those Nevadans were aware of the programs.

Chair Carlton asked for a second and a vote on the motion currently before the Committee.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, Spiegel, and Swank were not present for the vote.)

Assemblywoman Benitez-Thompson noted that another item needed to be addressed, and she offered the following motion:

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE PROVIDE FISCAL STAFF WITH AUTHORITY TO COMBINE MISCELLANEOUS MARKETING EXPENDITURES OF \$68,944 IN EACH YEAR OF THE 2017-2019 BIENNIUM WITH THE \$746,816 BUDGETED FOR EACH YEAR OF THE BIENNIUM TO SUPPORT THE UMBRELLA MARKETING CAMPAIGN AND REDUCE THE TOTAL AMOUNT EACH YEAR BY \$15,760 TO REFLECT THE \$800,000 RECOMMENDED BY THE COLLEGE SAVINGS BOARD ANNUALLY.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Assemblywoman Benitez-Thompson noted that another closing item needed to be addressed, and she offered the following motion:

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE DIRECT FISCAL ANALYSIS DIVISION STAFF TO CREATE INDIVIDUAL CATEGORIES FOR THE VARIOUS MARKETING EXPENDITURES CURRENTLY IN THE TREASURER'S OFFICE OPERATING CATEGORY IN BUDGET ACCOUNT 1092, INCLUDING THE UMBRELLA MARKETING CAMPAIGN AND THE FINANCIAL LITERACY PROGRAM, TO ISOLATE THOSE EXPENDITURES FOR THEIR SPECIFIC USES, CONSISTENT WITH HOW THE IN-KIND MARKETING EXPENDITURES WERE ACCOUNTED FOR IN THE NEVADA COLLEGE SAVINGS TRUST BUDGET.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblywoman Benitez-Thompson said it had become difficult to ascertain the origin and use of marketing dollars in the Treasurer's Office. The Financial Literacy Program had become caught up in confusion, which was unfortunate, and she believed it made sense to create individual categories for the various marketing dollars. It would also help legislators track the dollars over the interim at IFC meetings.

Assemblyman Anderson said he would support categorical spending; however, he wondered what would occur if one category of funding was short, and whether the Treasurer's Office could approach IFC to move funding from one category to another.

Chair Carlton said the Treasurer's Office could approach IFC if there was a shortfall in one category, and she called for a vote on the motion currently before the Committee.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Ms. Coffman stated that The Executive Budget projected \$4.4 million would be returned to the Endowment Account related to unclaimed CKS funds. When the pilot program was first established, it was determined that the \$50 deposited on behalf of each kindergarten student would remain in their account until the time they were expected to graduate high school and enter college. Decision unit Enhancement (E) 127 reflected the Governor's recommendation to terminate any CKS accounts not claimed by a family before their child entered the fourth grade and return the funds, with interest, to the Endowment Account.

Ms. Coffman pointed out that The Executive Budget transferred the reclaimed funds to the CKS category within the Nevada College Savings Trust and did not reflect a transfer decision unit, with interest, to the Endowment Account. Fiscal Analysis Division staff would recommend that if the Committee approved the reclaiming of CKS funds, that the funds be directly deposited into the Endowment Account.

The decision was whether the Committee wished to approve the Governor's recommendation to reclaim CKS funds if the participants had not claimed their account before their child entered the fourth grade. If so, the Committee might wish to return the noted funds directly to the Endowment Account rather than to the Nevada College Savings Trust and authorize Fiscal Analysis Division staff to make technical adjustments as necessary.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE APPROVE THE GOVERNOR'S RECOMMENDATION TO RECLAIM COLLEGE KICK START FUNDS IF THE PARTICIPANTS HAD NOT CLAIMED THEIR ACCOUNT BEFORE THEIR CHILD ENTERED THE FOURTH GRADE, RETURN THOSE FUNDS DIRECTLY



TO THE ENDOWMENT ACCOUNT RATHER THAN TO THE NEVADA COLLEGE SAVINGS TRUST, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

Assemblywoman Bustamante Adams commented that the motion would mean that if a family had not claimed the funding for their child by the fourth grade, the funding would be lost to the family. She emphasized that not every family was educated or had financial literacy. The only means to contact some families would be through written correspondence in English informing them that they only had a certain amount of time to begin a 529 college savings plan. She believed that some families would not be able to comprehend such correspondence and would not be aware of the program.

Assemblywoman Bustamante Adams did not think the outreach had been sufficiently extensive or comprehensive to include all families. However, she understood that some direction needed to be taken regarding the funding.

Chair Carlton agreed that additional outreach was needed to reach more families about the program. With no further comments or questions, the Chair called for a vote on the motion currently before the Committee.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Ms. Coffman stated there were five other closing items in BA 1092:

1. Advertising expenditures.
2. Decision units Maintenance (M) 800 and Enhancement (E) 800, cost-allocation.
3. Decision unit E-710, replacement equipment.
4. Technical adjustment.
5. Assembly Bill (A.B.) 475.

Ms. Coffman stated that other closing item 4 was a technical adjustment related to the revision of cost-allocation for the Office of the Attorney General. Other closing item 5 was A.B. 475, which would limit Endowment Account funds to purposes related to the CKS program, and reduce revenues within the College Savings Trust account (BA 1090); therefore, Fiscal Analysis Division staff would request authority to make technical adjustments contingent upon the passage of A.B. 475.

Fiscal Analysis Division staff recommended that other closing items 2 and 3 be approved as recommended by the Governor; other closing items 1, 4, and 5 be approved including the noted technical adjustments; and with authority for Fiscal Analysis Division staff to make other technical adjustments as necessary.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE APPROVE OTHER CLOSING ITEMS 2 AND 3 AS RECOMMENDED BY THE GOVERNOR; APPROVE OTHER CLOSING ITEMS 1, 4, AND 5 INCLUDING THE NOTED TECHNICAL ADJUSTMENTS; AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**TREASURER - ENDOWMENT ACCOUNT (101-1094)**

**BUDGET PAGE ELECTED-230**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were no other major closing items in budget account (BA) 1094. There were seven other closing items:

1. Decision units Maintenance (M) 800 and Enhancement (E) 800, cost-allocations.
2. Decision unit E-127, unclaimed College Kick Start funds.
3. Decision unit E-275, College Kick Start Program.
4. Decision unit E-710, replacement equipment.
5. Technical adjustment regarding the Office of the Attorney General's cost-allocation funding.

6. Technical adjustment regarding fund transfers from the Endowment Account to the College Savings Trust account.
7. Assembly Bill (A.B.) 475.

Ms. Coffman said Fiscal Analysis Division staff recommended approval of other items 1 and 2 consistent with the decision made by the Committee on the related decision units in the College Savings Trust budget account, as recommended by the Governor, and that other item 4 be closed as recommended by the Governor. Other closing item 5 consisted of a technical adjustment to the Attorney General's cost-allocation plan.

Regarding other closing item 6, Ms. Coffman stated the Treasurer's Office received an actuarial study that indicated it should have a 120 percent funded ratio for the Nevada College Savings Trust. In fiscal year (FY) 2010, the Treasurer's Office received authority to provide a loan of \$5 million from the Endowment Account to support the College Savings Trust account. In addition, \$659,000 was transferred in FY 2011. The 2011, 2013, and the 2015 Legislatures provided fund transfers from the Endowment Account to the College Savings Trust account to continue supporting that account. In June 2016, an actuarial evaluation was completed and it was determined that the Trust solvency was at 130 percent, exceeding the 120 percent recommended by the actuarial evaluation.

Fiscal Analysis Division staff noted that the actuarial value of the College Savings Trust account's assets was projected to be \$275.4 million, which was a surplus of \$64.2 million. If the Committee made the decision to seek repayment of those funds from the Nevada College Savings Trust, Fiscal Analysis Division staff would request authority to make technical adjustments as necessary. Regarding other closing item 7, Fiscal Analysis Division staff also requested authority to make technical adjustments to BA 1094 based on the decision made regarding A.B. 475.

Ms. Coffman stated that Fiscal Analysis Division staff recommended approval of other closing items 1, 3, and 4 as recommended by the Governor; approval of other closing items 5, 6, and 7 with the noted technical adjustment authority; approval of other closing item 2 consistent with the closing recommendation approved by the Committee in the related decision unit included in the College Savings Trust budget account [BA 1092]; and authority for Fiscal Analysis Division staff to make any other technical adjustments as necessary.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE APPROVE OTHER CLOSING ITEMS 1, 3, AND 4 AS RECOMMENDED BY THE GOVERNOR; APPROVE OTHER CLOSING ITEMS 5, 6, AND 7 WITH THE NOTED TECHNICAL ADJUSTMENT AUTHORITY; APPROVE OTHER CLOSING ITEM 2 CONSISTENT WITH THE CLOSING RECOMMENDATION APPROVED BY THE COMMITTEE IN THE RELATED DECISION UNIT INCLUDED IN THE

COLLEGE SAVINGS TRUST BUDGET ACCOUNT [BA 1092]; AND  
AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE ANY  
OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank  
were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**TREASURER - HIGHER EDUCATION TUITION ADMIN (603-1081)**

**BUDGET PAGE ELECTED-237**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Fiscal Analysis Division staff was responsible for development of the closing recommendation for budget account (BA) 1081, which had not been previously heard by the Committee. There were no major closing issues in the budget and four other closing items.

Ms. Coffman stated that other closing item 4 was Assembly Bill (A.B.) 475, which would revise the revenue that currently funded the account. If that bill was approved, BA 1081 would no longer have a funding source. Fiscal Analysis Division staff would request authority to make any technical adjustment necessary contingent upon passage of A.B. 475.

Other closing items also included:

1. Decision units Maintenance (M) 800 and Enhancement (E) 800, cost-allocation.
2. Decision unit E-710, replacement equipment.
3. Technical adjustment regarding the Office of the Attorney General's cost-allocation.

Fiscal Analysis Division staff recommended approval of other closing items 1 and 2 as recommended by the Governor, with technical adjustments noted in other closing items 3 and 4, and with authority for Fiscal Analysis Division staff to make additional technical adjustments as necessary.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE APPROVE OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEMS 3 AND 4 INCLUDING THE TECHNICAL ADJUSTMENTS NOTED, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE ADDITIONAL TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**TREASURER - UNCLAIMED PROPERTY (101-3815)**

**BUDGET PAGE ELECTED-250**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were two major closing items in budget account (BA) 3815. Decision unit Enhancement (E) 230 recommended a new administrative assistant position to provide customer service and process claims at the Office of the State Treasurer's Unclaimed Property Division office in Las Vegas, which would be funded with abandoned property funds.

Ms. Coffman noted that there were two existing administrative assistant positions that currently performed the same duties; however, the Treasurer's Office indicated that it had spent approximately \$46,000 in fiscal year (FY) 2016 on temporary staff, and approximately \$1,200 in overtime expenditures to ensure that claims were processed within 90 days, as required by *Nevada Revised Statutes* (NRS) 120A.640.

During the previous hearing, the Treasurer's Office testified that it received approximately 75 percent of claims around the time that it posted an annual advertisement, and it was difficult to process the resulting influx of claims within 90 days. Currently, she said, the Treasurer's Office had a backlog of 2,066 claims and with the new position, the Treasurer's Office would be able to adequately address that backlog.

Fiscal Analysis Division staff noted that the Legislative Counsel Bureau conducted an audit of the Treasurer's Office in 2015, and one of the audit recommendations was that the Treasurer's Office needed better practices to ensure unclaimed property was properly distributed in a timely manner. The audit found there were a number of claims being processed that failed to meet the 90-day NRS provision.

Ms. Coffman stated that the Treasurer's Office recommended the elimination of an auditor position in its base budget, and that elimination would offset the cost associated with the new administrative assistant position. The salary for the auditor position would have been \$67,757 in FY 2018 and \$70,217 in FY 2019.

The decision was whether the Committee wished to approve the Governor's recommendation to add a new administrative assistant position to the Unclaimed Property Division in BA 3815.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYMAN SPRINKLE MOVED THAT THE COMMITTEE APPROVE THE GOVERNOR'S RECOMMENDATION TO ADD A NEW ADMINISTRATIVE ASSISTANT POSITION TO THE UNCLAIMED PROPERTY DIVISION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Ms. Coffman said the next major closing issue was a base budget contract adjustment. The Treasurer's Office was seeking a technical adjustment to add \$25,000 in each year of the biennium from the Abandoned Property Fund to address a base budget concern. During the adjusted base budget phase, Fiscal Analysis Division staff eliminated \$25,000 in the base budget because the Treasurer's Office had not provided sufficient justification for the expenditure. On March 23, 2017, the Treasurer's Office provided Fiscal Analysis Division staff with additional information related to the base budget expenditure.

In its November 2015 audit of the Unclaimed Property Division, the Audit Division, Legislative Counsel Bureau, reported that the Treasurer's Office Fast Track automated claims process did not have the means to verify the identity of a claimant. Because of that inability, one individual, who had since been arrested, was able to receive \$189,000 from filing fictitious property claims. The Audit Division recommended additional controls for Fast Track claims processing to help prevent and detect fraud.

To rectify that situation, the Treasurer's Office was seeking additional funding of \$25,000 so Xerox, the current vendor for the Fast Track System, could partner with LexisNexis to validate the claims of persons using the Fast Track system.

Ms. Coffman said the recommendation appeared reasonable to Fiscal Analysis Division staff; however, the funding was not included in The Executive Budget.

The decision was whether the Committee wished to approve \$25,000 to fund transfers each year from the Abandoned Property Fund to verify the identity of claimants who used the Fast Track automated claims processing system.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN SPIEGEL MOVED THAT THE COMMITTEE APPROVE \$25,000 TO FUND TRANSFERS EACH YEAR FROM THE ABANDONED PROPERTY FUND TO VERIFY THE IDENTITY OF CLAIMANTS WHO USED THE FAST TRACK AUTOMATED CLAIMS PROCESSING SYSTEM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

Ms. Coffman stated there were three other closing items:

1. Decision units Maintenance (M) 800 and Enhancement (E) 800, cost-allocation.
2. Decision unit E-226, notices and publications.
3. Decision unit E-710, replacement equipment.

Fiscal Analysis Division staff recommended that all other closing items be approved as recommended by the Governor and with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN SPIEGEL MOVED THAT THE COMMITTEE APPROVE OTHER CLOSING ITEMS 1, 2, AND 3 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**ELECTED OFFICIALS**  
**OFFICE OF WORKFORCE INNOVATION (101-1004)**  
**BUDGET PAGE ELECTED-88**

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that budget account (BA) 1004 was the Office of Workforce Innovation, Office of the Governor. The major closing item was the establishment of the Office of Workforce Innovation (OWINN).

The Governor recommended permanently establishing the Office of Workforce Innovation to elevate the focus on workforce development and provide statewide workforce development leadership strategy and coordination. The recommendation was to establish the budget through the addition of one new position; the transfer of four positions and operating costs from the Department of Employment, Training and Rehabilitation (DETR); and the transfer of costs associated with the State Apprenticeship Council from the Office of Labor Commissioner [BA 3900], Department of Business and Industry. In addition, the Nevada P-20 to Workforce Research Data System (NPWR) was recommended for transfer from DETR to OWINN.

Ms. Crocket stated that after considering technical adjustments completed by Fiscal Analysis Division staff, State General Fund appropriations of \$191,672 and federal Workforce Innovation and Opportunity Act (WIOA) funding of \$874,294 transfers from DETR were recommended over the upcoming biennium to support OWINN. State General Fund appropriations supported costs associated with apprenticeships, and WIOA funding would support other functions of the office. The following decision units were included in The Executive Budget to establish OWINN:

- Decision unit Enhancement (E)125 would add a new apprenticeship director position.
- Decision units E-503 and E-903 would transfer in three positions and associated costs from the DETR Workforce Development budget, adjust the funding source, increase operating costs, and establish cost-allocation.
- Decision units E-509 and E-909 would transfer in one position and associated costs from the DETR Research and Analysis budget, adjust the funding source, and reclassify a position.
- Decision unit E-900 would transfer in costs associated with the State Apprenticeship Council from the Office of Labor Commissioner, Department of Business and Industry.

Ms. Crocket noted that during the workforce development work session, the discussion was that workforce development activities were conducted by multiple entities throughout the



state, including the Governor's Workforce Development Board; the industry sector councils; DETR; the Department of Education; the Nevada System of Higher Education; the Office of Economic Development, Office of the Governor; the Office of Science, Innovation, and Technology, Office of the Governor; and the Department of Health and Human Services. Challenges cited with the current workforce development governance structure included limited cooperation and coordination among entities, which resulted in siloed workforce development efforts and a lack of resources focused solely on workforce development.

Ms. Crocket noted that in order to increase the focus on workforce development, the Governor issued Executive Order 2016-08 on March 16, 2016, which, among other things, established OWINN within the Office of the Governor. At its June 30, 2016, meeting the Interim Finance Committee (IFC) approved two work programs to fund OWINN in the DETR Employment Security Division budget in the 2015-2017 biennium with \$327,333 in WIOA funding. The IFC also approved costs for OWINN, which currently reported directly to the Governor's Office, including three contract employees and associated operating costs.

During that IFC meeting, the Office of the Governor indicated that its intent was to establish OWINN for the current biennium, and at that time, it was unknown whether OWINN would continue. However, The Executive Budget recommended permanently establishing OWINN within the Governor's Office as the entity to drive a skilled, diverse, and aligned workforce in Nevada by promoting collaboration and cooperation among all entities in the state that were focused on workforce development. That was part of the statewide development initiative to support the training and development of a competitive workforce composed of Nevadans who were equipped with the skills, credentials, and tools needed to meet the demands of the modern economy.

In addition, the Governor's Office indicated that the 2014 passage of the federal WIOA called for closer collaboration between education and workforce programs and the alignment of workforce and economic development goals. The establishment of OWINN would further the state's efforts to increase collaboration between those two activities. To establish OWINN, the Office of Finance, Office of the Governor, requested Senate Bill (S.B.) 516.

According to the Governor's Office, the overarching goals of the state's workforce development efforts were to prepare all K-12 students for college and career success; to increase the number of Nevadans with a postsecondary credential or college degree; and to increase employment outcomes in training and credential programs, with OWINN playing a central role in that strategy.

Ms. Crocket said the stated goals of OWINN were to address workforce needs through evidence- and outcome-based strategies, to develop career pathways strategy, to identify innovative workforce practices, and to recommend improvements in the allocation of workforce development funding. The responsibilities of OWINN were outlined in S.B. 516 and included:

- Identify, recommend, and establish policies related to workforce development.
- Work in coordination with the Office of Finance, Office of the Governor, to establish workforce development and diversification goals.
- Provide support to the Governor's Office, the Governor's Workforce Development Board, and the Industry Sector Councils on workforce development matters.
- Define career pathways, identify priority career pathways, and discontinue career pathways that did not meet certain criteria.
- Consult with the Governor's Workforce Development Board to identify credentials, workforce development programs, and education.
- Review the status and structure of local workforce development areas in coordination with the Governor and the Governor's Workforce Development Board.
- Maintain and oversee the Nevada P-20 to Workforce Research Data System (NPWR).
- Collect educational data to analyze student performance through employment to assist in improving the educational system and workforce training programs in the state.
- Oversee the State Apprenticeship Council and the state apprenticeship director.
- Suggest improvements regarding the allocation of funding to align workforce training and related educational programs in the state.
- Apply for and administer grants.
- Provide biennial reports to the Governor and Legislature regarding workforce development.

Ms. Crocket stated that S.B. 516 would also establish OWINN within the Office of the Governor; transfer NPWR to OWINN; transfer the State Apprenticeship Council from the Office of Labor Commissioner, Department of Business and Industry, to OWINN; require the Governor to appoint an OWINN executive director and a state apprenticeship director; and modify the structure of the State Apprenticeship Council to align with federal requirements.

The Governor's Office indicated that OWINN would work to streamline efforts among the Governor's Workforce Development Board; the industry sector councils; the local workforce

development boards; the Department of Education (NDE); the Nevada System of Higher Education (NSHE); the Department of Employment, Training and Rehabilitation (DETR); and the Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services (DHHS).

Ms. Crocket stated that during the work session, the Committees inquired to what degree OWINN would have authority over workforce development activities conducted in other state agencies. The Governor's Office indicated that OWINN would have direct authority over NPWR and the State Apprenticeship Council and would serve in a coordination and leadership role with other state agencies involved in workforce development. Although OWINN would not have direct authority over other state agencies, those agencies reported to the Governor, and according to the Governor, locating OWINN within the Governor's Office would create a level of responsiveness and accountability. Fiscal Analysis Division staff noted that NSHE was accountable to the Board of Regents rather than the Governor's Office.

Testimony by the Governor's Office at the work session indicated that the establishment of OWINN was the first step in realigning the state's workforce development activities. Future steps might include consolidating activities such as the Division of Welfare and Supportive Services' New Employees of Nevada (NEON) program, the Supplemental Nutrition Assistance Program (SNAP), and the Employment and Training (E&T) program; the Aging and Disability Services Division's Senior Community Service Employment program; and DETR programs within one department.

As with other positions in the Governor's Office, the Governor recommended nonclassified positions for OWINN, which would allow the Governor to determine the number and salaries of employees within the limits of money available for that purpose. Five nonclassified positions were recommended for OWINN, which included the director, an apprenticeship director, a senior economist, a program officer, and an administrative assistant. The recommended maximum salaries for those combined positions was \$371,434.

Ms. Crocket said the Governor recommended a new apprenticeship position in OWINN and the transfer of the State Apprenticeship Council from the Office of Labor Commissioner, Department of Business and Industry, to OWINN, which established OWINN as the entity responsible for working on apprenticeships in the state. The Governor's Office had indicated that locating duties related to apprenticeships within OWINN would maintain focus on apprenticeships as a workforce development tool for Nevada.

Fiscal Analysis Division staff noted that the State Apprenticeship Council appeared to be primarily regulatory in nature, which differed from OWINN's stated mission of providing statewide workforce development strategy and leadership. The OWINN state apprenticeship director would work to streamline DETR's ApprenticeshipUSA grant efforts.

Ms. Crocket noted that there appeared to be some degree of overlap between the duties of OWINN and the work conducted by the workforce development boards, which included the review of statewide policies, programs, and recommendations on actions to align workforce

development programs in a manner that supported a comprehensive and streamlined workforce development system. However, the Governor's Office noted that the Governor's Workforce Development Board was primarily focused on federal WIOA-funded activities, which comprised a narrow piece of the workforce system in Nevada, and OWINN would provide leadership across a broader spectrum of workforce development activities. The Governor's Office indicated that in the past, the Governor's Workforce Development Board might not have been as effective as possible, and it believed that providing a stronger coordinating staff within the Governor's Office would increase accountability, which could provide greater coordination among workforce development activities.

The P-20W Advisory Council recommended a position within the Governor's Office that would promote effective prekindergarten to third grade educational governance, analyze Nevada P-20 to Workforce Research Data System (NPWR) data, and make policy recommendations. It appeared that function would be partially fulfilled by the OWINN director in the 2017-2019 biennium. The Council's recommendation was supported by the Legislative Committee on Education in Bulletin No. 17-2 of the Summary Bulletin of Reports of the Legislative Commission to the 79th Session of the Nevada Legislature. It appeared that OWINN would be a key stakeholder in the system going forward and would use data generated by NPWR to make recommendations.

Ms. Crocket said The Executive Budget did not contain specific performance measures to track the activities of OWINN, other than those related to apprenticeships. During the work session, testimony by OWINN identified two quantifiable goals: (1) expand the number of apprenticeships in the state by 10 percent by 2019; and (2) increase the percentage of Nevadans aged 24 through 35 with a postsecondary credential to 60 percent by 2025. The OWINN indicated it was working with stakeholders of NPWR to develop meaningful reports, which would help provide data that quantified the success of the office. The primary role of leadership, coordination, and collaboration made it difficult for OWINN to quantify outcomes, and it continued working toward the development of measurements of success.

Ms. Crocket said that since OWINN was still developing its goals, the Committee might wish to issue a letter of intent instructing OWINN to provide semiannual reports to the Interim Finance Committee (IFC) concerning its efforts and achievements during the 2017-2019 biennium.

Fiscal Analysis Division staff had identified three technical adjustments, as follows:

1. In consultation with the Governor's Office, it was determined that the maximum salaries included in The Executive Budget for the recommended positions were lower than intended in some cases, and Fiscal Analysis Division staff had adjusted the understated salary costs to add \$38,004 using federal WIOA funding transferred from DETR.

2. The Executive Budget recommended locating the board and commission pay and operating costs associated with the State Apprenticeship Council in the standard personnel and operating categories; however, with OWINN's nonclassified staffing level, locating board and commission pay in the personnel category would make it difficult to calculate an appropriate amount of nonclassified salary in the future. Therefore, Fiscal Analysis Division staff had completed a technical adjustment to locate approximately \$2,692 in annual costs associated with the State Apprenticeship Council in a separate special-use category.

3. Ms. Crocket stated that the Administrative Services Division, Department of Administration, provided support services to a number of small state agencies, such as the Governor's Office. Fiscal Analysis Division staff asked the Office of Finance, Office of the Governor, whether the Administrative Services Division would provide administrative support to OWINN in the 2017-2019 biennium, and it was determined that it would. Therefore, Fiscal Analysis Division staff had completed technical adjustments to establish a \$10,000-per-year cost-allocation. The Office of Finance, Office of the Governor, had agreed with all technical adjustments.

Ms. Crocket said there were two options for consideration by the Committee:

- A. Approve the Governor's recommendation to establish the Office of Workforce Innovation in the Office of the Governor, including four nonclassified positions; fund a new nonclassified state apprenticeship director position; and transfer the State Apprenticeship Council from the Office of Labor Commissioner, Department of Business and Industry, contingent upon passage and approval of S.B. 516, or other enabling legislation, including technical adjustments.
- B. Do not approve the Governor's recommendation to establish the Office of Workforce Innovation.

If the Committee approved the Governor's recommendation, the Committee might wish to issue a letter of intent to require semiannual reporting to the Interim Finance Committee (IFC) concerning the efforts and achievements of the Office of Workforce Innovation.

Fiscal Analysis Division staff requested authority for technical adjustments to fund position salaries at a step 10 equivalent, locate State Apprenticeship Council expenditures in a special-use category, establish the Administrative Services Division cost-allocation, and make other technical adjustments as necessary.

Chair Carlton said there had been a great deal of discussion about the State Apprenticeship Council during the preceding hearings. She believed that the Council would remain a regulatory body after moving to OWINN.

Ms. Crocket explained that S.B. 516 indicated that the State Apprenticeship Council would remain a regulatory body.

Chair Carlton thanked everyone who had participated in the efforts to ensure that the Council was maintained at the proper level, and that there was a good regulatory structure in place. There was a great deal of information, and she asked whether there were further comments or questions from members of the Committee.

Assemblywoman Bustamante Adams commented that there were many moving pieces to the creation of the Office of Workforce Innovation (OWINN), and she had hoped that there would be a "bigger bite out of the apple"; however, creation of OWINN was a step in the right direction because the current workforce development system was very fragmented and the Legislature could do better to serve its constituents. She voiced appreciation for the leadership of several individuals who had worked diligently to move workforce development in the right direction.

There being no further comments or questions, Chair Carlton called for a motion.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED THAT THE COMMITTEE APPROVE OPTION A: APPROVE THE GOVERNOR'S RECOMMENDATION TO ESTABLISH THE OFFICE OF WORKFORCE INNOVATION IN THE OFFICE OF THE GOVERNOR, INCLUDING FOUR NONCLASSIFIED POSITIONS; FUND A NEW NONCLASSIFIED STATE APPRENTICESHIP DIRECTOR POSITION; AND TRANSFER THE STATE APPRENTICESHIP COUNCIL FROM THE OFFICE OF LABOR COMMISSIONER, DEPARTMENT OF BUSINESS AND INDUSTRY, CONTINGENT UPON THE PASSAGE AND APPROVAL OF SENATE BILL 516, OR OTHER ENABLING LEGISLATION, INCLUDING TECHNICAL ADJUSTMENTS; AND APPROVE A LETTER OF INTENT TO THE OFFICE OF WORKFORCE INNOVATION TO PROVIDE SEMIANNUAL REPORTS TO THE INTERIM FINANCE COMMITTEE CONCERNING THE EFFORTS AND ACHIEVEMENTS OF THE OFFICE AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO FUND POSITION SALARIES AT A STEP 10 EQUIVALENT, TO LOCATE STATE APPRENTICESHIP COUNCIL EXPENDITURES IN A SPECIAL-USE CATEGORY, TO ESTABLISH THE ADMINISTRATIVE SERVICES DIVISION COST-ALLOCATION, AND TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

Assemblyman Anderson wanted to ensure that the motion contained the letter of intent to the Office of Workforce Innovation. Chair Carlton said the original motion included the letter of intent and authorized Fiscal Analysis Division staff to make technical adjustments as necessary.

THE MOTION CARRIED. (Assemblymen Hambrick, Oscarson, and Swank were not present for the vote.)

BUDGET CLOSED.

\* \* \* \* \*

Chair Carlton stated that ended the budget closings for this hearing, and she opened the hearing on Assembly Bill 498.

**Assembly Bill 498: Makes an appropriation to the Division of Emergency Management of the Department of Public Safety for a joint field office to work with the Federal Emergency Management Agency on certain flood reimbursements. (BDR S-1172)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 498 made an appropriation to the Division of Emergency Management, Department of Public Safety for a joint field office to work with the Federal Emergency Management Agency (FEMA) on certain flood reimbursements. The bill included a State General Fund appropriation of \$351,938 to continue the joint field office to work with FEMA on flood reimbursements related to the 2017 floods. Ms. Jones stated that A.B. 498 was related to Assembly Bill (A.B.) 495 that was approved by the Committee on May 10, 2017, and that provided a one-time supplemental appropriation of \$70,387 for the current fiscal year.

The one-time appropriation in A.B. 498 for the 2017-2019 biennium appeared to be for the same purpose: the funds would continue the staffing available at the joint field office that was approved through A.B. 495. Ms. Jones said this was the second piece for the upcoming biennium to continue the activities of the joint field office.

Chair Carlton asked Mr. Cage if he would like to comment regarding A.B. 498.

Caleb S. Cage, Chief, Division of Emergency Management, and Homeland Security Advisor, Department of Public Safety, stated that Ms. Jones had encapsulated the overview of the bill. He reiterated that A.B. 498 was a continuation of A.B. 495 and would bring the total appropriation between the two bills for the continuation of the joint field office to \$422,325. That would enable the Division of Emergency Management to continue to serve local, tribal, and statewide jurisdictions in the reimbursement efforts for the flood recovery efforts associated with recent FEMA disaster reports.

Ms. Jones stated that A.B. 498 could be moved to the Senate, but it could not be passed out of the Senate until the Education Bill had been passed. That being the case, Chair Carlton informed Committee members that there would be several meetings in the next week to keep bills moving through the process.

Chair Carlton asked whether there was testimony to come before the Committee in support of, in opposition to, or neutral on A.B. 498. There being no further testimony, the Chair closed the hearing on A.B. 498 and opened the hearing on Assembly Bill 500.

**Assembly Bill 500: Makes an appropriation to the Account for the Governor's Portrait for the preparation and framing of a portrait of Governor Brian Sandoval. (BDR S-1190)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 500 made an appropriation to the Account for the Governor's Portrait for the preparation and framing of a portrait of Governor Brian Sandoval. The appropriation was for \$25,000.

Michael J. Willden, Chief of Staff, Office of the Governor, said he was present in support of the bill and looked forward to receiving the appropriation and completing the Governor's portrait.

Assemblywoman Titus asked whether the appropriation of \$25,000 was the standard cost for the Governor's portrait.

Mr. Willden said the last two appropriations were for \$20,000, and the final cost for the portraits of Governor Gibbons and Governor Guinn were approximately \$18,000 each.

Chair Carlton asked whether there was further testimony to come before the Committee in support of, in opposition to, or neutral on A.B. 500. There being no further testimony, the Chair closed the hearing on A.B. 500 and opened the hearing on Assembly Bill 502.

**Assembly Bill 502: Makes an appropriation to the Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities. (BDR S-1192)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 502 made an appropriation of \$80,000 to the Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities. The Account currently had a balance of \$15,151. At the beginning of the current fiscal year, the Account balance was \$38,108.



Chair Carlton asked whether there was anyone present in support of A.B. 502.

Vincent "Budd" Milazzo, Senior Deputy Treasurer, Office of the State Treasurer, stated that the Account was started in 1975 to provide pensions for Silicosis and diseases related to asbestos. Each year, the Employers Insurance Company of Nevada administered the Account for Pensions, and the amount was decreasing each year. Mr. Milazzo said the first year that he could find where payments had been made was in 1999 for \$185,000. The current payments were approximately \$36,000 per year, and he noted this was the first time the Treasurer's Office was seeking an appropriation.

Assemblywoman Titus asked whether the reason the amount continued to decrease was because persons exposed to silicosis and asbestos unfortunately were dying or no longer exposed to the danger.

Mr. Milazzo said there had been no new claimants; there were those who made claims when the Account was established, and over time, as persons or dependents died, the account funding decreased.

Chair Carlton asked how the amount of \$80,000 for the Account had been determined.

Mr. Milazzo said that in the past, the amount paid was \$38,000 in 2014, \$35,000 in 2015, and \$35,000 in 2016, and the amount of \$80,000 was an estimate for the next two years based on past claims. That \$80,000, he said, would cover the next two years.

Chair Carlton said A.B. 502 included language that the funds would revert if not used, and she wondered whether that was the intent or whether the Office of the State Treasurer would prefer that the funds be rolled over in the Account, so it could seek a lower appropriation from the 2019 Legislature.

Mr. Milazzo said that either way, he would need to approach the 2019 Legislature for additional funds, because the balance in the Account by that time would be approximately \$11,000. He could request either a new appropriation or an additional appropriation if the balance was rolled over.

Chair Carlton asked whether the funds currently balanced forward. Mr. Milazzo stated that was correct.

Chair Carlton asked whether there was further testimony to come before the Committee in support of, in opposition to, or neutral on A.B. 502. There being no further testimony, the Chair closed the hearing on A.B. 502 and opened the hearing on Assembly Bill 511.

**Assembly Bill 511: Makes an appropriation to the Millennium Scholarship Trust Fund.**  
**(BDR S-1209)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 511 would make an appropriation of \$20 million to the Millennium Scholarship Trust Fund from the State General Fund to ensure that the Millennium Scholarship Trust Fund remained solvent through the upcoming biennium.

James R. Wells, CPA, Director, Office of Finance, Office of the Governor, stated that A.B. 511 was an appropriation of \$20 million to the Millennium Scholarship Trust Fund so that the account could continue scholarship payments through the 2017-2019 biennium. The fiscal year (FY) 2017 revenue from tobacco sources was approximately \$15.7 million, and the Office of Finance anticipated that the tobacco funding would remain about the same over the upcoming biennium. The scholarship payments were approximately \$31.8 million in FY 2017, and the projection was for a 5 percent increase per year in scholarship payments for the upcoming biennium. Those payments would total about \$33.4 million in FY 2018 and \$35.1 million in FY 2019. Without the requested appropriation, the account would be short by approximately \$14 million. With the \$20 million appropriation, the current projection at the end of FY 2019 would be that the account would have a balance of approximately \$6.4 million.

Assemblyman Edwards asked for the number of students that received a Millennium Scholarship each year.

Mr. Wells replied there were currently about 22,000 eligible Millennium scholars and over 130,000 students in high school who would be making college choice decisions in the next four years.

Assemblyman Edwards said it appeared A.B. 511 would keep the Millennium Scholarship Fund solvent only for the next two years, and a similar request would need to be made to the 2019 Legislature.

Mr. Wells stated that was correct: the appropriation requested in A.B. 511 was just to get the Millennium Scholarship Fund through the upcoming biennium. It was likely that an additional appropriation would be needed in 2019.

Chair Carlton asked whether there had been discussions about locating another funding source for the Millennium Scholarship Fund.

Mr. Wells replied that there had been discussions about the Endowment Account. One of the sources proposed in Assembly Bill (A.B.) 475 was to move approximately \$4 million from the Endowment Account to the Millennium Scholarship Fund. He did not know whether that would be an annual amount, but the Endowment Account would add another source of funding going forward.

Chair Carlton asked whether there was further testimony to come before the Committee in support of, in opposition to, or neutral on A.B. 511. Hearing no response, the Chair closed the hearing on A.B. 511 and opened public comment.

Karen Gray, Citizen Outreach Director, Nevada Policy Research Institute, stated that there were several parents and students in Las Vegas who wanted to testify before the Committee, but they were in another hearing room. She asked whether it would be possible for her to advise those persons that the Chair had opened public comment.

Chair Carlton said that she would like to adjourn the hearing, but she would give Ms. Gray an opportunity to alert those persons. The Chair also advised that public comment would be limited to 2 minutes for each speaker.

Chair Carlton asked that testifiers sign the attendance roster for the meeting; she asked the first speaker to begin.

Jen Hainley stated she was the mother of a seven-year-old boy, and she had served in the U.S. Navy Reserve. Her husband was a member of the U.S. Air Force. She stated theirs was a very proud military family and they were happy to have served their country for the last 20 years. She explained that the average military child would move six to nine times during his or her K-12 school years. One of the biggest challenges for parents was trying to find the best learning environment for their child, and that was evident in Nevada, where relocating military parents were often faced with choosing among public schools that were overcrowded and underperforming, paying for private school tuition from their own pockets, or making the sacrifice to homeschool their children.

Ms. Hainley said that as her son began his school career, she and her husband had taken a close look at Nevada's schools to make certain that their son would not fall behind academically whether and when the Air Force took the family out of the Silver State. The Clark County School District was the fifth largest in the country, trying hard to educate 75 percent of the students in Nevada, but with many schools struggling to offer high-quality learning. In fact, last year Nevada's high school juniors ranked last in the nation for the American College Testing (ACT) scores. Up to 32,000 students tested and less than 10 percent of them scored high enough on all four parts of the exam to be considered ready for college. That equated to roughly one in ten Nevada high school juniors who were ready for college.

The trouble was not with the educators; Nevada's teachers were working hard every day doing their best and working long hours, yet complex concerns such as bureaucratic red tape and overcrowding were undermining their efforts. In fact, said Ms. Hainley, the current student-teacher ratio was 32:1 in fourth and fifth grades, 34:1 in middle school, and 33.5:1 in high school. Of the 217 Clark County elementary schools, 110 had kindergarten classes over the 21:1 ratio specified under Nevada law.

Much of the overcrowding could be alleviated by allowing parents to have more choice in where their children were educated. Nevada teachers deserved better, parents deserved better, and most assuredly, Nevada's children deserved better. Ms. Hainley asked the Committee to understand that education savings accounts (ESAs) were not about good or bad, but rather were about giving parents an educational choice.

Chair Carlton advised persons who wished to testify that public comment would be heard by the Committee for the next 15 minutes; there were members who had to get to their next meeting, and she noted that persons would be allowed 2 minutes to present testimony.

Lara Allen stated that ESAs were a win-win for everyone. There would be smaller class sizes, more one-on-one attention in public schools, an easing of teacher shortages, and since not one dime would be removed from public schools, the per-pupil funds would increase. Public schools would not have the responsibility for educating all children, but would retain all the funding for those children. While public schools worked well for many children, some children were not succeeding in public schools. The ESAs would allow parents who knew their child best to have more options to find a better educational fit for their child, and the child would receive what he or she needed to be successful. Teachers would also have more choices in their employment. Several private schools had opened because of the promise of ESA funding, and many more would open when the funding was available.

Ms. Allen said she looked forward to more specialized schools, and she stated that her sister would like to locate a school for children with autism. Overall, she believed that competition would produce better results for less money. According to current statistics, ESAs would be given to less than 1 percent of Nevada's students, would not cause a major impediment in public schools, and would dramatically improve the teacher ratio for children who had been struggling.

Ms. Allen said her son had struggled in school for a decade because of being gifted and having a learning disability. She stated she had tried literally every tuition-free option without success, and she could not afford private school. After applying for an ESA, she had enrolled her son in private school this school year, which required great personal sacrifice to pay the tuition because the ESAs ultimately were not funded. However, the difference in her son was amazing. Her son used to be miserable and failing and now he was in a very supportive environment at school, was motivated to succeed, and was very happy.

Ms. Allen asked that the Committee not take the ESAs away from children, and she hoped the Committee would grant Senate Bill (S.B.) 506 a hearing to fund ESAs.

Ms. Allen submitted an email to the Committee dated May 11, 2017, ([Exhibit C](#)), that she requested be made a part of the record; the exhibit was available on the Nevada Electronic Legislative Information System (NELIS).

Chair Carlton thanked Ms. Allen; however, she explained that S.B. 506 had not yet been referred to the Assembly Committee on Ways and Means and was not within its jurisdiction at the present time. That bill was currently being heard by the Senate, not the Assembly.

Savannah Allen stated that she was advocating for ESAs. Those savings accounts did not just benefit the wealthy. She stated she would speak for her friends and her peers. She and many of her friends would likely not be able to attend schools of their choice without ESAs. She wanted to let the Committee know that it was not only parents who wanted ESA funding, but as a freshman in high school, Ms. Allen said she wanted S.B. 506 to pass for her family, her friends, and herself. She stated that she needed ESAs to attend private school to cater to her educational needs as a girl with debilitating chronic migraine headaches that occurred almost daily. Ms. Allen said she would appreciate it if the Committee would hear S.B. 506.

Taliyah Wilson stated that she was 14 years old and had been a public school student since the eighth grade. She stated she had been denied her full educational potential because of overcrowding in her classroom and a lack of empathy from her teachers. Ms. Wilson said she had now found a school that would address her gifts, and she was able to attend that school because of ESA funding. She asked the Committee to hear S.B. 506 and help support ESAs so other children like her could have a chance for a good education.

Chair Carlton again reiterated that S.B. 506 had not yet been referred to the Committee on Ways and Means, and was not currently within its jurisdiction.

Randall Sparks stated he was present to represent 30 children and 9 families that had applied for school choice two years ago. While he understood that S.B. 506 was not in the Committee's jurisdiction, he wanted to ensure that ESAs were continued; he believed ESAs were constitutional, and he said there were many reasons why ESAs and school choice should be funded in Nevada. Mr. Sparks said ESAs helped many children and would not affect the school districts. The ESAs would create competition and address the hesitancy to shake up the "status quo," which in many cases would be good for everyone. Mr. Sparks said he and the other families believed in diversity and choice in America that was promoted in school districts and throughout society, so he wondered why parents could not choose where their children were educated.

Tiecha Ashcroft stated that she understood that S.B. 506 was not within the jurisdiction of the Committee; however, she wanted to state on the record that she supported the bill for ESAs for her children. She hoped that when the Committee heard the bill, that members would remember the parents who testified today in support of the bill and ESA funding.

Leah Sadler stated that she was aware S.B. 506 was not within the Committee's jurisdiction, but she wanted to place her comments on the record. Many children were struggling in public schools because teachers moved too fast. If ESA funding was available, children could go to private schools and understand more about the teachers. Ms. Sadler commented that if a student could not learn, he or she would not have a successful future. She stated that

she attended public school, and she was flooded with red marks that meant she had failed. She was now able to go to a new school and was doing "awesome," but sadly, some students in public schools were failing, and without ESA funding those students would continue to fail. Ms. Sadler emphasized that parents and children needed to have choices regarding education.

Melissa Sadler also wanted to place her remarks on the record. She stated she was present as a Nevada resident, a former public school teacher, and most important, the mother of three children. Ms. Sadler said she was also present as the voice for many families who were unable to attend the meeting today but desperately needed an educational choice, which would be provided by ESA funding. She stated she stood with the parents who applied to the ESA program because she knew that ESAs would make a difference in the lives of so many children, including her own.

Ms. Sadler said she tried local public education for her children for years. As a public school teacher, of course, she would have her children in public schools, but she realized how bored her oldest child was because of being advanced but not being challenged. When her middle daughter was diagnosed with learning disabilities, and services were denied because she was not doing "poorly" enough in school and had a higher IQ, Ms. Sadler said she was enraged. The average classroom was not working for her daughter and she tried everything, but until now, her daughter was slowly drowning. Her self-confidence was nonexistent because every paper was full of red marks, and she was the only child not to get an award at the end of the year.

Ms. Sadler asked the Committee to fast forward—her daughter was now 12 years old and was attending an amazing new school that worked wonders for her. She was scoring well, enjoying school, and taking the initiative to do work that Ms. Sadler never could have imagined. Sadly, her daughter's attendance at that school would likely cease to exist if ESA funding did not go forward. Families could not afford tuition, despite the fact that it was the most affordable option around. All children in Nevada deserved to have educational options that allowed them to reach their full potential regardless of family income or a student's ability. All children were different and one-size-fits-all education did not work. Ms. Sadler said she practiced what she preached as evidenced by the fact that her children attended different schools that met each of their individual needs.

Ms. Sadler asked that the Legislature stand up for Nevada's children and provide educational choices for all students.

Dr. Connie Stolworthy stated that she supported ESAs, and when S.B. 506 was referred to the Committee, she asked Committee members to consider the comments from parents today and give parents a choice.

Sherie Morris stated she had been a public school teacher, a homeschool mother, a private school teacher, a private school mother, and a public school mother and she had a plethora of experience in education. Ms. Morris said she had loved every one of her students, she loved

each of her own children, and she pleaded with the Committee to allow ESAs so every child would have a chance to fulfill his or her dreams and become productive members of society. The ESA funding would not hurt public schools.

Ms. Morris noted that her friends who were teachers were also desperate for help, and the ESA funding would help address the public school overcrowding problem. The ESA funding would provide better funding for public school teachers and give parents a chance to educate their children when public schools failed to work for them, so all children would have the chance to fulfill their dreams and become great leaders. Ms. Morris thanked the Committee for hearing testimony from those present today.

Chair Carlton asked whether there was further public comment to come before the Committee, and there was none.

The Chair closed public comment and adjourned the meeting at 10:12 a.m.

RESPECTFULLY SUBMITTED:

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Carol Thomsen  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

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

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of an email dated May 11, 2017, from Lara Allen, private citizen, Las Vegas, Nevada, to the Assembly Committee on Ways and Means regarding education savings account funding (Senate Bill 506).