

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

**Seventy-Ninth Session
April 27, 2017**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on K-12/Higher Education/CIP was called to order by Chair Maggie Carlton at 8:07 a.m. on Thursday, April 27, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Olivia Diaz, Vice Chair
Assemblyman Paul Anderson
Assemblyman Nelson Araujo
Assemblywoman Teresa Benitez-Thompson
Assemblyman John Hambrick
Assemblyman James Oscarson
Assemblywoman Ellen B. Spiegel

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator Moises Denis
Senator Ben Kieckhefer

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Adam Drost, Program Analyst
Kristina Shea, Program Analyst
Carol Thomsen, Committee Secretary
Lisa McAlister, Committee Assistant



After call of the roll, Chair Carlton opened the hearing regarding budget account 1540, Administration.

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - ADMINISTRATION (101-1540)
BUDGET PAGE ADMIN-222

Kristina Shea, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 1540 was previously heard on February 17, 2017, and there was one major closing item. The Executive Budget recommended the transfer of one unclassified deputy administrator position from BA 1540 to the Engineering and Planning budget account [BA 1562] within the State Public Works Division (SPWD), Department of Administration. The SPWD indicated that the position transfer was necessary because of the size of the Governor's recommended 2017 Capital Improvement Program (CIP).

The SPWD testified on February 17, 2017, that the role of the deputy administrator had shifted, and that position's time and efforts were mostly focused on oversight of the Engineering and Planning budget operations. Prior to the recommendation, the position was 90 percent funded from the Engineering and Planning budget account and 10 percent funded from the Buildings and Grounds Section's budget account. The associated position costs of \$150,642 in fiscal year (FY) 2018 and \$150,581 in FY 2019 were recommended to be entirely funded through inspection-fee revenue in the Engineering and Planning budget. The SPWD testified at the February hearing that the current SPWD Administrator had the capacity to assume direct oversight of the leasing services unit of the Building and Grounds Section.

The decision, said Ms. Shea, was whether the Subcommittees wished to approve the transfer of one unclassified deputy administrator position from BA 1540, Administration, to the Engineering and Planning budget account [BA 1562] within the SPWD, as recommended by the Governor.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE THE TRANSFER OF ONE UNCLASSIFIED DEPUTY ADMINISTRATOR POSITION FROM BUDGET ACCOUNT 1540, ADMINISTRATION, TO THE ENGINEERING AND PLANNING BUDGET ACCOUNT OF THE STATE PUBLIC WORKS DIVISION AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Chair Carlton asked for additional information regarding other closing item 4, Attorney General's (AG's) cost-allocation. She noted that the budget amendment pertaining to the AG cost-allocation for BA 1540 would also be included in other budget accounts and would be discussed again during budget closings.

Ms. Shea explained that budget amendment A172101540 was received on March 31, 2017. The amendment recommended a reduction to cost-allocation revenues of \$196,903 in FY 2018 and \$211,935 in FY 2019 to correct an error in the AG's cost-allocation plan. The AG's cost-allocation charges were duplicated in BA 1540, and the budget amendment would remove the duplicate charges related to the SPWD's dedicated construction counsel position. The AG's cost-allocation had been calculated in error because of that duplication of costs. A similar budget amendment would be submitted for other budgets that were affected by the duplication to reimburse those costs.

Regarding other closing items, Ms. Shea stated that Fiscal Analysis Division staff recommended that the Subcommittees:

- Defer action on other closing item 1, decision unit Enhancement (E) 671, salary adjustment for an information technology position, because decisions would be made at a later date regarding all statewide decision units.
- Approve other closing item 2, decision unit E-710, replacement equipment as recommended by the Governor.
- Approve other closing item 3, decision units E-500 and E-900, existing position transfers as recommended by the Governor.
- Approve closing item 4, AG's cost-allocation as amended by the Governor.

Fiscal Analysis Division staff requested authority to make technical adjustments as necessary.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES DEFER ACTION ON CLOSING ITEM 1, APPROVE CLOSING ITEMS 2 AND 3 AS RECOMMENDED BY THE GOVERNOR, APPROVE CLOSING ITEM 4 AS AMENDED BY THE GOVERNOR, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - ENGINEERING AND PLANNING (101-1562)
BUDGET PAGE ADMIN-228

Kristina Shea, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there had been a number of adjustments to the revenues and expenditures in budget account (BA) 1562. The budget was previously heard on April 14, 2017, and there was one major closing item related to the request for new project manager and building construction inspector positions.

Ms. Shea said a request had been received from the Office of Finance, Office of the Governor, on March 30, 2017, for the 11 new positions in the budget to be supported with inspection-fee revenues of \$1.2 million in both fiscal years of the 2017-2019 biennium. The request was for three new project manager positions and eight new building construction inspector positions and associated travel, training, and operating expenses to support the Governor's recommended 2017 Capital Improvement Program (CIP).

The State Public Works Division (SPWD) testified at the January 26, 2017, Legislative Commission's Budget Subcommittee hearing that the new positions were needed because of the anticipated level of services required to support the number and magnitude of the 2017 CIP projects.

In lieu of an amendment, the Office of Finance requested that the new positions be addressed via a technical adjustment. The SPWD testified during the April 14, 2017, budget hearing that the original proposed start date of July 1, 2017, for the new positions was incorrect, and all 11 positions were recommended to start effective October 1, 2017. Fiscal Analysis Division staff had made a technical adjustment that would correct the position start date and reduce revenues and expenditures from \$1.2 million to \$953,126 in fiscal year (FY) 2018.

The staffing levels for project manager and inspector positions were determined by the estimated hours needed over the upcoming biennium to provide services necessary to complete the SPWD's work on existing and recommended CIP projects. The Governor's recommended 2017 CIP included 92 projects at a total cost of \$344.5 million, additional agency projects, and 7 projects from the 2015 CIP, which SPWD anticipated would start construction during the 2017-2019 biennium. Because the position levels in BA 1562 were dependent on future action by the Subcommittees and the full money committees,

Fiscal Analysis Division staff requested authority to make technical adjustments to staffing levels based on the closing action in the 2017 CIP.

Ms. Shea stated the decision was whether the Subcommittees wished to approve inspection-fee revenues of \$953,126 in FY 2018 and \$1,202,534 in FY 2019 to fund three new project manager positions and eight new building construction inspector positions, and associated operating costs, as recommended by the Governor, with the aforementioned adjustment to change the start date of the positions to October 1, 2017.

Chair Carlton asked whether there were any questions or comments regarding the requested positions. It was somewhat odd to have position start dates amended via a technical adjustment rather than a budget amendment, but it would accomplish the needed change. She reiterated that Fiscal Analysis Division staff would require authority to make technical adjustments to staffing levels based on future closing actions of the Subcommittees and the full money committees regarding the 2017 CIP projects.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE INSPECTION-FEE REVENUES OF \$953,126 IN FISCAL YEAR 2018 AND \$1,202,534 IN FISCAL YEAR 2019 IN BUDGET ACCOUNT 1562 TO FUND THREE NEW PROJECT MANAGER POSITIONS AND EIGHT NEW BUILDING CONSTRUCTION INSPECTOR POSITIONS, AND ASSOCIATED OPERATING COSTS, AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE ADJUSTMENT TO CHANGE THE START DATE FOR THE POSITIONS TO OCTOBER 1, 2017, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO STAFFING LEVELS BASED ON FUTURE BUDGET CLOSING ACTIONS.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Chair Carlton asked whether there were any questions or comments from members of the Subcommittees regarding the other closing items, and there were none. Those closing items were:

1. Decision unit E-225, building standards code books.
2. Decision unit E-710, replacement equipment.

3. Decision units E-501 and E-901, position transfer.
4. Attorney General cost-allocation (budget amendment A172141562).
5. Base budget technical adjustment.

Ms. Shea noted that closing item 5 addressed a technical adjustment to the base budget regarding the start date of an existing project manager position in BA 1562. Fiscal Analysis Division staff recommended that other closing items 1 through 4 be approved as recommended and amended by the Governor and other closing item 5 be approved, including the noted technical adjustment, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 1 THROUGH 4 AS RECOMMENDED AND AMENDED BY THE GOVERNOR AND APPROVE OTHER CLOSING ITEM 5, INCLUDING THE BASE BUDGET TECHNICAL ADJUSTMENT, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - FACILITY COND & ANALYSIS (101-1560)
BUDGET PAGE ADMIN-233

Kristina Shea, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Fiscal Analysis Division staff was responsible for developing recommendations for budget account (BA) 1560. She noted that the budget had not previously been heard by the Subcommittees.

There were no major closing items in the budget. Other closing items were:

1. Decision unit Enhancement (E) 226, software purchase.
2. Decision unit E-227, replacement equipment.

3. Decision unit E-228, new equipment.
4. Decision unit E-710, replacement equipment.
5. Attorney General cost-allocation (budget amendment A172121560).

Ms. Shea noted that a technical adjustment had been made to other closing item 2.

Chair Carlton stated that other closing item 5 addressed budget amendment A172121560, pertaining to a reduction in the Attorney General's cost-allocation plan, as previously discussed. The Chair called for a motion to approve BA 1560 as recommended and amended by the Governor, with the technical adjustment noted in other closing item 2, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE BUDGET ACCOUNT 1560 AS RECOMMENDED AND AMENDED BY THE GOVERNOR, WITH THE TECHNICAL ADJUSTMENT NOTED IN OTHER CLOSING ITEM 2, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - BUILDINGS & GROUNDS (710-1349)
BUDGET PAGE ADMIN-238

Kristina Shea, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that budget account (BA) 1349 was previously heard on February 17, 2017. There was one major closing item, which was deferred maintenance projects. The Governor recommended building rent revenue of \$750,000 in each year of the 2017-2019 biennium for deferred maintenance projects.

There was a maintenance hold regarding the Blasdel Office Building in Carson City. The Governor was recommending building rent revenues of \$200,000 over the 2017-2019 biennium to fund various projects at that building. The projects included replacement of interior card-readers, interior lighting upgrades, window work, walkway and curb repairs, and routine improvements of vacant areas of the building.

The Buildings and Grounds (B&G) Section, State Public Works Division (SPWD), Department of Administration, had previously indicated that deferred maintenance projects were prioritized based on the following factors:

1. Projects that would provide the greatest benefit for B&G facilities.
2. The time line and anticipated completion of the project.
3. The potential for inclusion in future CIPs.
4. The importance of life-safety projects.
5. Availability of applicable project management staff.

Ms. Shea noted that the SPWD had a backlog of \$392.9 million in deferred maintenance projects, which excluded the Legislative Branch, Nevada System of Higher Education (NSHE), and Department of Transportation (NDOT) facilities.

The decision was whether the Subcommittees wished to approve building rent revenue of \$750,000 in each year of the 2017-2019 biennium to fund deferred maintenance and building renovation projects as recommended by the Governor.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE BUILDING RENT REVENUE OF \$750,000 IN EACH YEAR OF THE 2017-2019 BIENNIUM IN BUDGET ACCOUNT 1349 TO FUND DEFERRED MAINTENANCE AND BUILDING RENOVATION PROJECTS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Fiscal Analysis Division staff recommended that other closing items 1 through 4 be approved as recommended by the Governor, and other closing item 5 be approved as amended by the Governor, and authorize Fiscal Analysis Division staff to make technical adjustments as necessary. Those other closing items were:

1. State-owned building office rent rate increase/decrease.
2. Reserve level.

3. Decision units E-710 and E-715, replacement equipment.
4. Decision unit E-900, position cost transfer.
5. Attorney General's cost-allocation (budget amendment A172091349).

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 1 THROUGH 4 IN BUDGET ACCOUNT 1349 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEM 5 AS AMENDED BY THE GOVERNOR, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - MARLETTE LAKE (712-1366)
BUDGET PAGE ADMIN-245

Kristina Shea, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Fiscal Analysis Division staff was responsible for development of the recommendations for budget account (BA) 1366. The Subcommittees had not previously heard the budget.

Ms. Shea indicated there were no major closing items in the budget and the two other closing items appeared reasonable. Those other closing items were:

1. Decision unit E-715, replacement equipment.
2. Attorney General's cost-allocation (budget amendment A172131366).

Fiscal Analysis Division staff recommended that the Subcommittees approve budget account (BA) 1366 as recommended by the Governor, including the amendment noted in other closing item 2, 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.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE BUDGET ACCOUNT 1366 AS RECOMMENDED BY THE GOVERNOR, INCLUDING BUDGET AMENDMENT A172131366, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

EDUCATION
DEPARTMENT OF EDUCATION
NDE - EDUCATOR LICENSURE (101-2705)
BUDGET PAGE K-12 EDUCATION-74

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the first major closing item in budget account (BA) 2705 was the new educator licensure system, decision unit Enhancement (E) 285.

On April 4, 2017, the Interim Finance Committee (IFC) approved a work program that funded a replacement educator licensure system at a cost of \$650,000. The Department of Education (NDE) indicated that the new licensure system should be operational by the end of fiscal year (FY) 2018.

Because of IFC's approval of the system, Fiscal Analysis Division staff entered a technical adjustment to include the system operation and maintenance expenditures of \$670,600 in FY 2018 and \$144,000 in FY 2019.

The Subcommittees might wish to recommend a letter of intent to NDE to provide a report to IFC regarding the implementation of the new system. The NDE's report could provide a review of the licensure system project, including whether the project had been completed on time and within budget, the status of the transfer of data from the old system to the new system, and any outstanding concerns with the system and/or vendor. The NDE could provide its report to IFC no later than October 1, 2018, which should allow time for the new educator licensure system to become operational.

The decision, said Mr. Drost, was whether the Subcommittees wished to approve the technical adjustment to include the new educator licensure system operation and maintenance expenditures of \$670,600 in FY 2018 and \$144,000 in FY 2019 in BA 2705. Should the Subcommittees approve the technical adjustment, they might wish to recommend to the full money committees that a letter of intent be issued directing NDE to provide a report to

IFC no later than October 1, 2018, regarding the operation of the new educator licensure system.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE THE TECHNICAL ADJUSTMENT TO INCLUDE THE NEW EDUCATOR LICENSURE SYSTEM OPERATION AND MAINTENANCE EXPENDITURES OF \$670,600 IN FISCAL YEAR 2018 AND \$144,000 IN FISCAL YEAR 2019 IN BUDGET ACCOUNT 2705, AND THAT A LETTER OF INTENT BE ISSUED TO THE DEPARTMENT OF EDUCATION DIRECTING IT TO PROVIDE A REPORT TO THE INTERIM FINANCE COMMITTEE NO LATER THAN OCTOBER 1, 2018, REGARDING THE OPERATION OF THE NEW SYSTEM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Drost stated that the second major closing item was the new administrative assistant position, decision unit E-275. The Governor recommended a new administrative assistant position funded with reserve reductions of \$29,601 in FY 2018 and \$43,725 in FY 2019, which was net of an operating expense offset of \$10,027 in each fiscal year related to the elimination of a part-time contract position.

The NDE indicated the administrative assistance position would provide administrative support for the background-check program, which was currently staffed by a program officer position and a part-time contract position that performed various clerical duties. The new position would perform clerical duties such as data entry, filing, mailing, and limited customer service functions for applicants. The NDE currently contracted for those services; however, that position experienced frequent turnover, which in turn required frequent training. The new position would provide NDE with a consistent level of staffing. The NDE indicated that the number of background applications processed by the Office of Educator Licensure continued to increase.

Mr. Drost noted that the position would also perform arrest-tracking activities for licensed individuals. The *Nevada Revised Statutes* (NRS) and the *Nevada Administrative Code* (NAC) required school districts and charter schools to report the arrest of any licensed employee to NDE, unless the arrest was a misdemeanor that did not involve a minor, or was a minor traffic violation. The NDE currently tracked approximately 30 to 40 open court cases on an ongoing basis, and the new position would maintain a log of the current status of those cases.

Once a court case had been closed, the new position would notify the program officer, who would review all documentation and determine whether further action was required by NDE regarding the licensed individual. According to NDE, the position should shorten the application processing time by shifting some clerical and arrest-tracking duties from the program officer position; however, the Department was unable to quantify the expected reduction in processing time.

Mr. Drost noted that no equipment was budgeted for the new position, and NDE stated that was an oversight. Accordingly, Fiscal Analysis Division staff entered technical adjustments to include the necessary equipment for the position.

The decision was whether the Subcommittees wished to approve the Governor's recommendation for a new administrative assistant position for the Office of Educator Licensure funded through reserve reductions and the elimination of contract position costs, including the noted technical adjustment, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE THE GOVERNOR'S RECOMMENDATION FOR A NEW ADMINISTRATIVE ASSISTANT POSITION FOR THE OFFICE OF EDUCATOR LICENSURE IN BUDGET ACCOUNT 2705 FUNDED THROUGH RESERVE REDUCTIONS AND THE ELIMINATION OF CONTRACT POSITION COSTS, INCLUDING THE NOTED TECHNICAL ADJUSTMENT, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Drost said other closing items were:

1. Decision unit E-280, out-of-state travel, including technical adjustment by Fiscal Analysis Division staff.
2. Decision unit E-720, remote meeting software.
3. Base budget technical adjustment to update revenue projections, including technical adjustment by Fiscal Analysis Division staff.

Fiscal Analysis Division staff recommended that the Subcommittees approve other closing item 2 as recommended by the Governor, and approve other closing items 1 and 3 including technical adjustments, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEM 2 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEMS 1 AND 3 WITH 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 UNANIMOUSLY.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - STUDENT AND SCHOOL SUPPORT (101-2712)
BUDGET PAGE K-12 EDUCATION-100

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the first major closing item was decision unit Enhancement (E) 277, new program officer position.

The Governor recommended a new program officer position to support the federal 21st Century Community Learning Center (CCLC) grants. The grant provided funding to establish community learning centers that were designed to increase student performance in low-income schools by providing before- and after-school programs.

Including the proposed new position, a total of 3.8 full-time-equivalent (FTE) positions would perform duties associated with the grant, and the Department of Education (NDE) stated there were over 45 current program sites, with an additional 20 program sites projected to be added in fiscal year (FY) 2018.

Mr. Drost said that at the NDE budget hearing, the Superintendent of Public Instruction indicated that during a recent visit by the U.S. Department of Education, NDE had received a verbal recommendation that the state add personnel to its CCLC grant program. However, NDE had not received the final monitoring report from the U.S. Department of Education.

Fiscal Analysis Division staff noted that The Executive Budget did not include equipment or travel expenses for the new position, and NDE reported that was an oversight. Therefore, Fiscal Analysis Division staff entered technical adjustments to allow for those expenditures. However, as of the current date, Fiscal Analysis Division staff had been unable to determine whether the addition of the position would cause NDE to exceed its administrative allowance for the CCLC grant. Mr. Drost also noted that NDE recently reassigned an existing education programs professional position to the grant, and that position might be able to perform the additional workload recommended for the new program officer position.

Because of that reassignment, the Subcommittees might wish to consider not approving the new program officer position and direct NDE to approach the Interim Finance Committee (IFC) during the interim to seek funding for the position with documentation that the administrative allowance for the grant would support the new position, and the grant workload justified the addition of the new position. Mr. Drost said he had spoken with representatives from NDE, and the Department was in agreement with that approach.

The decision was whether the Subcommittees wished to not approve the Governor's recommendation for a new program officer position to support the federal 21st Century Community Learning Center (CCLC) grant using federal grant funds of \$79,869 in fiscal year (FY) 2018 and \$76,583 in FY 2019, inclusive of the technical adjustments noted by Fiscal Analysis Division staff, and direct NDE to approach IFC once it was determined that the federal funding and workload would support the addition of the position. Fiscal Analysis Division staff requested authority to enter other technical adjustments that might be necessary to ensure NDE did not exceed its administrative allowance in the 2017-2019 biennium.

Assemblywoman Benitez-Thompson wondered whether the aforementioned cap pertained only to the CCLC grant funding. Mr. Drost said there appeared to be some questions related to the new federal Every Student Succeeds Act (ESSA) and the requirements related to the cap associated with that Act.

Assemblywoman Benitez-Thompson said it appeared there would be additional information in the future, which would clarify the cap before approving the position and closing the budget.

Mr. Drost explained that the recommendation was to not approve the position, but NDE could approach IFC in the interim to request approval for that position if funding was available.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES NOT APPROVE THE GOVERNOR'S RECOMMENDATION FOR A NEW PROGRAM OFFICER POSITION TO SUPPORT THE FEDERAL 21ST CENTURY COMMUNITY LEARNING CENTER GRANT USING FEDERAL GRANT FUNDS OF \$79,869 IN FISCAL YEAR 2018 AND \$76,583 IN FISCAL YEAR 2019, INCLUSIVE OF THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL ANALYSIS DIVISION STAFF, DIRECT THE DEPARTMENT OF EDUCATION TO APPROACH THE INTERIM FINANCE COMMITTEE ONCE IT HAD DETERMINED THAT THE FEDERAL FUNDING AND WORKLOAD WOULD SUPPORT THE ADDITION OF THE POSITION, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO ENTER OTHER TECHNICAL ADJUSTMENTS THAT MIGHT BE NECESSARY TO ENSURE THAT THE DEPARTMENT OF EDUCATION DID NOT EXCEED ITS ADMINISTRATIVE ALLOWANCE IN THE 2017-2019 BIENNIUM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Drost said the second major closing item was decision unit Enhancement (E) 350, new grant for the antibullying hotline. The Governor recommended the continuation of an antibullying hotline for NDE funded by an annual \$83,197 grant from the Pacific Institute for Research and Evaluation (PIRE).

The 2015 Legislature passed Senate Bill 504 of the 78th Session (2015), which created the Office for a Safe and Respectful Learning Environment, and required that Office to maintain a 24-hour hotline and an Internet website so that persons could report incidents of bullying or cyberbullying. In addition, Senate Bill 338 of the 78th Session (2015) required that the Director of the Office for a Safe and Respectful Learning Environment establish a Safe-to-Tell program to enable the anonymous reporting of dangerous, violent, or unlawful activity or threatening behaviors at public schools.

Mr. Drost noted that in October 2015, the Interim Finance Committee (IFC) approved a fiscal year (FY) 2016 work program that funded a 24-hour, toll-free hotline through the Nevada Crisis Call Center, which was funded from the Educational Trust Account. However, at that time NDE indicated it would seek other funding sources because the Educational Trust Account was not a sustainable funding source.

Although The Executive Budget reflected annual PIRE grant awards of \$83,197, NDE reported its share of the total \$4.8 million PIRE grant recently awarded from the National Institute of Justice, U.S. Department of Justice, should total \$1.5 million over the four-year grant-award period, with projected grant revenue for NDE of \$365,376 in each

year of the 2017-2019 biennium. Those grant funds would not support any new positions for NDE. The PIRE grant would not only directly fund the Crisis Call Center, but would also fund a broader Safe-to-Tell program between the Crisis Call Center, the Department of Public Safety (DPS), and NDE.

Mr. Drost stated that through the Safe-to-Tell program, all initial reports of bullying, interpersonal violence, threats of school violence, concerns over suicide, and other concerns, would be received by DPS, which would use the P3 system [public, police, private sector], and an online anonymous tip line, similar to crime-stopper tip lines, to prioritize reports of bullying and other school safety concerns. The NDE said the Crisis Call Center currently received only phone calls and texts; however, the P3 system would allow individuals to also report events of bullying using the P3 application that would be marketed on social media sites such as Twitter, Instagram, and Snapchat.

The P3 system would be available 24 hours a day, 7 days a week. If a reported incident involved a crime and/or required involvement of law enforcement, DPS would communicate with local law enforcement partners to respond to the event. If a reported incident involved an immediate mental health concern, DPS would involve the Crisis Call Center and the mental health community in the response.

For other reported bullying and school safety events, the P3 system would assign the matter to the appropriate school district or school site through school-based teams established by school districts and charter schools in the state. Those teams would consist of teachers, administrators, counselors, social workers, and school-resource officers. The NDE stated that for bullying incidents, schools must contact the parent, put a safety plan in place, and investigate. Using PIRE grant funding, NDE anticipated the P3 system would be operational by September 2017.

Mr. Drost stated the PIRE grant program would also link the P3 system to school-based data systems such as Infinite Campus, which would enable NDE to track reported events and ensure that an appropriate response was provided in a timely manner. If a tip was substantiated, incident information would be loaded into NDE's statewide Infinite Campus system, which would allow it to track various statewide data that it currently had no means to collect on a consistent basis, including trends within a school or school district and incidents that led to suspension or expulsion. The PIRE organization would monitor the various activities supported by the grant because the Safe-to-Tell program was funded through a research grant.

The decision was whether the Subcommittees wished to approve the revised amount for the PIRE grant of \$365,376 in each year of the 2017-2019 biennium to fund the Safe-to-Tell program, wherein all initial reports of bullying, interpersonal violence, threats of school violence, concerns over suicide, and related concerns would be received by DPS, which

would use the P3 system—an online, cloud-based, anonymous tip line—to prioritize reports of bullying and other school-safety concerns.

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

ASSEMBLYWOMAN SPIEGEL MOVED THAT THE SUBCOMMITTEES APPROVE A REVISED AMOUNT FOR THE PACIFIC INSTITUTE FOR RESEARCH AND EVALUATION GRANT OF \$365,376 IN EACH YEAR OF THE 2017-2019 BIENNIUM TO FUND THE SAFE-TO-TELL PROGRAM, WHEREIN ALL INITIAL REPORTS OF BULLYING, INTERPERSONAL VIOLENCE, THREATS OF SCHOOL VIOLENCE, CONCERNS OVER SUICIDE, AND RELATED CONCERNS WOULD BE RECEIVED BY THE DEPARTMENT OF PUBLIC SAFETY, WHICH WOULD USE THE P3 SYSTEM—AN ONLINE, CLOUD-BASED, ANONYMOUS TIP LINE—TO PRIORITIZE REPORTS OF BULLYING AND OTHER SCHOOL SAFETY CONCERNS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Drost stated that other closing items 1 through 5 included the following:

1. Revision to position funding in the base budget.
2. Decision units E-501 and E-901, transfer of administrative assistant position.
3. Decision unit E-710, replacement technology equipment.
4. Decision unit E-720, new and replacement software.
5. Decision unit E-910, transfer of the Office for a Safe and Respectful Learning Environment.

Mr. Drost noted that there was a technical adjustment in other closing item 2 regarding the funding for a position that was transferred into the budget. Fiscal Analysis Division staff requested authority to make technical adjustments for other closing item 5, depending upon the decision by the Subcommittees in budget account (BA) 2721, Safe and Respectful Learning, and the decision by the Subcommittees regarding the PIRE grant project.

Fiscal Analysis Division staff recommended approval of other closing items 1, 3, and 4 as recommended by the Governor, approval of other closing item 2 with the noted technical

adjustment, 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.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 1, 3, AND 4 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEM 2 WITH THE NOTED TECHNICAL ADJUSTMENT, AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR OTHER CLOSING ITEM 5 DEPENDING ON THE DECISION BY THE SUBCOMMITTEES IN BUDGET ACCOUNT 2721, SAFE AND RESPECTFUL LEARNING, AND THE PIRE GRANT PROGRAM, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - SAFE AND RESPECTFUL LEARNING (101-2721)
BUDGET PAGE K-12 EDUCATION-98

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there were two major closing items in budget account (BA) 2721. The first was decision unit Enhancement (E) 910, which would create a new budget for the Office for a Safe and Respectful Learning Environment. The Governor's recommendation would transfer four positions, State General Fund appropriations of \$906,171, and federal grant funds of \$6.7 million over the 2017-2019 biennium from the Student and School Support budget account [BA 2712] to a new budget account (BA) 2721. The four positions that would be transferred participated in the Department of Education's (NDE) antibullying effort. According to NDE, creating a separate budget would allow the revenue expenditures associated with the Office for a Safe and Respectful Learning Environment and antibullying activities to be isolated.

The decision, said Mr. Drost, was whether the Subcommittees wished to approve the Governor's recommendation to establish a new budget for the Office for a Safe and Respectful Learning Environment, transfer four positions, State General Fund appropriations of \$906,171, and federal grant funds of \$6.7 million in the 2017-2019 biennium from the Student and School Support budget account to the new budget account for the Office for

a Safe and Respectful Learning Environment, and authorize Fiscal Analysis Division staff to make any necessary technical adjustments.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE THE GOVERNOR'S RECOMMENDATION TO ESTABLISH A NEW BUDGET FOR THE OFFICE FOR A SAFE AND RESPECTFUL LEARNING ENVIRONMENT, TRANSFER FOUR POSITIONS, STATE GENERAL FUND APPROPRIATIONS OF \$906,171, AND FEDERAL GRANT FUNDS OF \$6.7 MILLION IN THE 2017-2019 BIENNIUM FROM THE STUDENT AND SCHOOL SUPPORT BUDGET TO THE NEW BUDGET ACCOUNT FOR THE OFFICE FOR A SAFE AND RESPECTFUL LEARNING ENVIRONMENT, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Drost stated the second major closing item was technical adjustments for consideration by the Subcommittees. When creating the Office for a Safe and Respectful Learning Environment, the 2015 Legislature also approved funding to support the three statutory provisions related to the prevention of bullying. Those items were not currently recommended in The Executive Budget for the 2017-2019 biennium.

The first item was related to *Nevada Revised Statutes* (NRS) 388.1325, which created the Bullying Prevention Account to provide grant funding to school districts to establish programs to create a school environment that was free from bullying and cyberbullying. The 2015 Legislature approved funding of \$70,000 in fiscal year (FY) 2016 and \$45,000 in FY 2017 to fund bullying prevention grants. The Department of Education (NDE) indicated that bullying prevention grant funds were not awarded in FY 2016 because NDE was still developing its model antibullying policy for use by school districts.

Because those grant funds were not awarded in the base year, the funding was not included in The Executive Budget for the 2017-2019 biennium. According to NDE, the request to restore the funding for bullying prevention grants was inadvertently omitted from its biennial budget request. The NDE had completed the development of its model antibullying policy and requested that annual funding of \$45,000, which was equivalent to the FY 2017 legislatively approved funding level, be continued in the 2017-2019 biennium to provide bullying prevention grants to school districts.

The second closing item was related to NRS 388.1342, which required NDE to establish training programs on methods to prevent, identify, and report incidents of bullying and cyberbullying that would be provided to members of the State Board of Education, school district boards of trustees, and administrators, to prevent violence and suicide associated with bullying and cyberbullying. The 2015 Legislature approved State General Fund appropriations of \$15,000 in FY 2017 to establish the required training programs on bullying, violence, and suicide prevention.

The NDE indicated that \$19,680 was spent in FY 2016 for training literature. Those expenditures were inadvertently omitted in the transfer decision unit to the new Safe and Respectful Learning budget. The remaining expenditures were incorrectly funded with federal grant revenue in the Student and School Support budget. The NDE requested that annual funding of \$15,000 be continued in the budget for the upcoming biennium; however, it appeared The Executive Budget only included \$5,642 in each year of the biennium for antibullying training. Accordingly, NDE requested additional State General Fund appropriations of \$9,358.

Mr. Drost stated that the third item was related to NRS 388.1341, which required NDE to develop an informational pamphlet to assist students and parents in resolving incidents of bullying and cyberbullying. The 2015 Legislature approved State General Fund appropriations of \$23,330 in FY 2016 and \$13,304 in FY 2017 to fund the costs of the informational pamphlet about the prevention of bullying. The NDE requested that the additional funding of \$13,000 be continued in the 2017-2019 biennium to provide training on bullying laws and prevention, including the use of a social media campaign targeting students.

The NDE indicated grant funding would be used to provide other training and printed material in the 2017-2019 biennium; however, the identified grant funding was generally associated with responding to bullying while the requested State General Fund appropriations would be used to support general bullying-prevention activities. The NDE stated it would incorporate social-emotional learning strategies in its bullying-prevention activities, which would assist students in developing relationship skills, managing emotions, and being empathetic.

Should the Subcommittees wish to approve NDE's request, additional State General Fund appropriations of \$67,358 would be required in each year of the 2017-2019 biennium to provide the continued level of funding provided by the 2015 Legislature.

Mr. Drost noted that NRS 388.1325 required the creation of a Bullying Prevention Account within the State General Fund to provide grant funding to school districts. Should the Subcommittees wish to provide funding for bullying prevention grants to school districts, Fiscal Analysis Division staff would request authority to create a new Bullying Prevention Account budget and place the funding in that new budget.

The decision was whether the Subcommittees wished to approve additional General Fund appropriations of \$67,358 in each year of the 2017-2019 biennium to continue the funding for grants to school districts, training programs, informational pamphlets, and a social media campaign to prevent bullying. If so, Fiscal Analysis Division staff would request authority to enter technical adjustments that included establishment of the new expenditures in a separate expenditure category in budget account (BA) 2721, create a new Bullying Prevention Account budget, enter technical adjustments for the new expenditures that were incorrectly funded and reflected in the Student and School Support budget, and make other technical adjustments as necessary.

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

ASSEMBLYWOMAN SPIEGEL MOVED THAT THE SUBCOMMITTEES APPROVE ADDITIONAL STATE GENERAL FUND APPROPRIATIONS OF \$67,358 IN EACH YEAR OF THE 2017-2019 BIENNIUM TO CONTINUE THE FUNDING FOR GRANTS TO SCHOOL DISTRICTS, TRAINING PROGRAMS, INFORMATIONAL PAMPHLETS, AND A SOCIAL MEDIA CAMPAIGN TO PREVENT BULLYING, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO ENTER TECHNICAL ADJUSTMENTS INCLUDING ESTABLISHMENT OF THE NEW EXPENDITURES IN A SEPARATE EXPENDITURE CATEGORY IN BUDGET ACCOUNT 2721, CREATE A NEW BULLYING PREVENTION ACCOUNT BUDGET FOR ANTIBULLYING GRANT FUNDING, ENTER TECHNICAL ADJUSTMENTS FOR THE NEW EXPENDITURES THAT WERE INCORRECTLY FUNDED AND REFLECTED IN THE STUDENT AND SCHOOL SUPPORT BUDGET, AND MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton declared the meeting in recess at 8:57 a.m. and reconvened the hearing at 9:18 a.m. The Chair opened the hearing on budget account (BA) 2676.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - CAREER AND TECHNICAL EDUCATION (101-2676)
BUDGET PAGE K-12 EDUCATION-114

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there were no major closing items in budget account (BA) 2676. Other closing

item 1 included decision units Enhancement (E) 280 and E-906, transfer of support for the Career and Technical Education (CTE) student organizations.

The Governor recommended transferring CTE support totaling \$133,002 in each year of the 2017-2019 biennium from BA 2676 to the Other State Education Programs budget (BA 2699). However, the Department of Education (NDE) recently determined the transfer might increase the state's maintenance of effort (MOE) for the federal Carl D. Perkins grant. The NDE indicated it would review that issue during the 2017-2018 interim. Therefore, NDE requested that decision units E-280 and E-906 in other closing item 1 be eliminated from BA 2676 because of the possible increase in the MOE requirement. Mr. Drost said Fiscal Analysis Division staff entered technical adjustments to eliminate those decision units from BA 2676, which were reflected in the closing adjustments for the budget.

Regarding other closing item 2, Fiscal Analysis Division staff entered a technical adjustment for the New Skills for Youth grant, decision unit E-281, which was approved by the Interim Finance Committee (IFC) in April 2017.

Fiscal Analysis Division staff recommended other closing item 3, decision unit E-710, replacement technology equipment, and other closing item 4, decision unit E-720, new remote meeting software, be approved as recommended by the Governor, and other closing items 1 and 2 be closed with the noted technical adjustments, 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.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 3 AND 4 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEMS 1 AND 2 WITH THE NOTED TECHNICAL ADJUSTMENTS IN BUDGET ACCOUNT 2676, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Benitez-Thompson and Senator Kieckhefer were not present for the vote.)

EDUCATION

DEPARTMENT OF EDUCATION

NDE - STANDARDS AND INSTRUCTIONAL SUPPORT (101-2675)

BUDGET PAGE K-12 EDUCATION-57

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the major closing item was a contract program director position and consulting services for the Nevada Ready 21 (NR 21) technology plan. In the base budget, the Governor recommended the continuation of one contract program director position funded with annual State General Fund appropriations of \$120,000 and the continuation of consulting services with annual State General Fund appropriations of \$50,000 to support the NR 21 technology grant program.

The NR 21 program would initiate statewide one-to-one student computing, which would provide students and teachers with 24-hour access to their own personal, portable technology device connected wirelessly to the Internet. The 2015 Legislature approved State General Fund appropriations of \$20 million over the 2015-2017 biennium for the NR 21 grant program, and the Governor recommended the continuation of the NR 21 grant program funding of \$20 million over the 2017-2019 biennium.

Mr. Drost stated that the 2015 Legislature approved State General Fund appropriations of \$120,000 in each year of the 2015-2017 biennium to fund one contract program director position. The Department of Education (NDE) indicated that the NR 21 grant program was recommended to continue at the same level of funding; therefore, the same level of staff would be required to ensure the program's sustainability.

The NDE also stated that the contract program director position was necessary to ensure the success of the NR 21 grant program. The program director position coordinated the activities of the program's state team, leveraged opportunities to maximize the effect of the program for each school, worked with implementation teams from participating schools, and worked with vendors to ensure the most effective services were available. The program director position collaborated with NDE's education programs professional position that was responsible for the state's education technology to carry out the program.

According to NDE, the elimination of the contract program director position could potentially result in miscommunication and a lack of coordination among the state's team members, participating schools, and vendors and could result in a lack of adequate planning for the program.

Mr. Drost said since the NR 21 grant program's inception in fiscal year (FY) 2016, two individuals had held the contract program director position, which was currently filled by a former state employee who worked full-time. However, it appeared that the duties and responsibilities of the contract program director position could be performed by a full-time

state employee at a lower cost. Fiscal Analysis Division staff discussed that alternative with NDE, and it indicated that a state education programs professional position could perform the services that were currently being performed by the contract program director position.

Fiscal Analysis Division staff calculated that the cost of one full-time education programs professional position would be \$220,323 over the 2017-2019 biennium, which was \$19,677 less than the \$240,000 that was currently recommended for the contract program director position over the biennium. In addition, the 2015 Legislature approved \$10,000 for program operating costs, which were recommended to be continued and would be available for the program. Reclassifying the position might also positively affect the retention rate of the position because full-time employment might be perceived as more stable than a contract position.

Because of the Governor's recommendation to continue the Nevada Ready 21 Technology Grant program during the 2017-2019 biennium, and the savings in State General Fund appropriations, the Subcommittees might wish to consider replacing the contract program director position with a state education programs professional position. Accordingly, said Mr. Drost, there were two options for consideration by the Subcommittees:

- A. Approve the Governor's recommendation to continue one contract program director position funded in the base budget with General Fund appropriations of \$240,000 over the 2017-2019 biennium.
- B. Replace the contract program director position with one full-time state education programs professional position for a total salary and benefit cost of \$220,323, which would result in State General Fund savings of \$19,677 over the 2017-2019 biennium.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OPTION B IN BUDGET ACCOUNT 2675: REPLACE THE CONTRACT PROGRAM DIRECTOR POSITION WITH ONE FULL-TIME STATE EDUCATION PROGRAMS PROFESSIONAL POSITION AT A TOTAL SALARY AND BENEFIT COST OF \$220,323, WHICH WOULD RESULT IN STATE GENERAL FUND SAVINGS OF \$19,677 OVER THE 2017-2019 BIENNIUM.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

Chair Carlton asked whether there was discussion regarding the motion.

While Assemblyman Anderson appreciated the opportunity to locate savings within the budget, his concern was with the ramp-up time for the new position. The pilot program had

been up and running for the past two years, and the current contract director had helped deploy and run the pilot program. He hoped there would be no "hiccups" during the transition. He stated he would support the motion.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

Mr. Drost stated the 2015 Legislature approved annual State General Fund appropriations of \$50,000 in each year of the 2015-2017 biennium for consulting services to provide mentoring services for the Nevada Ready 21 (NR 21) Technology Grant Program, and the Governor recommended the continuation of those expenditures in the base budget. The consulting services worked directly with the contract program director position to develop a strategic plan for the NR 21 grant program rollout and implementation, provided guidance with the request for proposal (RFP) process to solicit school district applications, and assisted with the review of the school district applications during the 2015-2016 interim.

The NDE believed that continued funding for the consulting services was necessary because of the ongoing initiation of Cohort 1 schools (those schools that received funding in the 2015-2017 biennium) in the second and third year of operations, which required periodic meetings with school principals to discuss active leadership and potential resources for program sustainability. The NDE anticipated it would conduct a second RFP in fiscal year (FY) 2018 that would establish Cohort 2 schools.

The consulting services contract, which was approved by the State Board of Examiners on May 10, 2016, stated that the services would include strategic planning for the program rollout and implementation, development of an RFP to solicit school district applications, and development of administrator and teacher programs. However, it appeared that the NR 21 grant program had been fully implemented during the 2015-2016 interim, and the RFP process had been established.

Because the NR 21 grant program would continue an existing program in the upcoming biennium, as opposed to establishing a new program, Fiscal Analysis Division staff was unable to determine whether the continuation of the consulting services at the same level of funding approved by the 2015 Legislature, \$50,000 in each year of the biennium, was reasonable. After reviewing the current contract, Fiscal Analysis Division staff estimated approximately half of the contract expenditures would be used for ongoing services, including professional development.

Accordingly, the Subcommittees might wish to consider a reduction of the costs for consulting services because the program had now been established, and would be continuing in the upcoming biennium. If the Subcommittees chose to reduce the consulting expenditures from \$50,000 to \$25,000 in each year of the 2017-2019 biennium, it would

provide the expenditures necessary for NDE to continue ongoing professional development with the entities that received funding through the NR 21 grant program.

Therefore, there were two options for consideration by the Subcommittees:

- A. Approve the Governor's recommendation for State General Fund appropriations of \$50,000 in each year of the 2017-2019 biennium to continue the consulting services for the Nevada Ready 21 grant program.
- B. Approve the continuation of the consulting services for the NR 21 program; however, reduce the expenditures to \$25,000 in each fiscal year of the 2017-2019 biennium because the program had been implemented and established, thereby eliminating the need for the initial implementation and request for proposal services from the consultant, which would result in State General Fund savings of \$50,000 over the 2017-2019 biennium.

Assemblywoman Diaz asked whether Cohort 1 schools would no longer be supported. She wondered whether the support was only in the initial phase of the NR 21 program.

Mr. Drost said it was his understanding that Cohort 1 schools would continue to be supported, and additional schools would be added through Cohort 2. However, it appeared that the program processes had been established with Cohort 1, and that could provide the State General Fund savings in the upcoming biennium.

Chair Carlton said it was her understanding that because the program was up and running, start-up funding was not needed, and the costs would be for the continuation of the program; however, Fiscal Analysis Division staff was not able to verify whether continuing the funding level at \$50,000 in each year of the biennium was reasonable.

Assemblyman Anderson stated that he was a member of the Commission on Education Technology during the 2015-2017 biennium. He asked whether the consulting company was the same as the company that provided the laptop computers, the support, and the ongoing maintenance.

Mr. Drost explained that the consulting services would be provided by a separate company. It was his understanding that there were separate vendors for the devices and the consulting services.

Assemblyman Anderson said there would be some ramp-up time involved; the implementation had been completed, but establishing best practices took some time and consulting services were critical. It had taken almost one year to get the devices into the schools after approval by the 2015 Legislature, and a great deal of training remained. However, he would defer to Fiscal Analysis Division staff's recommendation.

Chair Carlton believed that the program would continue to move forward, and \$25,000 was the amount that would actually be needed to move the program forward without the initial start-up costs. The Chair believed that any future problems could be addressed through the Interim Finance Committee.

Senator Denis mentioned that there was Nevada Ready 21 legislation in the Senate Education Committee, and there had been a hearing on that legislation. He did not know whether that bill would affect the budget, but some changes had been recommended.

Chair Carlton asked whether the legislation was Senate Bill 467, and Senator Denis stated that was correct.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OPTION B IN BUDGET ACCOUNT 2675: CONTINUE THE CONSULTING SERVICES FOR THE NEVADA READY 21 PROGRAM; HOWEVER, REDUCE THE EXPENDITURES TO \$25,000 IN EACH FISCAL YEAR OF THE 2017-2019 BIENNIUM BECAUSE THE PROGRAM HAD BEEN ESTABLISHED, THEREBY ELIMINATING THE NEED FOR THE INITIAL IMPLEMENTATION AND REQUEST FOR PROPOSAL SERVICES FROM THE CONSULTANT, WHICH WOULD RESULT IN STATE GENERAL FUND SAVINGS OF \$50,000 OVER THE 2017-2019 BIENNIUM.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

Assemblywoman Diaz wanted to be clear that if for some reason the \$25,000 was not sufficient to complete the work for Cohort 2 schools, the Department of Education could approach the Interim Finance Committee (IFC) and request additional funding.

Chair Carlton believed that was correct; agencies receiving State General Fund appropriations could approach IFC for additional funding.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

Mr. Drost stated that other closing items included:

1. Base budget technical adjustment.
2. Decision units E-275 and E-490, expiration of federal math and science partnership grant.

3. Decision unit E-710, replacement technology equipment.
4. Decision unit E-720, remote meeting software.
5. Decision unit E-901, transfer of administrative assistant position.

Mr. Drost explained that other closing item 1 was a base budget technical adjustment to move the external evaluation of the NR 21 grant program into a separate category, which was consistent with other Department of Education budgets.

Fiscal Analysis Division staff recommended other closing item 1 be approved with the noted technical adjustment, and other closing items 2 through 5 be approved as recommended by the Governor, 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.

SENATOR DENIS MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEM 1 WITH THE NOTED TECHNICAL ADJUSTMENT AND APPROVE OTHER CLOSING ITEMS 2 THROUGH 5 AS RECOMMENDED BY THE GOVERNOR IN BUDGET ACCOUNT 2675, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

EDUCATION
DEPARTMENT OF EDUCATION
NDE - DATA SYSTEMS MANAGEMENT (101-2716)
BUDGET PAGE K-12 EDUCATION-68

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the major closing item was decision unit Enhancement (E) 275, enhancements to the Nevada School Performance Framework.

The Governor recommended continued vendor support for the various Department of Education (NDE) data systems, and the creation of a new Nevada Accountability Portal, funded by State General Appropriations of \$400,000 in each year of the 2017-2019 biennium. It should be noted that since The Executive Budget was prepared, NDE requested technical adjustments to reduce the amounts to \$262,912 in fiscal year

(FY) 2018 and \$262,303 in FY 2019 and use the revised funding for master service agreement (MSA) contractor positions to maintain the NDE's Bighorn Portal. The Bighorn Portal was the system used by NDE to collect data from school districts and charter schools for its various data systems. The Department maintained various data systems, including:

1. Nevada Accountability Report Card.
2. Nevada School Performance Framework.
3. Cohort Graduation Rate.
4. Alternative Performance Framework.
5. Nevada Growth Model of Student Achievement.
6. Nevada Growth Model of Student Language Proficiency for English Learners.
7. EdFacts Reporting (various education data compiled by the U.S. Department of Education).

According to NDE, the computing platform used by the Bighorn Portal was maintained by NDE information technology (IT) staff; however, NDE supplemented its IT staff with MSA contractors with specialty and advanced skills. The NDE indicated the MSA contractors would be needed on an intermittent basis, depending on new system requirements, software upgrades, current projects, and system interruptions. Additionally, the MSA positions would also assist Nevada in complying with the recently enacted Every Student Succeeds Act (ESSA), which placed greater emphasis on the collection and reporting of educational data.

Fiscal Analysis Division staff noted that NDE incurred expenditures of \$278,632 in FY 2016 for MSA contract positions, with federal Longitudinal Data System grant funding providing \$174,518 of those costs. The technical adjustments would continue a similar level of expenditures in the 2017-2019 biennium; however, the request was to fund the MSA contractor positions entirely with State General Fund appropriations because federal funds would not be available in the 2017-2019 biennium.

According to NDE, it continued to upgrade its systems and the software used by those systems, which might reduce NDE's future dependency on MSA contract positions. If the Subcommittees wished to approve the MSA expenditures in the 2017-2019 biennium, they might wish to place those expenditures in a separate category for better tracking in future fiscal years.

The decision, said Mr. Drost, was whether the Subcommittees wished to approve decision unit E-275 with the technical adjustment to reduce the recommended State General Fund appropriations from \$400,000 in each year of the 2017-2019 biennium to \$262,912 in FY 2018 and \$262,303 in FY 2019 to fund MSA contractor positions to support the various data systems maintained by NDE. If approved, Fiscal Analysis Division staff would request authority to enter an additional technical adjustment to establish the expenditure authority in a separate category.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE DECISION UNIT E-275 IN BUDGET ACCOUNT 2716 WITH THE TECHNICAL ADJUSTMENT TO REDUCE THE RECOMMENDED STATE GENERAL FUND APPROPRIATIONS FROM \$400,000 IN EACH FISCAL YEAR TO \$262,912 IN FISCAL YEAR 2018 AND \$262,303 IN FISCAL YEAR 2019 TO FUND MASTER SERVICE AGREEMENT CONTRACTOR POSITIONS THAT WOULD SUPPORT THE VARIOUS DATA SYSTEMS MAINTAINED BY THE DEPARTMENT OF EDUCATION, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO ESTABLISH THE EXPENDITURE AUTHORITY IN A SEPARATE CATEGORY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

Mr. Drost stated that other closing items included:

1. Decision unit E-671, salary adjustment for IT positions.
2. Decision unit E-710, replacement technology equipment.
3. Decision unit E-712, replacement server.
4. Decision unit E-713, replacement software.

Mr. Drost explained that other closing item 1 would be considered by the money committees when all other statewide decision units were discussed. There was a technical adjustment in other closing item 4. The Department of Education provided a revised quote for statistical software licenses, and Fiscal Analysis Division staff had entered a technical adjustment to reflect the updated cost.

Fiscal Analysis Division staff recommended approval of other closing items 2 and 3 as recommended by the Governor, approval of other closing item 4 with the noted technical adjustment, 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.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 2 AND 3 IN BUDGET ACCOUNT 2716 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEM 4 WITH THE NOTED TECHNICAL ADJUSTMENT, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

EDUCATION
DEPARTMENT OF EDUCATION
NDE - ASSESSMENTS AND ACCOUNTABILITY (101-2697)
BUDGET PAGE K-12 EDUCATION-63

Chair Carlton noted that Senator Kieckhefer was not present and BA 2697 contained a significant major closing item, high school diplomas, which would require substantial discussion. The Chair indicated she had some questions regarding the Pathway High School Diplomas and Public Awareness Communication Campaign requested by the Department of Education (NDE) within decision unit Enhancement (E) 275. She also noted that Assembly Bill 7 would be heard, and it would touch on that item. Chair Carlton said she and Senator Woodhouse had discussed the possibility of a joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance to discuss that portion of the aforementioned decision unit. Therefore, that segment would not be discussed today. She asked Mr. Drost to proceed with the major closing item and other closing items for budget account (BA) 2697.

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that as part of the revised request pertaining to maintenance and enhancements for data systems, NDE requested State General Fund appropriations of \$1 million in fiscal year (FY) 2018 and \$916,658 in FY 2019 to fund continued vendor support for the various NDE accountability systems and modifications to these systems, including the collection and transfer of assessment data that would be collected over the 2017-2019 biennium. The NDE indicated it would use eMetric, a vendor that had been used in the past and had

experience in maintaining the NDE's data systems, to incorporate those changes. He noted that eMetric provided specialized information technology (IT) resources and analytics that allowed for the calculation and representation of the various data that was collected and used by NDE.

According to NDE, those system changes would allow the state to comply with mandated reporting requirements of the federal Every Student Succeeds Act (ESSA). That Act required that states prepare and disseminate report cards that provided information on state, district, and school performance and progress in an understandable and uniform format. The state report cards must provide data on various items, including student achievement, high school graduation rates, postsecondary enrollment rates, educator qualifications, state performance on the National Assessment of Educational Progress (NAEP), and the English proficiency of English language learner students.

In addition, said Mr. Drost, ESSA required the state report card to provide the public with the ability to easily tabulate the information by student subgroups. When developing Nevada's ESSA plan, NDE assembled an advisory group consisting of educators, parents, and community members to make recommendations. Included in the recommendations from the advisory group was the creation of a new Nevada Data Portal that would be included in the state's ESSA plan. The eMetric contract would allow for the development of that portal.

The NDE stated that the portal would be a tool to provide users with the ability to answer questions about the quality of education in Nevada. The portal would report student achievement and school accountability information on a single website location by consolidating the following systems that currently comprised the state's Longitudinal Data System:

- Nevada Accountability Report Card.
- Cohort Graduation Rate.
- Nevada School Performance Framework.
- Alternate Performance Framework.
- Nevada Growth Model of Student Academic Achievement.
- Nevada Growth Model of Student Language Proficiency for English Language Learners.
- EdFacts reporting.

In addition, said Mr. Drost, the portal would include other data that was not currently within the state's Longitudinal Data System including:

- Nevada Educator Performance Framework.
- School Climate Survey data.
- Read by Grade 3 data.

The NDE indicated that eMetric had been working on the creation of the Nevada Data Portal during the current biennium, and a basic portal should be available by the end of fiscal year (FY) 2017. The requested expenditure authority in the 2017-2019 biennium would allow eMetric to continue its work on the existing data systems and enhance the Nevada Data Portal by providing various educational data in a user-friendly format within a single website.

The decision was whether the Subcommittees wished to approve State General Fund appropriations of \$1 million in FY 2018 and \$916,658 in FY 2019 to provide support for existing NDE data systems and the development of a new Nevada Data Portal.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$1 MILLION IN FISCAL YEAR 2018 AND \$916,658 IN FISCAL YEAR 2019 IN BUDGET ACCOUNT 2697 TO PROVIDE SUPPORT FOR EXISTING DEPARTMENT OF EDUCATION DATA SYSTEMS, AND THE DEVELOPMENT OF A NEW NEVADA DATA PORTAL.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

Mr. Drost stated that the other closing item was base budget technical adjustments. The NDE requested technical adjustments in the base budget to correct various expenditures associated with the administration of the Smarter Balanced Assessment Consortium (SBAC), End of Course (EOC), American College Testing (ACT), and the Nevada Alternative Assessment. Fiscal Analysis Division staff entered those technical adjustments, which were reflected in the closing adjustments for budget account (BA) 2697. The proposed revision to decision unit Enhancement (E) 275—a reduction of State General Fund appropriations totaling \$1.9 million in each year of the 2017-2019 biennium and the various proposed base budget technical adjustments—would result in a combined net State General Fund increase

totaling \$182,473 in FY 2018 and a net decrease totaling \$625,329 in FY 2019 over the amounts originally recommended in The Executive Budget.

Mr. Drost noted that the contract with the vendor who administered the SBAC, EOC, Science Assessment, and Nevada Alternative Assessment would expire at the end of FY 2019. Pursuant to the contract with the current vendor, and as requested by NDE, Fiscal Analysis Division staff included a contingency amount of \$2 million in FY 2019 for the cost of transition activities from the existing vendor to a new vendor in the event NDE contracted with another vendor. However, it was unclear whether those funds would be needed or whether that amount would be required. Accordingly, the Subcommittees might wish to place the \$2 million in the reserve category in BA 2697 for FY 2019, which would require approval by the Interim Finance Committee (IFC) before the funds could be used.

The 2015 Appropriations Act included back language that allowed NDE, with IFC approval, to use State General Fund appropriations between fiscal years within the 2015-2017 biennium for certain exams and assessments. The NDE requested similar authority in the 2017-2019 biennium. The ability to use State General Fund appropriations, with IFC approval, in either year of the biennium would provide flexibility for NDE if the cost of administering exams increased because of student enrollment growth. In addition, the Superintendent of Public Instruction indicated there might be revisions in the EOC exam, and although that should not increase the cost of the exams, the ability to use State General fund appropriations in either year of the biennium, with IFC approval, would provide the funding if needed. Should the Subcommittees approve the request, Fiscal Analysis Division staff would incorporate enabling language in the 2017 Appropriations Act.

The decision, said Mr. Drost, was whether the Subcommittees wished to approve the base budget technical adjustments entered by Fiscal Analysis Division staff, place the assessment vendor transition contingency amount of \$2 million in the reserve category in fiscal year (FY) 2019, include enabling language in the 2017 Appropriations Act to authorize the NDE to use the State General Fund appropriations in BA 2697 in either year of the 2017-2019 biennium with IFC approval, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

Assemblywoman Benitez-Thompson noted that the vendor contracts were coming up in FY 2019 for SBAC, EOC, ACT, and the Nevada Alternative Assessment, and she wondered whether NDE had a plan regarding the vendors that would be replaced and those that would be retained.

Mr. Drost explained that the contract he referred to in context with the \$2 million contingency amount was Data Recognition Corporation, which actually administered the assessments. That vendor might, or might not, change at the end of FY 2019, which would be determined by NDE at that time. The \$2 million would fund NDE expenditures should that transition occur.

Assemblywoman Benitez-Thompson asked whether there was just one vendor involved in the possible transition or whether the \$2 million would be used for all vendor changes.

Mr. Drost explained that one vendor provided the administration of the SBAC, EOC, ACT, and Nevada Alternative Assessment. The NDE stated that \$2 million would be needed only for that transition. There were other costs involved in administering the exams, but the \$2 million would be placed in the reserve only for possible vendor transition expenditures.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE THE BASE BUDGET TECHNICAL ADJUSTMENTS ENTERED BY FISCAL ANALYSIS DIVISION STAFF, PLACE THE ASSESSMENT VENDOR TRANSITION CONTINGENCY AMOUNT OF \$2 MILLION IN THE RESERVE CATEGORY IN BUDGET ACCOUNT 2697 IN FISCAL YEAR 2019, AND INCLUDE ENABLING LANGUAGE IN THE 2017 APPROPRIATIONS ACT TO AUTHORIZE THE DEPARTMENT OF EDUCATION TO USE THE STATE GENERAL FUND APPROPRIATIONS IN THIS BUDGET IN EITHER YEAR OF THE 2017-2019 BIENNIUM, WITH APPROVAL OF THE INTERIM FINANCE COMMITTEE, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

Mr. Drost said other closing items included:

- Decision unit E-710, replacement technology equipment.
- Decision unit E-720, new remote meeting software.

Fiscal Analysis Division staff recommended other closing items 1 and 2 be approved as recommended by the Governor, 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.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE GOVERNOR, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

EDUCATION
DEPARTMENT OF EDUCATION
NDE - CONTINUING EDUCATION (101-2680)
BUDGET PAGE K-12 EDUCATION-119

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there was one major closing item in budget account (BA) 2680, decision units Enhancement (E) 275 and E-903.

The Governor recommended that the Adult Literacy Program and the Adult Basic Education (ABE) program be transferred from the Department of Education (NDE) to the Department of Employment, Training and Rehabilitation (DETR). That recommendation included the transfer of federal ABE grant funds of \$6 million in each year of the biennium, State General Fund appropriations of \$37,918 in fiscal year (FY) 2018 and \$39,911 in FY 2019, and two positions from BA 2680 to a proposed new Adult Basic Education budget within DETR.

Mr. Drost said the Governor also recommended new State General Fund appropriations of \$11,173 in FY 2018 and \$11,394 in FY 2019 to fund operating expenditures for the state Adult High School Diploma program, which would remain with NDE. Those expenditures were previously funded using federal grant dollars.

The federal ABE program funding was granted to educational and community-based organizations that provided direct services to adult learners in the areas of English learning, basic skills, and career pathways. The NDE indicated the program had served approximately 9,142 individuals in FY 2016.

The NDE reported that the transfer of the ABE program would allow adult education to better coordinate with workforce development services to meet the requirements of the federal Workforce Innovation and Opportunity Act (WIOA), which called for states to strategically align workforce development. The WIOA encouraged alignment of adult education with workforce development, and called for greater collaboration among core program partners, which included dislocated worker employment and training, employment

services to job seekers, basic education for adults, and vocational rehabilitation services. According to DETR, by transferring ABE to DETR, the Governor sought to align WIOA core-program partners by locating all programs within one department, with the goal to provide more effective client coordination.

Mr. Drost said NDE had indicated there were no concerns with the current operation and delivery of the ABE program; however, NDE believed the ABE program was more closely related to workforce development than to K-12 education, and locating the program in DETR would provide greater access to workforce development services for the participants. Specifically, NDE stated that the ABE program would partner with DETR's Nevada JobConnect system (known as the one-stop shop) where workers could obtain an array of services.

The NDE indicated the partnership with DETR would enhance the ABE program by providing an integrated approach to service delivery by offering comprehensive services in which there was no "wrong door" for individuals seeking workforce development skills. The services provided by the ABE program were offered at community colleges, nonprofits, and school district sites, and that would not change with the potential transfer of the program to DETR. The NDE believed the program would be enhanced by coordinating efforts with DETR's one-stop shop system.

During the workforce development work session, the Governor's Chief of Staff indicated the one-stop shop offered various employment and training services at a single location in centers that were located throughout the state. However, NDE noted that the ABE program would participate in the one-stop shops even if the program was not transferred to DETR in the 2017-2019 biennium.

The budget also contained the state's Adult Literacy Program, which was funded entirely with State General Fund appropriations. That program served Nevadans who were functioning below the high school completion level with an emphasis on English literacy. The Office of Finance, Office of the Governor, submitted a budget amendment that recommended the Adult Literacy Program and the State Purchasing Division's assessment be transferred from BA 2680 to DETR, which would transfer the total State General Fund appropriation of \$402,018 to DETR in each year of the 2017-2019 biennium.

Mr. Drost noted that the federal ABE grant required a 25 percent state match, and NDE indicated that State General Fund appropriations would be used to meet a portion of that requirement, along with cash and in-kind services provided by the program's partner organizations.

The federal ABE grant allowed up to 5 percent of grant funds to be used for administrative costs, which included salaries for state staff and cost-allocations. As amended, The Executive Budget recommended \$114 million, or 95.8 percent, of the federal ABE grant

be allocated to educational and community-based organizations, and \$506,066, or .2 percent, to support administrative costs, including the DETR cost-allocation assessment.

According to information provided by NDE and DETR, the cost-allocation for the ABE program in the 2017-2019 biennium would total \$62,517 if the program was located within DETR, and \$52,339 if the program was located within NDE, which would result in a \$10,178 reduction in funding granted to educational and community-based organizations. That equated to a 4.2 percent allocation of federal grant funds recommended by the Governor to support administrative costs at either agency.

Fiscal Analysis Division staff would note that a budget amendment was submitted for DETR (budget amendment A171783272) that recommended adding a position, and increasing the salaries of four positions in the DETR financial management unit. If approved, that could affect the DETR cost-allocation and could result in an additional reduction in the funding granted to educational and community-based organizations. However, it did not appear that the increase in the DETR cost-allocation would cause the administrative-cost percentage to exceed the allowable 5 percent.

Mr. Drost stated that Assembly Bill (A.B.) 484, amended and rereferred to the Committee on Ways and Means on April 18, 2017, would authorize the transfer of the federal ABE program to DETR by allowing the Director of DETR to accept federal funds for use in connection with the workforce development and adult basic education programs in the state. The NDE stated that legislation was required by the federal government to transfer the program to DETR.

The NDE noted that decision unit E-275 would not be required if the ABE program was not transferred to DETR because the operating costs for the Adult High School Diploma program were allowable expenditures that would be covered by the ABE grant. If the transfer of the ABE program to DETR was approved by the Subcommittees, decision unit E-275 appeared reasonable.

The decision, said Mr. Drost, was whether the Subcommittees wished to approve the Governor's recommendation to transfer the Adult Basic Education program to DETR, approve budget amendment A171202680 to transfer the state-funded Adult Literacy program to DETR, and approve decision unit E-275 to fund various operating expenditures with State General Fund appropriations of \$11,173 in FY 2018 and \$11,394 in FY 2019 that were previously funded using the federal Adult Basic Education grant, contingent upon the passage and approval of A.B. 484.

Chair Carlton stated there had been several questions about the transfer, and she noted that she still had concerns. The Chair wondered whether other members had concerns.

Assemblywoman Diaz asked whether there would be any consequences at the federal level if the Legislature did not approve the transfer of the ABE program from NDE to DETR.

Mr. Drost stated that the federal requirements were that the two programs [ABE and workforce development] collaborate, and that collaboration would occur regardless of the transfer. There did not appear to be any federal consequences if the transfer did not occur.

Assemblywoman Diaz felt that adult education and English language learning classes were more organically grown from the schools and the NDE, and she was not completely sold that DETR would be the best fit for that program.

Assemblyman Anderson commented that it appeared to be a logical fit to him because ABE was certainly tied very closely to workforce development. He believed that the newer programs and opportunities would be a good fit. The policy committee had recommended the transfer unanimously after completely vetting the policy. Assemblyman Anderson stated he would support the transfer.

Chair Carlton said it was her understanding that the programs would still be colocated, and she was uncomfortable with moving forward with the transfer at the present time. The Chair asked about the proper motion to not approve the transfer.

Mr. Drost stated that if the Subcommittees did not wish to approve the Governor's recommendation to transfer the federal Adult Basic Education program to DETR, the Subcommittees should not approve decision unit E-903, which would transfer the program to DETR, not approve budget amendment A171202680 to transfer the state-funded Adult Literacy program to DETR, and not approve decision unit E-275 to fund various operating expenditures with State General Fund appropriations of \$11,173 in FY 2018 and \$11,394 in FY 2019 that were previously funded using the federal ABE grant.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES NOT APPROVE DECISION UNIT E-903, WHICH WOULD TRANSFER THE ADULT BASIC EDUCATION PROGRAM TO THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, NOT APPROVE BUDGET AMENDMENT A171202680 THAT WOULD TRANSFER THE STATE-FUNDED ADULT LITERACY PROGRAM TO THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, AND NOT APPROVE DECISION UNIT E-275 THAT WOULD FUND VARIOUS OPERATING EXPENDITURES WITH STATE GENERAL FUND APPROPRIATIONS OF \$11,173 IN FISCAL YEAR 2018 AND \$11,394 IN FISCAL YEAR 2019 THAT WERE PREVIOUSLY FUNDED USING THE FEDERAL ADULT BASIC EDUCATION GRANT,

AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

Assemblyman Anderson reiterated that the policy had been completely vetted and the transfer approved by the policy committee, and the monies would remain the same. He stated he could not support the motion.

THE MOTION CARRIED. (Assemblymen Anderson, Hambrick, and Oscarson voted no. Senator Kieckhefer was not present for the vote.)

Mr. Drost stated that other closing items included:

1. Decision unit E-710, replacement technology equipment.
2. Decision unit E-720, new remote meeting software.

Fiscal Analysis Division staff recommended that the Subcommittees approve other closing items 1 and 2 as recommended by the Governor, and authorize Fiscal Analysis Division staff to make technical adjustments based upon the Subcommittee's decision regarding the transfer of the ABE program to DETR and other technical adjustments as necessary.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE GOVERNOR, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED UPON THE DECISION OF THE SUBCOMMITTEES REGARDING THE TRANSFER OF THE ADULT BASIC EDUCATION PROGRAM TO THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, AND MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

**HEALTH AND HUMAN SERVICES
EMPLOYMENT, TRAINING AND REHABILITATION
DETR - COMMISSION ON POSTSECONDARY EDUCATION (101-2666)
BUDGET PAGE DETR-107**

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there was one major closing item in budget account (BA) 2666, which was the transfer of the Commission on Postsecondary Education to the Department of Employment, Training and Rehabilitation (DETR), decision units Enhancement (E) 802 and E-805.

As part of the Governor's initiative to train and develop a competitive workforce, The Executive Budget recommended transferring the Commission, its four positions, and the associated budget to DETR. The Governor recommended State General Fund appropriations of \$62,100 in fiscal year (FY) 2018 and \$63,556 in FY 2019 to fund a new cost-allocation assessment associated with the Commission becoming part of DETR. The Governor also recommended the Commission administrator position be changed from a classified position to an unclassified deputy administrator position with no change in the position's base salary. That was consistent with the Governor's recommendation that all other DETR deputy administrator positions be changed to the unclassified service.

The Commission indicated the following benefits would be realized with the transfer to DETR:

- Because of the Commission's relatively small staff, limited resources were available for finance, budget, human resources, and information technology (IT) activities. The Commission indicated the transfer to a larger state agency would enhance those activities and allow its existing staff to be dedicated to their primary responsibilities. The agency indicated that its biennial report on internal controls that was submitted to the Division of Internal Audits found that Commission staff were used outside their general duties to verify deposits and approve accounting transactions to provide the necessary fiscal controls.
- The Commission and its work would receive increased public awareness if it were part of a larger state department.
- The federal Workforce Innovation and Opportunity Act (WIOA) required DETR to develop career pathways for individuals, and the Commission indicated the transfer would provide its licensed institutions with a stronger voice in the development of those career pathways, including modification of curriculum based on workforce needs.
- The DETR-maintained eligible training provider list was required by WIOA and provided the public with a catalog of trainings offered by various institutions.

Because the Commission ensured institutions on the list were appropriately licensed, the process of including providers on the list could be streamlined because duplicate information was submitted by providers to both DETR and the Commission.

- The U.S. Department of Veterans Affairs required the Commission to collaborate with the state's local veterans employment representative position. Because that position resided within DETR, the Commission believed that collaboration would be enhanced by the recommended transfer.

Mr. Drost noted that the Commission indicated there would be no changes to its mission, and the regular activities of the Commission would remain the same, aside from the collaboration efforts that were previously noted.

The 2001 Legislature removed the Commission from the Department of Education (NDE) and established the Commission in its current status as an independent agency. When the 2001 Legislature discussed that move, the Commission maintained that it operated independently from NDE. Although NDE provided no services to the Commission, it was required to fund NDE's cost-allocation assessment. Accordingly, the Commission realized a savings once it began operating as an independent agency because it no longer had expenditures associated with NDE's cost-allocation assessment. That past concern would become relevant because the Governor recommended State General Fund appropriations of \$125,656 over the biennium to fund a new cost-allocation assessment that would result from the Commission becoming part of DETR. That represented approximately 13 percent of the Commission's operating budget.

It should also be noted that the Office of Finance, Office of the Governor, submitted budget amendment A171783272 to add one position and increase salaries for other positions in DETR's financial management unit, funded through budget reserves for the 2017-2019 biennium. However, if that budget amendment was approved, the cost-allocation assessment for the Commission might increase in future years.

Mr. Drost stated that Assembly (A.B.) Bill 484 would facilitate the transfer of the Commission to DETR, change the classified administrator position to an unclassified deputy administrator position, reduce the Governor-appointed members of the Commission from seven to six, and add the administrator as an ex officio member of the Commission. He noted that A.B. 484 was amended and passed by the Assembly Committee on Education and rereferred to the Committee on Ways and Means on April 18, 2017.

Should the Subcommittees not wish to approve the organizational transfer to DETR, they might wish to consider providing additional resources to the Commission to support its staff and clients. The Commission indicated to Fiscal Analysis Division staff that without the DETR proposal, it would have submitted a request for one additional staff member,

specifically a management analyst position to provide for the Commission's finance, budget, human resources, and IT activities.

The new position would prepare budget and revenue reports, monitor fiscal transactions, conduct the Commission's asset inventory, and manage the IT needs of the Commission. The position would also address the fiscal-control concerns that were identified in the biennial report on internal controls by providing a dedicated position for those duties, thereby allowing existing Commission staff to focus on their assigned duties. The Commission advised it had a vacant office that was currently used to store student records; however, it could lease a small storage space to free-up that space for the new position. Fiscal Analysis Division staff estimated that the cost of a new management analyst position, computer and associated software, and a small storage rental would total \$62,010 in FY 2018 and \$80,946 in FY 2019.

Because the budget already included State General Fund appropriations of \$62,100 in FY 2018 and \$63,556 in FY 2019 to fund the DETR cost-allocation, should the Subcommittees approve the additional position, the incremental difference would be a \$90 reduction in State General Fund appropriations in FY 2018 and additional appropriations of \$17,390 in FY 2019, producing \$17,300 of additional State General Fund appropriations over the 2017-2019 biennium. For that alternative, the Legislature would need to not pass A.B. 484.

Mr. Drost offered the following options for consideration by the Subcommittees:

- A. Approve the Governor's recommendation to transfer the Commission on Postsecondary Education, its four positions, and the associated budget to DETR's Employment Security Division, fund a new DETR cost-allocation assessment, and reclassify the Commission administrator position to an unclassified deputy administrator position, contingent upon passage and approval of A.B. 484 by the 2017 Legislature.
- B. Do not approve the Governor's recommendation to transfer the Commission to DETR, and maintain the Commission on Postsecondary Education as an independent agency, maintain the administrator position in the classified service, and approve additional State General Fund appropriations of \$17,300 over the 2017-2019 biennium (net of the elimination of the DETR cost-allocation) for a new management analyst position, computer and associated software, and a small storage rental for the Commission, contingent upon A.B. 484 not being approved by the 2017 Legislature.
- C. Do not approve the Governor's recommendation to transfer the Commission, its four positions, and the associated budget to DETR's Employment Security Division, fund a new DETR cost-allocation assessment, and reclassify the Commission administrator

position to an unclassified deputy administrator position, contingent upon A.B. 484 not being approved by the 2017 Legislature.

Mr. Drost stated that Fiscal Analysis Division staff would request authority to enter any necessary technical adjustments based on the decision of the Subcommittees.

Chair Carlton said her choice would be option A. She believed the Commission needed the resources and support of DETR, and the Commission was very important to individuals attempting to further their career paths.

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

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE OPTION A: APPROVE THE GOVERNOR'S RECOMMENDATION IN BUDGET ACCOUNT 2666 TO TRANSFER THE COMMISSION ON POSTSECONDARY EDUCATION, ITS FOUR POSITIONS, AND THE ASSOCIATED BUDGET TO THE EMPLOYMENT SECURITY DIVISION, DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION; FUND A NEW DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION COST-ALLOCATION ASSESSMENT; AND RECLASSIFY THE COMMISSION ON POSTSECONDARY EDUCATION'S ADMINISTRATOR POSITION TO AN UNCLASSIFIED DEPUTY ADMINISTRATOR POSITION, CONTINGENT UPON PASSAGE AND APPROVAL OF ASSEMBLY BILL 484 BY THE 2017 LEGISLATURE, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

Mr. Drost stated that there was one other closing item in BA 2666, decision unit E-710, replacement of technology equipment, which appeared reasonable.

Fiscal Analysis Division staff recommended that the other closing item be approved as recommended by the Governor, 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.

SENATOR WOODHOUSE MOVED THAT THE SUBCOMMITTEES APPROVE DECISION UNIT ENHANCEMENT 710, BUDGET ACCOUNT 2666, AS RECOMMENDED BY THE GOVERNOR, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer was not present for the vote.)

That concluded the budget presentations for the Subcommittees, and Chair Carlton thanked Fiscal Analysis Division staff for their presentations.

Chair Carlton opened public comment, and there was none. The Chair adjourned the hearing at 10:11 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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