

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

**Seventy-ninth Session
May 18, 2017**

The joint meeting of the Subcommittees on K-12/Higher Education/CIP of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Joyce Woodhouse at 8:16 a.m. on Thursday, May 18, 2017, in Room 3137 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator Moises Denis
Senator Ben Kieckhefer

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

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Eileen O'Grady, Chief Deputy Legislative Counsel

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Brenda Erdoes, Legislative Counsel
Julie Waller, Program Analyst
Jaimarie Dagdagan, Program Analyst
Cindy Clampitt, Lead Committee Secretary
Mary Sullivan, Committee Secretary

OTHERS PRESENT:

Donna West, Retired Public Employee
Chris Daly, Deputy Executive Director of Government Relations, Nevada State
Education Association
Rene Cantu, Executive Director, Jobs for Nevada's Graduates, Inc.

CHAIR WOODHOUSE:
We will begin with the Department of Education.

JAIMARIE DAGDAGAN (Program Analyst, Fiscal Analysis Division, Legislative
Counsel Bureau):
The first budget to close today is the Achievement School District,
budget account (B/A) 101-2674 on page 3 of Closing List 5 ([Exhibit C](#)).

EDUCATION

K-12 EDUCATION

NDE - Achievement School District — Budget Page K-12 EDUCATION-133
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Budget Account 101-2674

There is one major closing issue. It is the Achievement School District (ASD) Superintendent in Residence. Pursuant to *Nevada Revised Statutes* (NRS) 388B.100, the Superintendent of Public Instruction shall appoint an executive director of the ASD, which shall serve at the pleasure of the Superintendent of Public Instruction and that the ASD may employ such persons as it deems necessary and that such employees are in the unclassified service of the State and serve at the pleasure of the executive director.

The Nevada Department of Education (NDE) indicates that the national search for the executive director yielded two qualified candidates with a nationally competitive salary level. However, during the recruitment process the NDE determined that state did not have sufficient funds to hire a full-time executive director for the ASD.

On April 12, 2016, the NDE designated a non-State employee as a superintendent in residence of the ASD. It is funded by private philanthropic donations through the United Way of Southern Nevada. It should be noted that the Superintendent in Residence performs duties for the ASD on behalf of the State without a contract between the United Way of Southern Nevada (UWSN) and NDE. The NDE executed a memorandum of understanding (MOU) with the UWSN to outline the terms of agreement.

According to NDE, designating a superintendent of residence position that is employed and funded by the UWSN, aligns with the NDE's mission and vision of improving underperforming schools in the State and this approach would not obligate the State to fund a position, and would provide the necessary personnel for the initial implementation of the ASD. During the March 24, 2017, budget hearing, the NDE testified the MOU is a cooperative agreement and was determined to be the appropriate document to formalize an agreement for sharing personnel.

Information on pages 4 to 5 of [Exhibit C](#) provides the terms of agreement between the NDE and the UWSN.

During the budget hearing, the NDE testified that the MOU, which refers to an ASD executive director position, is not accurate and should use the official title of Superintendent in Residence. Additionally, NRS 388B.120 requires all interest and income earned to be credited in the account and states, "any money from gifts, grants and bequests must be deposited in the account and may be expended with the terms and conditions of the gift, grant or bequest, or in accordance with NRS 388B." Fiscal staff notes the ASD funds the operating costs associated with the superintendent in residence position; however, the salary for the position is outside the State accounting system.

Fiscal staff consulted with the Legislative Counsel Bureau's (LCB) Legal Division which determined that the unique arrangement between the NDE and the UWSN of designating an executive director/superintendent in residence position employed and funded by UWSN outside the State accounting system does not comply with the provisions of NRS 388B, which governs ASD and does not protect the State from liability arising out of the actions of the individual serving as the executive director/superintendent in residence.

The two options for consideration by the Subcommittees are:

- A. Approve continuation of the unique arrangement between the NDE and the UWSN of designating a non-State employee executive director/superintendent in residence position to provide services for the ASD.

If so, the Subcommittees may wish to consider recommending that the full Committees request a bill to address the unique arrangement between the NDE and the UWSN for purposes of providing statutory authority for such arrangements as well as clarifying the State's liabilities under such arrangements. The Subcommittees may also wish to consider recommending that the full Committees direct the NDE to deposit the funding associated with the executive director/superintendent in residence position in the ASD budget as required by NRS 388B.120.

- B. Not approve the unique arrangement between the NDE and the UWSN of designating a non-State employee executive director/superintendent in residence position to provide services to the ASD.

If so, the Subcommittees may wish to consider recommending that the full Committees request a bill to prohibit the use of a non-State employee to serve as the executive director/superintendent in residence to provide services to the ASD.

CHAIR WOODHOUSE:
I think we have a couple of issues to discuss.

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ASSEMBLYWOMAN CARLTON:

I know when we had this first discussion; it took us awhile to understand this unique situation. I do not think anyone has a problem with using philanthropic dollars to accomplish something. We usually do this through a consultant mode rather than an actual employee that is not a State employee. I have some concerns about this situation. I think there could possibly be an Option C, stating that this position should be a State employee. Doing this would put the position in the budget, provide transparency and accountability. The way this is put together, I still have some concerns about the position, the funding for this position and oversight of the position. I am not sure if there are legal ramifications with this situation. I am just uncomfortable with the current arrangement for this position. If this were a consultant, we would not be having this conversation.

SENATOR DENIS:

I have been working on things related to the issue of the ASD. We have not actually addressed this issue. What caught my attention had to do with the issue of determining the liability of the State if we are using a nonprofit to fill this position rather than a State employee. Is there any more information on this issue?

CHAIR WOODHOUSE:

Ms. Brenda Erdoes could you shed some light on some of these questions?

BRENDA ERDOES (Legislative Counsel, Legislative Counsel Bureau):

What we have recognized in looking at this situation, is the concept of having a superintendent in residence, more specifically, having a school district with a non-State employee with no direct contract link. We are still looking through this. It appears that it is simply not contemplated in the NRS. Therefore, we do not know all of the different things that we should be looking into. I am sure we can find those statutes and recognize what is happening here in the statutes so that there would not be a problem of liability in the future. An example in Chapter 41 of NRS 41.0305 defines political subdivisions for the purposes of liability of the State and sovereign immunity. The ASD is recognized in Chapter 41 of NRS as a political subdivision. The whole concept of ASD is there and is covered. What is not covered is the non-State employee working within this Agency. If you continue to go forward, we would suggest you make some

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changes throughout the statutes to ensure that there would not be an issue later. We do not have this model in the statutes now. This model is where you have someone with authority over a part of the State government that is employed by a nonprofit without a direct link to a State agency.

SENATOR KIECKHEFER:

I just looked up the statute referenced in our packet. The head of the ASD is the executive director and the executive director is a State employee. I do not know what I am missing. The executive director is the head of the ASD and a deputy superintendent of public instruction. The person who has control of the ASD is a State employee.

MS. ERDOES:

My understanding of the way the model is currently working is that the person who is going forward, working in the community, with the program and working directly with State employees is the person from the nonprofit. This is the issue. The concern is how this position is functioning in this organization.

SENATOR KIECKHEFER:

When I look at the statutes, the executive director has the power and duty under the Chapter, that position retains authority and control over his or her employee. In this case, it lies with the executive director not the superintendent in residence position. If they ask the superintendent in residence to perform duties or function, the responsibility still lies with the executive director.

MS. ERDOES:

I think the problem I am trying to describe is that there is a function performed by the superintendent of residence, and we do not have a statute in place that either recognizes him or her as an employee, an independent contractor or a consultant. That is the concern we have.

SENATOR KIECKHEFER:

Therefore, if it were operated through a contract instead of an MOU it would be totally consistent.

MS. ERDOES:

It would be so long as there is recognition of that in the statute for the ASD as to what they can hire a consultant to do. Generally, that language is in any of the State agencies' statutory authority for running a program. Such as when you can hire a consultant or when you can have an independent contractor and the statutes following that actually recognize that person and how they would function within a department of the State government.

ASSEMBLYWOMAN CARLTON:

I am concerned about consultants having oversight over State employees. They perform a job or function to comply with their contract and produce their deliverables. I think we need to resolve this to make sure everyone is taken care of.

ASSEMBLYWOMAN DIAZ:

I share the concerns that Ms. Erdoes is expressing. I believe it is a liability to the State right now and is an issue. I know about the work currently being performed. She is going out into the community meeting with parents. I believe her cards have the seal of the State as if she is a NDE employee. When you are representing this to the community, schools or parents, it is not very transparent. If she is not really a State employee, it should reflect this on her business card. The way it was structured is a bit messy. We need to rectify this situation.

SENATOR DENIS:

The superintendent in residence position could be made a State position. The money for the position is coming from the nonprofit, correct? It could be deposited into the budget so that the State could pay for the position. The position could then be a State position paid for by the nonprofit. Is this one of the options?

MS. DAGDAGAN:

The option is to clarify the statute to allow NDE to continue this type of arrangement. I suppose to comply with the current statute we could deposit the grant funds for this position into the budget and then through a contract process to pay this position.

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ALEX HAARTZ (Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

While there are two options Fiscal staff has presented for the Subcommittees' consideration, the Subcommittees could choose to go a different course. If you wanted to consider making the function in question a State position and make a recommendation with regard to the funding source and how it should be budgeted, that it is entirely within your purview. Just because the closing document has two considerations that does not limit the Subcommittees.

ASSEMBLYWOMAN CARLTON:

I understand where we are going, but I would have to look at the dollar amounts that we have available. That dollar amount for this position would not be possible because it is more than the Governor receives. This amount would have to be changed or capped. It cannot be funded at this level. I am happy to give the Governor a raise but right now, that amount would not work.

ASSEMBLYMAN OSCARSON:

The United Way is a large organization. It would be interesting to know what other states do to provide these kinds of services. Is there legislation or statutory language we could look at from other places that have done this? Secondly, I have seen firsthand how important this position is. I think a hybrid of some of the things we are talking about is the answer. Eliminating the position is problematic when I see the involvement this position has in the process and the contributions it has made in working together with parents and staff in trying to achieve good results for our children.

MS. ERDOES:

I am confident we can come up with the language you want. I just do not believe it is there right now. We are happy to draft the language.

ASSEMBLYMAN OSCARSON:

I would appreciate that. If there were any way we can defer or look at this, how long would it take?

MS. ERDOES:

It can be done quickly, today.

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ASSEMBLYWOMAN CARLTON:

I really appreciate this, but Assemblyman Oscarson, we are at that point we need to make some decisions to give Ms. Erdoes and the Legal Division some guidance on where we want to be. Otherwise, they are just out there looking. I do not believe anyone is talking about getting rid of this position. It is just figuring out how we do this in the most appropriate way for the State. When the statute is silent, we want to give it a voice. I would lean more towards not approving this unique arrangement because of the problems and looking at making it a consultant position because of what we have seen as far as the State employee issue. This way the work could still be done, reports could come back, the employee issue would be taken care of, and there would be a contract with deliverables. As we move forward, we can look at any statutory changes that might need to be made. I would be more comfortable giving guidance to a consultant model right now knowing that it is hard to hire State employees for this unique position. I am not sure we want to establish this position as a State employee yet. We are still trying to figure out if the superintendent in residence is really the way we want to go. I would go forward with the consultant so the dollars that are donated can go towards that and there is a contract with accountability.

CHAIR WOODHOUSE:

I would indicate for the group that I am comfortable with that proposal as well.

SENATOR DENIS:

I just want to make sure that I am clear. We are talking about a policy decision. It has no impact on the budget either way. Well, it does if you make the position a State employee. It is federal money they are using for the chief of the school district and then for the superintendent in residence position it is coming from the nonprofit. Is it a policy or budget decision?

CINDY JONES (Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

It would have a budgetary impact. If the decision of the Subcommittees is to require the funds to be deposited into the budget and to be expended on the contract, we need the authority to both receive the revenue and to expend the revenue. It would be appropriate to have that be part of the closings for when we balance the budget this weekend.

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SENATOR DENIS:

I guess my point was it does not impact the dollars. It is a matter of giving the authority to bring the money in and then expend it.

ASSEMBLYWOMAN DIAZ:

I believe Senator Denis you have a bill that addresses ASDs, is that accurate?

SENATOR DENIS:

Yes, I do.

ASSEMBLYWOMAN DIAZ:

Could this fix or resolution go into that bill?

SENATOR DENIS:

I am sure it could.

CHAIR WOODHOUSE:

Let me suggest this, we have Assemblywoman Carlton put the motion on the floor she was discussing. I would like to have the intent in our closing work on Saturday regarding the consultant, even though there may be the policy bill coming through. The bill is in Senate Committee on Education right now. I think for many of us to feel comfortable with this, we need to make sure our intent is on the record.

ASSEMBLYWOMAN CARLTON:

I want to make sure that this motion is not in opposition of this work and duty being done. My motion would be along the lines of Option B.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO NOT APPROVE IN B/A 101-2674 THE UNIQUE ARRANGEMENT BETWEEN THE NDE AND UWSN OF DESIGNATING A NON-STATE EMPLOYEE TO SERVE AS THE EXECUTIVE DIRECTOR/SUPERINTENDENT IN RESIDENCE TO PROVIDE SERVICES WITH THE OPTION OF DESIGNATING THIS POSITION AS A CONSULTANT POSITION WITH THE UNDERSTANDING THAT THIS POSITION WOULD BE FUNDED WITH FEDERAL AND NONPROFIT DOLLARS WITH THE AUTHORITY TO ACCEPT AND EXPEND THE

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DOLLARS TOWARDS THIS CONSULTANT POSITION AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE ANY TECHNICAL ADJUSTMENTS AND WITH ANY LEGISLATION THAT FOLLOWS AFTERWARDS IN ADDRESSING ANY OTHER POLICY BILLS CURRENTLY BEING HEARD.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:

For the time being, I am not going to support that motion. I think the ASD was created to provide some new and innovative solutions to some of our most challenged schools. We developed a partnership with one of the most respected nonprofits, UWSN, and the flexibility and innovation underlies this type of arrangement as well. Hopefully, we can get to a place where through the contract relationship we can achieve some of the same things. I do not know if we are there. I do not feel comfortable that we are there.

ASSEMBLYWOMAN CARLTON:

I am uncomfortable with it also. I think there is an issue the State needs to address. If we move forward with this unique arrangement, we could be faced with it again in the future. Since we have been presented this new challenge, we should try to address it so everyone knows the rules of the road, and we all do it the same way in the future to protect the State, its employees, the dollars and the students.

CHAIR WOODHOUSE:

As do I. As Assemblywoman Carlton indicated, we are not saying no to the ASD process, but it is time for us to delineate where we are in this pathway. I think this takes us one step forward. I am sure through the rest of the Session as well as into the future and the next biennium, we will see other things we may need to tweak in relationship to this program. We will continue to work with NDE to make sure that happens.

ASSEMBLYWOMAN DIAZ:

I think that when our legal staff raises a red flag about a potential liability or loophole here, it can affect us down the road. I think we need to listen to those that are here to advise us that this could have negative repercussions down the

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road. We are not saying we are not supportive of the work that this individual has done, but we think that it is not transparent, not structured in a way that is clear and consistent. To make sure we are taking care of everybody it should be rectified.

ASSEMBLYMAN OSCARSON:

I am going to support my colleagues and not support it. Allowing our legal folks to come up with an alternate decision that would satisfy the entire Committees is a better option. I am unable to support the motion.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON, HAMBRICK AND OSCARSON VOTED NO.)

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

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CHAIR WOODHOUSE:

Let us move on to the next item.

Ms. DAGDAGAN:

There are no other closing items. Fiscal staff recommends this budget be closed as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-2674 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

We will move on to B/A 101-2610, Distributive School Account.

NDE - Distributive School Account — Budget Page K-12 EDUCATION-13
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Budget Account 101-2610

JULIE WALLER (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The remaining three K-12 budgets will be closed. The first one is the Distributive School Account (DSA), B/A 101-2610, beginning on page 9 of [Exhibit C](#). Page 21 of [Exhibit C](#) contains an itemized summary of the DSA. This summary has been updated to show enrollment projections as well as updated revenue projections including the Local School Support Tax (LSST) and property taxes and other revenues that support the K-12 education system. The Subcommittees will recall the DSA is a budget to which the State distributes direct financial aid to the local school districts. There are five major closing issues.

The first major closing issue is the updated revenue projections. The table on page 10 of [Exhibit C](#) outlines the revenues recommended in the Governor's budget as well as the revised updated revenues. The IP 1 (2009) Room Tax Transfer in the Governor's budget originally recommended a portion of those dollars be transferred to the Other State Education Programs budget and a portion be a State funding source in the DSA. Subsequent to that hearing, we had a budget amendment submitted to reverse this and to provide the full transfer of the IP 1 (2009) Room Tax (IP 1) revenue dollars to the DSA. This is one of the major changes. The net increase for the updated revenues is about \$400,000 in the first year of the biennium and about \$8.2 million in the second year of the biennium.

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Total LSST revenues are projected to decrease \$1.7 million in FY 2017-2018 and decrease by \$161,100 in FY 2018-2019. Combined total LSST (in-State

and out-of-State) is projected to decrease \$2.1 million over the 2017-2019 biennium.

Updated property tax revenue projections show approximately \$90,100 less than the amount recommended in the *Executive Budget* for FY 2017-2018 and approximately \$3.9 million more than the amount included for FY 2018-2019.

Other sources of revenue include the medical marijuana, recreational marijuana, and the aforementioned IP 1 revenues in the budget. As a result of the updated projected revenues, the required General Fund support in the Governor's budget decreases to approximately \$2.3 billion from the \$2.7 billion originally recommended primarily as a result of that change for the IP 1 revenues.

Do the Subcommittees wish to approve the updated revenue projections for the non-General Fund revenue sources included in the DSA budget, as outlined in the table on page 10 of [Exhibit C](#)? Fiscal staff requests authority to make technical adjustments based upon any updated revenue forecasts.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE UPDATED REVENUE PROJECTIONS FOR THE NON-GENERAL FUND REVENUE SOURCES INCLUDED IN THE DSA B/A 101-2610, AS OUTLINED IN THE TABLE ON PAGE 10 OF [EXHIBIT C](#) AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED UPON ANY UPDATED REVENUE FORECASTS.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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The second closing issue, beginning on page 11 of [Exhibit C](#) is the proposed new retail excise tax on recreational marijuana. The Governor proposes a new 10 percent retail excise tax on recreational marijuana and marijuana products.

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This revenue is recommended to be directed to the DSA as a State funding source. The *Executive Budget* originally included \$69.3 million for the new retail excise tax. There have been updated projections of that retail tax to be adjusted to \$63.5 million over the biennium.

Senate Bill (S.B.) 508 is enabling legislation to implement the new recommended retail excise tax, which will require approval by two-thirds majority in both Houses of the 2017 Legislature. If the Governor's proposed new retail excise tax on recreational marijuana and marijuana products is not approved by the 2017 Legislature, additional General Fund appropriations totaling \$63.5 million would be required to support the Governor's recommended funding level in the DSA for the 2017-2019 biennium.

SENATE BILL 508: Imposes an excise tax on sales of marijuana and related products by a retail marijuana store. (BDR 32-976)

Do the Subcommittees wish to approve the revised forecast of the Governor's proposed new retail excise tax on recreational marijuana and marijuana products with the revenues directed to the DSA as a State funding source in the amount of \$26.5 million in FY 2017-2018 and \$37.1 million in FY 2018-2019, contingent upon the passage and approval of S.B. 508, or other enabling legislation to enact the new retail excise tax on recreational marijuana and marijuana products?

ASSEMBLYWOMAN CARLTON:

It makes me a little nervous to do this with the bill not being processed yet. Knowing this is somewhat how legislation is made and so are budgets, I understand the Governor's wish to put this money towards education. I will make the motion.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2610 THE REVISED FORECAST OF THE GOVERNOR'S PROPOSED NEW RETAIL EXCISE TAX ON RECREATIONAL MARIJUANA AND MARIJUANA PRODUCTS WITH THE REVENUES DIRECTED TO THE DSA AS A STATE FUNDING SOURCE IN THE AMOUNT OF \$26.5 MILLION IN FY 2017-2018 AND \$37.1 MILLION IN FY 2018-2019, CONTINGENT UPON THE PASSAGE

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AND APPROVAL OF S.B. 508 OR OTHER ENABLING LEGISLATION TO ENACT THE NEW RETAIL EXCISE TAX ON RECREATIONAL MARIJUANA AND MARIJUANA PRODUCTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLYWOMAN DIAZ:

What happens if we do not meet the projections, and we are including it in the budget? How do we make up for the difference?

MS. WALLER:

The funding structure of the DSA is such that the non-State General Fund revenues are budgeted and any shortfall or any increase of those revenues over projected levels would be adjusted either by a reduction or by increase of General Fund monies.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 3 beginning on page 12 of [Exhibit C](#) is the increased funding for students with disabilities. The Governor recommends an additional \$10 million in FY 2017-2018 and \$20 million in FY 2018-2019. This brings the total recommended funding for students with disabilities to \$183.7 million in FY 2017-2018 and \$199.8 million in FY 2018-2019. This additional funding represents a 25 percent increase over the legislatively approved funding for the current biennium. On the bottom of page 12 is a table that outlines the change in enrollment growth of students with disabilities. During the budget hearing, testimony provided by the NDE indicated that as a percentage of total enrollment, the number of students identified as students with disabilities with individual education plans (IEP) does not reflect a significant increase. That growth when compared to the total growth of total students remains relatively consistent.

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When asked how the new methodology change of distributing the State funding for students with disabilities beginning in FY 2016-2017 has impacted the school districts, the NDE indicates it does not appear the school districts have made or reported any material change in the manner in which the FY 2016-2017 transition to per-pupil funding affected their systems of delivery for students with disabilities.

Do the Subcommittees wish to approve General Fund appropriations of \$10 million in FY 2017-2018 and \$20 million in FY 2018-2019 to provide additional support for students with disabilities?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE GENERAL FUND APPROPRIATIONS IN B/A 101-2610 OF \$10 MILLION IN FY 2017-2018 AND \$20 MILLION IN FY 2018-2019 TO PROVIDE ADDITIONAL SUPPORT FOR STUDENTS WITH DISABILITIES.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 4, discussed on pages 14 and 15 of [Exhibit C](#), is the transfer of the full-day kindergarten program to the DSA from the School Remediation Trust Fund. With the enactment of S.B. No. 508 of the 78th Session, effective July 1, 2017, students in kindergarten are to be funded as a 1.0 full-time student in the average daily enrollment for all students in Grade 1 through Grade 12, as opposed to a 0.60 weighted part-time student.

The *Executive Budget* proposes to transfer General Fund appropriations in the amount of \$83.8 million in FY 2017-2018 and \$85.8 million in FY 2018-2019 for the State-funded full day kindergarten (FDK) program to the DSA budget.

On March 10, 2017, the Governor's Finance Office submitted Budget Amendment A171652610 to adjust the FDK funding proposed for transfer to the DSA. The budget amendment reduces General Fund appropriations by \$28,401 in FY 2017-2018 and by \$43,133 in FY 2018-2019 to adjust the funding in the transfer unit included in the *Executive Budget* to the correct amount.

The Governor's budget transferred the FDK program funding from the School Remediation Trust Fund budget, which was a categorical program over to the DSA, also as a categorical program. Fiscal staff in compliance with the requirement of NRS 387.1233, has transferred the FDK funding into the Nevada Plan formula funding beginning in FY 2017-2018. As a result of this transfer, the average basic support per-pupil decreases by \$4 from \$5,900 to \$5,896 per-pupil in FY 2017-2018 and by \$4 from \$5,967 to \$5,963 per-pupil in FY 2018-2019, as a result of a higher number of total student enrollment being divided into total operating expenditures. The value of this \$4 reduction of basic support per-pupil in each year of the 2017-2019 biennium is \$1.9 million in each fiscal year. Additionally, as a result of the updated revenue projections, the two-thirds portion of the property tax is projected to increase by \$2.7 million. Because this piece of the property tax is utilized in the calculation of the Statewide average basic support per-pupil, an increase in this local revenue results in a decrease of the required State support. As such, along with the \$4 decrease per-pupil in FY 2018-2019 for the FDK transfer into the formula funding, the basic support per-pupil decreases by \$5 to \$5,958 in FY 2018-2019. The value of this \$5 reduction of basic support per-pupil is \$2.4 million in FY 2018-2019.

Combined, additional General Fund appropriations of \$1.9 million in FY 2017-2018 and \$4.3 million in FY 2018-2019 would be necessary to restore the Statewide average basic support per-pupil to the Governor recommended amounts of \$5,900 per-pupil in FY 2017-2018 and \$5,967 in FY 2018-2019.

Options for consideration by the Subcommittees are:

- A. Approve the transfer of General Fund appropriations of \$83.8 million in FY 2017-2018 and \$85.8 million in FY 2018-2019 from the

School Remediation Trust Fund to the DSA to fund kindergarten students as 1.0 full-time students through the Nevada Plan funding formula, pursuant to statute, and inclusive of Budget Amendment A171652610. Approval of this option would result in a basic support per-pupil amount of \$5,896 in FY 2017-2018 and \$5,958 in FY 2018-2019.

- B. Approve the transfer of General Fund appropriations of \$83.8 million in FY 2017-2018 and \$85.8 million in FY 2018-2019 from the School Remediation Trust Fund to the DSA to fund kindergarten students as 1.0 full-time students through the Nevada Plan funding formula, pursuant to statute, inclusive of Budget Amendment A171652610, and add General Fund appropriations of \$1.9 million in each year of the 2017-2019 biennium to offset the impact of the \$4 reduction in Statewide average basic support per-pupil in each fiscal year as a result of the transfer of FDK into the DSA. This option would increase the Statewide average basic support per-pupil to \$5,896 in FY 2017-2018 and \$5,962 in FY 2018-2019.
- C. Approve the transfer of General Fund appropriations of \$83.8 million in FY 2017-2018 and \$85.8 million in FY 2018-2019 from the School Remediation Trust Fund to the DSA to fund kindergarten students as 1.0 full-time students through the Nevada Plan funding formula, pursuant to statute, inclusive of Budget Amendment A171652610, and add General Fund appropriations of \$1.9 million in FY 2017-2018 and \$4.3 million in FY 2018-2019 to offset the impact of the \$4 reduction in Statewide average basic support per-pupil in each fiscal year as a result of the transfer of FDK into the DSA, and to offset the \$5 per-pupil portion of property tax utilized in the basic support per-pupil calculation in FY 2018-2019. Approval of this option would increase the Statewide average basic support per-pupil to \$5,900 in FY 2017-2018 and \$5,967 in FY 2018-2019, the same per-pupil amounts recommended by the Governor in each year of the 2017-2019 biennium.

The transfer alone reduces the basic support amount recommended by the Governor by \$4 per-pupil in each year of the biennium. This is Option A.

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Option B would state that if the Subcommittees wish to offset the \$4 reduction, additional General Fund appropriations of \$1.9 million in each fiscal year would need to be added to the DSA budget.

Option C recognizes that on top of the \$4 reduction per-pupil resulting from the transfer of the categorical program into the formula funding, an offset of \$5 per-pupil reduction in FY 2018-2019 resulted from the projected increase of \$2.7 million for the two-third portion of property tax utilized in the basic support per-pupil calculation in FY 2018-2019.

Cumulatively, that reduction was \$9 in the second year of the biennium. In order to get back to the Governor's recommended basic support per-pupil dollars of \$5,900 in first year of the biennium, additional General Fund appropriations of \$1.9 million in the first year and \$4.3 million in the second year of the biennium would need to be added.

ASSEMBLYWOMAN CARLTON:

In order to get back to the Governor's original recommendation, we need to go to Option C because of the moving pieces since the budget came out.

MS. WALLER:

That is correct.

SENATOR KIECKHEFER:

I would interpret this somewhat differently. The basic per-pupil support number is an output number, not an input number. The funding that is in the Governor's recommended budget is consistent; it is just distributed differently throughout the formula system. I am not against moving those numbers upward. It is the end result of the formula and not how we fund something. It is a misnomer in terms of how much we are supporting education.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OPTION C ON PAGE 15 OF [EXHIBIT C](#) FOR B/A 101-2610.

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ASSEMBLYWOMAN BENITEZ-THOMPSON:

I think it is only fair that if we have been talking about the per-pupil amount, we should at least try to hold the line on the level and the dollars for FY 2017-2018 and FY 2018-2019. We do not want to cause the school districts to be in any more of a hole than what they say they are presently in.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY

* * * * *

MS. WALLER:

Major closing issue 5 is the Class-Size Reduction (CSR) program beginning on page 15 of [Exhibit C](#). The *Executive Budget* continued the CSR program providing funding for teachers hired to meet the required ratios of 17 pupils per teacher in first and second grades and 20 pupils per teacher in third grade. The *Executive Budget* originally recommended \$307.4 million over the biennium. However, I would note that total funding for the CSR program reflected in the *Executive Budget* was \$1.2 million higher than the calculated CSR included in the DSA summary schedule. Therefore, a budget amendment was submitted to align the calculated funding with the amount of funding in the *Executive Budget*. This had the effect of reducing General Fund appropriations by \$1.25 million in each year of the 2017-2019 biennium.

Additionally, updated enrollment projections provided by NDE result in a reduction of CSR funding by \$2.6 million in FY 2017-2018 to \$147.4 million and by \$2.7 million in FY 2018-2019 to \$152.1 million. The *Executive Budget* for the 2017-2019 biennium, as revised by the budget amendment and for updated enrollment projections would provide funding for 1,944 and 1,968 CSR teachers for Grade 1 through Grade 3 in FY 2017-2018 and FY 2018-2019, respectively.

The Subcommittees called for discussion during the budget hearing about the alternative CSR program available to rural school districts, Clark County School

District and Washoe County School District are not eligible to apply for this program. This program allows rural school districts to have a pupil to teacher ratio of 22-to-1 in Grade 1 through Grade 3 and not more than 25-to-1 in Grade 4 through Grade 6 subject to the approval of the State Superintendent of Public Instruction. The table on page 16 of [Exhibit C](#) outlines the history of the number of districts that have been participating in the alternative CSR program. In 2017, that number has increased to 12 out of the 15 eligible school districts.

Fiscal staff requested information from NDE regarding how the overall funding for the CSR program is impacted by the increase in the number of school districts electing to utilize the alternative CSR program ratios. The NDE indicated that it has continued to fund the school districts utilizing the alternative CSR program as though these school districts were implementing the student-to-teacher ratios associated with the traditional CSR program, which is 17-to-1 in Grades 1 and 2 and 20-to-1 in Grade 3. As such, it appears the NDE is overfunding the school districts that have elected and have been approved to utilize the alternative CSR program.

The Subcommittees may wish to establish on record that the NDE must fund each school district according to the student-teacher ratios associated with the CSR program utilized.

Additionally, it should be noted that each biennium, the CSR program is budgeted based on estimated enrollment. However, funds are distributed when actual enrollment is either higher or lower, and that may alter the amount of funding distributed.

In the current biennium after the NDE distributed CSR funding to school districts based on actual student count, there was additional CSR funding remaining. The NDE issued a second round of CSR grants targeted to those 1-Star and 2-Star underperforming schools that had CSR variances from the required class-size ratios. The NDE was unsure as to the legislative intent regarding how residual CSR program funds should be handled. The NDE requested authority to continue the practice of distributing residual CSR program funds to underperforming schools with CSR variances and seeks the approval of the money Committees to do so.

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Do the Subcommittees wish to approve General Fund appropriations of \$147.4 million in FY 2017-2018 and \$152.1 million FY 2018-2019 to continue the CSR program at pupil to teacher ratios of 17-to-1 in Grade 1 and Grade 2, and 20-to-1 in Grade 3, inclusive of Budget Amendment A171652610, direct the NDE to fund the student to teacher ratios associated with the type of CSR program implemented and authorize the NDE to distribute residual CSR program funds to underperforming schools with CSR variances?

SENATOR KIECKHEFER:
How much money is associated with the residual funds?

Ms. WALLER:
Based on actual enrollment and the distribution of the funds, it is \$14 million.

SENATOR KIECKHEFER:
Were these funds distributed to schools not to fund additional teachers, but for other purposes?

Ms. WALLER:
No. The funds were to fund additional teachers to reduce class sizes in underperforming schools with variances.

ASSEMBLYWOMAN CARLTON:
One of my concerns is the alternative on the CSR program. The school districts were using the alternative but still being funded. We need to clarify that the school districts that use the alternative CSR cannot receive additional benefits.

Ms. WALLER:
This motion does encapsulate that; it directs the NDE to fund the student-teacher ratios associated with the type of CSR program, meaning the alternative or traditional.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-2610 GENERAL FUND APPROPRIATIONS OF \$147.4 MILLION IN FY 2017-2018 AND \$152.1 MILLION IN FY 2018-2019 TO CONTINUE THE CSR PROGRAM AT PUPIL-TO-TEACHER RATIOS OF 17-TO-1 IN GRADE 1 AND

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GRADE 2, AND 20-TO-1 IN GRADE 3, INCLUSIVE OF BUDGET AMENDMENT A171652610, DIRECT THE NDE TO FUND THE STUDENT-TO-TEACHER RATIOS ASSOCIATED WITH THE TYPE OF CSR PROGRAM IMPLEMENTED, AND AUTHORIZE THE NDE TO DISTRIBUTE RESIDUAL CSR PROGRAM FUNDS TO UNDERPERFORMING SCHOOLS WITH CSR VARIANCES.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. WALLER:

There are 12 other closing items described on pages 17 through 20 of [Exhibit C](#). The first closing item is a budget amendment to reduce the projected recreational marijuana revenue due to an allocation of an Interim Finance Committee (IFC) contingency allocation to the Nevada Department of Taxation to begin development of the regulations. As a result of updated forecasts of recreational marijuana, this budget amendment is no longer necessary as the re-forecasted revenues consider the Nevada Department of Taxation's repayment to the IFC Contingency Account in FY 2017-2018.

Other closing item 2 is the increased funding for group insurance costs. The *Executive Budget* recommends \$10 million in FY 2017-2018 and \$21.9 million in FY 2018-2019 based on the updated enrollment projections. They have increased slightly to \$10.3 million in FY 2017-2018 and to \$22.5 million in FY 2018-2019.

Other closing item 3 is the budget amendment that modifies the dollar amount of the IP 1 revenue transfer as was discussed earlier.

All other items are informational.

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Fiscal staff recommends other closing items 2, 5, 8, 10, 11 and 12 be closed as recommended by the Governor, other closing item 3, as revised by Budget Amendment A171332610A, and requests authority to make technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 2, 5, 8, 10, 11 AND 12 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 3, AS REVISED BY BUDGET AMENDMENT A171332610A, AND AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED.

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MS. WALLER:

The B/A 101-2615, Contingency Account for Special Ed Services begins on page 23 of [Exhibit C](#). The Account for Programs for Innovation and the Prevention of Remediation referred to as the School Remediation Trust Fund was created by the 2005 Legislature. There are two major closing issues.

NDE - Contingency Account For Special Ed Services — Budget Page K-12
EDUCATION-28 (Volume I)
Budget Account 101-2615

Major closing issue 1 is to repurpose this budget to the Contingency Account for Special Education Services. The Subcommittees can recall S. B. No. 508 of the 78th Session created the Contingency Account for Special Education Services. The 2015 Legislature also approved \$5 million to fund the reimbursement of extraordinary expenditures for students with disabilities. It should be noted during the 2015 Legislature a separate budget was not created

for the \$5 million but rather this funding was placed in the School Remediation Trust Fund budget.

The 2005 Legislature approved the creation of the School Remediation Trust Fund budget to provide greater funding to schools to support programs of education excellence, including programs for school improvement, remediation and innovation. However, there are no statutory requirements restricting the use of funding in this account to a certain program or specific purpose.

The proposal is to move the existing funding out of the School Remediation Trust Fund to Other State Education Programs budget and retain the funding for the Contingency Account for Special Education Services, and subsequently, eliminate the School Remediation Trust Fund budget.

Senate Bill 518 is the measure that would effectuate this change to repurpose the School Remediation Trust Fund budget to the Contingency Account for Special Education Services.

SENATE BILL 518: Revises provisions relating to certain accounts used for the education of pupils enrolled in public schools. (BDR 34-1094)

As an alternative to the Governor's recommendation to repurpose the School Remediation Trust Fund, the Subcommittees could establish a new budget for the Contingency Account for Special Education Services, transfer the associated funding for the Special Education Contingency program from this budget to the new budget and retain the School Remediation Trust Fund intact. The benefit of selecting this action would be to continue to have a statutorily created account that is not program specific, but rather, would allow the money Committees to approve certain program funding to be carried forward and not revert to the State General Fund at the end of a biennium.

The decision unit E-905 is associated with the Governor's proposal to repurpose the School Remediation Trust Fund budget. This is a transfer of the funding associated with the New Teacher Incentives, Victory Schools, Zoom Schools, and English Learners (EL) grant fund program from this budget to the Other State Education Programs budget with no change in purpose.

E-905 Transfer from School Remediation to Other State Education —
Page K-12 EDUCATION-30

Fiscal staff would note that the New Teacher Incentive funding is a program that did not revert funding at the end of the biennium. Moving it to the Other State Education Programs budget, that option to not revert is no longer available. Therefore, one option would be to consider keeping the School Remediation Trust Fund budget and creating the new budget for the Contingency Account.

The NDE indicates that unexpended funding for the New Teacher Incentives program should continue to be carried forward to the subsequent biennium and not revert to the State General Fund. The NDE's goal is to fill all teacher vacancies with the support of this funding.

The second part of this proposal is a funding structure change for the Contingency Account for Special Education. The State funding for special education including the funding for the Special Education Contingency program is subject to federal maintenance of effort (MOE) requirements. As such, in order to avoid obligating additional General Fund appropriations to the federal MOE for special education, the Governor recommends a modification to the funding structure for the Special Education Contingency program for the upcoming biennium. This includes eliminating the Treasurer's Interest earnings, decision unit E-225.

E-225 Efficient and Responsive State Government — Page K-12
EDUCATION 28-29

In the 2017-2019 biennium, the Governor proposes the elimination of all but \$100 of the \$5 million General Fund appropriation for the support of the Special Education Contingency program with the remaining \$4,999,900 to be funded with a carry forward of unexpended funding from the prior year, for total available funding each year of \$5 million. If the Special Education Contingency program were fully expended at the end of a fiscal year in either year of a biennium, the NDE would request funding from the IFC Contingency Account to replenish the expended program funds to the legislatively approved level of

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\$5 million to maintain compliance with federal MOE requirements for special education.

E-226 Efficient and Responsive State Government — Page K-12
EDUCATION 29-31

Options for the Subcommittees to consider are discussed on page 26 of [Exhibit C](#):

- A. Approve the Governor's recommendation to repurpose the School Remediation Trust Fund to the Contingency Account for Special Education Services, contingent upon the passage and approval of S.B. 518, which should be amended to eliminate the School Remediation Trust Fund. If this option is selected, the Subcommittees should approve decision units, E-905, E-225 and E-226.
- B. Do not approve the Governor's recommendation to repurpose the School Remediation Trust Fund to the Contingency Account for Special Education Services, but rather, retain the School Remediation Trust Fund intact and create a new budget for this purpose and provide Fiscal staff with authority to transfer the funding for the Contingency Account for Special Education Services to the newly created budget. If this option is selected, the Subcommittees should approve decision unit E-226 and not approve decision units E-225 and E-905.

SENATOR KIECKHEFER:
What is the benefit of each option?

MS. WALLER:
The School Remediation Trust Fund is one of the statutorily created accounts that does not have a specific requirement for program funding. Historically, programs such as FDK, Zoom, Victory and other programs have not had funding reverted at the end of the biennium have been placed in there. In some ways, it allows unexpended funding to be carried forward to be used in the subsequent biennium. The true benefit is having that option. As we will discuss further in Other State Education program budgets, there are a couple of programs for which the NDE is requesting that ability to carry forward unexpended funding

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and that would be the Social Workers School program. Likewise, the Nevada Ready 21 (NR21) program is recommended at a flat funding level and so any unexpended funding in FY 2016-2017 that could be carried over to FY 2017-2018 would assist the program in accomplishing its summer maintenance of the devices without impacting the funding schools would continue to receive.

SENATOR KIECKHEFER:

Did we ever spend any of the \$5 million out the Special Education Contingency Account?

MS. WALLER:

Currently, the NDE indicates they have received applications. When the funding was approved by the 2015 Legislature, the direction was for the NDE to develop regulations for the application and the guidelines for approval. Of this funding, the NDE has received applications and is reviewing those, but actual expenditures have not occurred.

SENATOR KIECKHEFER:

It was referenced earlier regarding the 13 percent cap put in place on the funding. There are 10 or 11 school districts above the cap. If we were to spend money that we had set aside and had not spent for special education purposes to fund the cost of actually providing the weight to every special education student in the State, would that still meet the MOE requirements?

MS. WALLER:

Yes, it does not matter if it is the Contingency Account or Special Education. It is considered the State match portion.

SENATOR KIECKHEFER:

It seems somewhat absurd to me that we would park money in a budget account and just let it sit there and not spend it when there are special education students who are not getting the weighted funding that we have otherwise approved on a Statewide basis.

CHAIR WOODHOUSE:

This is really frustrating to me as well.

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MS. WALLER:

Just for clarification purposes, the Contingency Account for Special Education Services was established to be expended on rare occasions. It is to provide a safety net for the smaller or rural school districts that might have a very high cost for students with disabilities enrolled in their school district and therefore the school district would be unable to afford the cost of the services provided to those students. In this situation, the school district could apply to the NDE for a grant to assist in funding those services. The intent of this program was not for the funding to be distributed each year in full. It is to have the funding available to help offset the extraordinary high cost students that a school district might encounter.

SENATOR KIECKHEFER:

I certainly understand that and it is completely in line with the intent. The money now is required under the MOE and based on a biennium of experience of having it just sit there, I think it makes more sense for us to put it to productive use, maybe not all of it but part. We could discuss this if the Subcommittees would be willing.

ASSEMBLYWOMAN CARLTON:

The Social Workers in School Program is how it was funded, so those dollars could roll over, teacher's incentives and a few other things in this account, is that correct?

MS. WALLER:

Currently, the only program that is in the School Remediation Trust Fund budget that does not revert at the end of the biennium is the New Teacher Incentives program. The Social Workers in School, and the NR 21 programs are funding in the Other State Education Programs budget and they do not have the ability to roll over each biennia, although that will be up to the Subcommittees' consideration to determine if you want to approve that ability.

ASSEMBLYWOMAN CARLTON:

So we do not need this account in order for to that happen?

MS. WALLER:

In speaking with legislative counsel, language can be added to the back of an education funding bill to allow funding to carry forward but that is Session law and that would need to be renewed every two years. It is preferable per legal counsel to have a statutory account to tie that funding to in order to roll forward as opposed to just continuing appropriations.

ASSEMBLYWOMAN CARLTON:

I am trying to weigh Senator Kieckhefer's concerns. I want that money to go to its highest and best use also, but I believe the need in the account is to deal with some of these other issues. We are talking about some funding and in previous discussions we had about dollars being above and beyond what we thought. I think this is one of the accounts that we were looking at. I am trying to make sure that if we need an option that this is a flexible account that allows us to spend dollars and allows them to roll over to deal with the issues in front of us. I want to make sure that we are covering both sides of the coin on this, knowing where Senator Kieckhefer is trying to go.

SENATOR KIECKHEFER:

I think that we are speaking tangentially. I do not think what I am suggesting precludes us from doing anything in this budget account for either of these options. What Ms. Waller indicates makes sense to me is having the correct structure for programs that will not revert. The issue over perhaps using some of these Contingency Account dollars consistent with special education purposes is not inconsistent. We can figure a way to do that outside of this budget account. Is that accurate, Ms. Waller?

MS. WALLER:

The Subcommittees could choose to modify the level of funding in the Contingency Account for Special Education Services. The recommendation that had come forward from the consultant during the Interim study of the K-12 funding formula, did not recommend a specific funding level for the Contingency Account for Special Education Services. The \$5 million was recommended although there is not any data to suggest that is either high or low. If the Subcommittees choose to modify that funding level, by lowering it to \$1 million or \$2 million and moving the \$3 million into Special Education, the State would still maintain its MOE.

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The options here are whether to keep the School Remediation Trust Fund to provide flexibility for some of those other programs that may desire to have that ability to not revert funding at the end of the biennium. If that were the desire of the Subcommittees, a new budget would be created because the account for Special Education Contingency services is already established in statute. We are just creating a budget for it as opposed to repurposing the existing budget.

SENATOR KIECKHEFER:

I think based on what I have heard, I would support Option B as presented by Fiscal staff to create this additional budget account. I would like to potentially come back to full joint closing this weekend and talk about the level of funding in the Contingency Account. Can we use some of these dollars while still maintaining the MOE to fully fund our special education students Statewide.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO REPURPOSE THE SCHOOL REMEDIATION TRUST FUND TO THE CONTINGENCY ACCOUNT FOR SPECIAL EDUCATION SERVICES IN B/A 101-2615, BUT RATHER, RETAIN THE SCHOOL REMEDIATION TRUST FUND INTACT AND CREATE A NEW BUDGET FOR THIS PURPOSE AND PROVIDE FISCAL STAFF WITH AUTHORITY TO TRANSFER THE FUNDING FOR THE CONTINGENCY ACCOUNT FOR SPECIAL EDUCATION SERVICES TO THE NEWLY CREATED BUDGET. THE LEVEL OF THE FUNDING WOULD BE DISCUSSED IN A FULL JOINT COMMITTEE HEARING.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 2 beginning on page 26 of [Exhibit C](#) is the addition of special education teachers to the New Teacher Incentives program. As we discussed, the 2015 Legislature approved \$10 million over the 2015-2017 biennium to create a new grant program to provide incentive pay for newly hired teachers who are employed to teach in certain at-risk schools during their first two years of employment. In the Other State Education Programs budget the Governor recommends the transfer of \$15 million of existing funding from the New Teacher Incentives program to increase funding for recruitment and retention incentives in both the Zoom Schools program and the EL grant program.

Based on the Governor's recommendation to transfer \$7.5 million in each fiscal year from the New Teachers Incentives program to the EL programs, which includes Zoom, rural and charter schools, available funding remaining for the New Teacher Incentive grants would be \$2.5 million in each year of the biennium.

Testimony provided by NDE on March 1, 2017, indicates that due to recruiting challenges in finding a sufficient number of special education teachers, the NDE proposes a policy change to allow incentive funds from the New Teacher Incentives program for the recruitment of special education teachers at any school.

In response to follow-up questions, the NDE indicates that teachers with an appropriate license to teach in special education in any school, not just certain at-risk schools, would be eligible for incentives. The NDE notes that the requested policy change would have a significant positive impact in assisting schools with filling one of the highest need areas. The NDE further indicates that if the Governor's recommendation to transfer \$7.5 million of New Teacher Incentive program funding in each fiscal year to the Zoom schools and rural and charter school EL grant program is approved, the NDE recommends the remaining \$2.5 million in each year be utilized to support the recruitment efforts of teachers at non-Zoom schools.

Do the Subcommittees wish to approve a policy change to allow incentive funds from the New Teacher Incentives program to be utilized for the recruitment of

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special education teachers at any school during their first two years of employment, in addition to newly hired teachers who are employed to teach in certain at-risk schools?

CHAIR WOODHOUSE:

I know there has been some conversation regarding teacher incentives beyond the new teacher. Is it possible to add some additional dollars towards teacher incentives later?

MS. WALLER:

Yes, any decisions by the Subcommittees or the Full Joint Committee could accommodate an increase in funding in this budget. We certainly can add language in the education funding bill to clarify the intent of the use of those funds.

SENATOR DENIS:

Do we want to take what is left in there, which is the \$2.5 million and is this to be used for special education also?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2615 A POLICY CHANGE TO ALLOW INCENTIVE FUNDS FROM THE NEW TEACHER INCENTIVES PROGRAM TO BE UTILIZED FOR THE RECRUITMENT OF SPECIAL EDUCATION TEACHERS AT ANY SCHOOL DURING THEIR FIRST TWO YEARS OF EMPLOYMENT, IN ADDITION TO NEWLY HIRED TEACHERS WHO ARE EMPLOYED TO TEACH IN CERTAIN AT-RISK SCHOOLS.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

There are five other closing items for B/A 101-2615 described on pages 28 through 32 of [Exhibit C](#) they include the EL Program, the base funding for Zoom programs and EL grant programs for rural school districts and charter schools for the 2017-2019 biennium. The Governor recommends the base funding of \$49.95 million in each fiscal year to continue, as well as, the Victory Schools program to continue in the base.

We have the transfer of the FDK program and the description of the Special Education Contingency program.

Fiscal staff recommends that all other closing items be closed as recommended by the Governor, inclusive of Budget Amendment A171672615, and with authority for Fiscal staff to make other technical adjustments as necessary.

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES THAT ALL OTHER CLOSING ITEMS FOR B/A 101-2615 BE APPROVED AS RECOMMENDED BY THE GOVERNOR, INCLUSIVE OF BUDGET AMENDMENT A171672615, AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

We will move on to B/A 101-2699, Other State Education Programs beginning on page 33 of [Exhibit C](#).

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MS. WALLER:

This budget is designed to accommodate grants and other programs funded by the State specifically for pass-through to school districts, charter schools and other educational entities. There are a number of major closing issues.

Major closing issue 1 is the increased funding for EL Programs, decision unit E-275. For the 2017-2019 biennium, the Governor recommends additional General Fund appropriations totaling \$27 million to increase support of the Zoom schools and EL grant programs for rural school districts and charter schools.

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In addition, the Governor recommends the transfer of \$15 million of existing funding from the New Teacher Incentives program to increase funding for recruitment and retention incentives in both the Zoom schools program and the EL grant program.

Testimony provided by the NDE at the March 1, 2017, budget hearing indicates additional funding recommended by the Governor could expend EL and long-term EL services to an additional 25 middle and high schools. Follow-up information from the NDE indicates that school districts and charter schools will be required to maintain program start and end dates for long-term EL students beginning in the 2017-2018 school year. Regarding the number and progress of long-term EL students, the NDE indicates school districts and charter schools will be required to submit annual reports to the NDE, the State Board of Education, the LCB and the Legislative Committee on Education.

Senate Bill 390 provides the policy guidelines, including eligible expenditures and reporting requirements for the Zoom schools and the rural and charter schools grant program in the 2017-2019 biennium.

SENATE BILL 390: Extending and revising the Zoom schools program for the 2017-2019 biennium. (BDR S-788)

This bill essentially mirrors the requirements outlined in S.B. No. 405 of the 78th Session, except that the requirement to fund FDK with Zoom schools and

EL grant funds would be eliminated since all kindergartners will be funded through the State's K-12 finance formula beginning July 1, 2017. Senate Bill 390 was heard by the Senate Committee on Education on May 11, 2017.

Options for the consideration by the Subcommittees are:

- A. Approve additional General Fund appropriations of \$7.5 million in FY 2017-2018 and \$19.5 million in FY 2018-2019 and the transfer of \$7.5 million in each year of the 2017-2019 biennium from the New Teacher Incentives program to the Zoom Schools and EL grant program, as recommended by the Governor, to provide support for an estimated 30 additional underperforming schools in the 2017-2019 biennium.
- B. Approve additional General Fund appropriations of \$7.5 million in FY 2017-2018 and \$19.5 million in FY 2018-2019, as recommended by the Governor, to provide support for underperforming schools in the 2017-2019 biennium, but do not approve the transfer of \$7.5 million in each year of the 2017-2019 biennium from the New Teacher Incentives program to the Zoom Schools and EL grant program.
- C. Do not approve additional General Fund appropriations of \$7.5 million in FY 2017-2018 and \$19.5 million in FY 2018-2019 and the transfer of \$7.5 million in each year of the 2017-2019 biennium from the New Teacher Incentives program to the Zoom Schools and EL grant program, as recommended by the Governor, to provide support for an estimated 30 additional underperforming schools in the 2017-2019 biennium, but rather redirect the recommended funding to support other high-priority educational initiatives of the Subcommittees.

SENATOR DENIS:

I know that the incentive funding is an important issue. I think that it is something we really need to look at. However, I also know that we are working on the funding formula and trying to find funds there. I would I lean towards Option C.

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SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES
TO APPROVE B/A 101-2699 OPTION C.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON
WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 2 beginning on page 35 of [Exhibit C](#) is the increased funding for the Gifted and Talented Education program (GATE), decision unit E-276. The Governor proposes General Fund appropriations of \$1.2 million in FY 2017-2018 and \$3.1 million in FY 2018-2019 to increase funding for the GATE program. Total recommended funding for the GATE program would be \$14.6 million over the 2017-2019 biennium.

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The 2015 Legislature directed that GATE funding be distributed on a per-pupil basis to pupils who have been identified as gifted and talented (GT) through a State-approved assessment or procedure or both. Based on the feedback provided by the NDE concerning the distribution of GATE funding on a per-pupil basis beginning in FY 2015-2016, the NDE notes that there were differing interpretations regarding how school districts and charter schools were to report the count of GT students. Several school districts reported the count of students that had been identified as GT in their school districts or charter schools, irrespective of whether those students were actually receiving GATE instruction. Other school districts and charter schools reported only the count of students receiving GATE instruction, which is much lower than the count of students identified as gifted.

According to the NDE, *Nevada Administrative Code* (NAC) 388.435 requires 150 minutes per week of differentiated instruction for GT students. The NDE

intends to amend the NAC to clarify that the 150 minutes of differentiated instruction per week must be delivered by a person licensed in the State of Nevada to teach students that are identified as GT.

The NDE indicates it supports clarifying the eligibility requirements for GATE funding to state that students must not only be identified as GT through a State-approved assessment or procedure, but must also be receiving GATE instruction. Fiscal staff would note that if the Subcommittees support the NDE's clarification of the eligibility requirements, such clarifying language could be added as back language to the education funding bill.

The NDE indicates that the assessments currently being utilized in each school district and charter school are all State approved. According to the NDE, the issue with inconsistent identification rates between school districts is based on the application of the assessment results and not inconsistencies between the assessments themselves. The NDE is working to address the inconsistent identification rates using a State-approved rubric.

The NDE convened a GATE work group, which has met several times during the 2015-2017 biennium to address the issue of inconsistent identification of GATE students among all school districts and charter schools, as well as the issue of equity in identification. All 17 school districts and the State Public Charter School Authority (SPCSA) were invited to participate. The GATE work group has determined that the use of a State-approved rubric to establish consistent identification from district to district would be beneficial. The rubric will be comprised of measures of intelligence, academic aptitude, and other related factors such as classroom performance, demonstration of critical thinking and other characteristics of giftedness. The NDE notes that the rubric will be weighted heavily on intelligence to ensure students identified, for purposes of funding, actually meet the definition of exceptionality.

Fiscal staff would note that the GATE program, unlike a majority of other State-funded education initiatives approved by the 2015 Legislature, did not receive funding to support the costs of implementation or administration of the program. Since the NDE's Director of the Special Education program, which oversees the GATE program, is funded through federal grant funds, the director is unable to travel or to provide professional development for the GATE

program, as the federally funded position is not allowed to utilize any federal administrative funding on the State-funded GATE program.

In response to Fiscal staff's request for a proposed administrative budget for the GATE program, the NDE provided the proposed budget in the table on page 37 of [Exhibit C](#). This includes one education program professional position, in-State travel, out-of-State travel, operating expenses, and data collection and compliance audits. The total administrative budget is \$129,828 in FY 2017-2018 and \$153,922 in FY 2018-2019.

If the Subcommittees wish to provide administrative funding for the support of the GATE program, one option would be to add additional General Fund appropriations totaling \$283,750 over the 2017-2019 biennium or the other option would be to reduce the recommended enhancement by \$129,828 in FY 2017-2018 and \$153,922 in FY 2018-2019, resulting in a net increase of \$1.1 million in FY 2017-2018 and \$2.9 million in FY 2018-2019.

Options for consideration by the Subcommittees are:

- A. Approve General Fund appropriations of \$1.2 million in FY 2017-2018 and \$3.2 million in FY 2018-2019, as recommended by the Governor, to provide additional funding for students that are identified and served in GATE programs.
- B. Approve reduced General Fund appropriations of \$1.1 million in FY 2017-2018 and \$2.9 million in FY 2018-2019 to provide additional funding for students that are identified and served in GATE programs and approve \$129,828 in FY 2017-2018 and \$153,922 in FY 2018-2019 to support the administrative costs of the State-funded GATE program. If this option is selected, Fiscal staff requests authority for a technical adjustment to transfer \$129,828 in FY 2017-2018 and \$153,922 in FY 2018-2019, from this budget to the NDE's Individuals with Disabilities budget, B/A 101-2715.

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- C. Do not approve General Fund appropriations of \$1.2 million in FY 2017-2018 and \$3.2 million in FY 2018-2019, as recommended by the Governor, to provide additional funding for students that are identified and served in GATE programs.

An additional option that is not listed on page 37 of [Exhibit C](#) would be to add the additional General Fund appropriations of \$283,750 over the 2017-2019 biennium and maintain the recommended enhancement of \$1.2 million and \$3.2 million for the GATE program in each year of the biennium.

In addition to any one of the options selected, Fiscal staff recommends the Subcommittees approve back language in the 2017 K-12 education funding bill clarifying that eligibility requirements for GATE funding not only include students be identified as GT through a State-approved assessment or procedure, but also must receive GATE instruction in accordance with the requirements outlined in NAC 388.435.

CHAIR WOODHOUSE:

Could you read the numbers again for this additional option we will call Option D?

MS. WALLER:

The Subcommittees could chose to add additional General Fund appropriations totaling \$283,750 over the 2017-2019 biennium, \$129,828 in FY 2017-2018 and \$153,922 in FY 2018-2019. This would be in addition to the recommended enhancement of \$1.2 million and \$3.2 million. This is contrasted with Option B where you would carve out the administrative costs from the enhancement funding.

CHAIR WOODHOUSE:

I do think we need to take care of the administrative costs. It has certainly tied our hands in the last biennium regarding GATE funding when we did not take care of the administrative costs. My understanding is the Option D would be the best to cover all of the costs.

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MS. WALLER:

For clarification, to add administrative funding for the GATE program, there are really two options. One would be to add additional General Fund appropriations above the Governor's recommendation for the enhancement to the GATE program; this is Option D. This would require an additional \$283,750 in General Fund appropriations over the 2017-2019 biennium. Option B would be to subtract those administrative costs from the enhancement and then fund both at the same level recommended in the *Executive Budget*.

CHAIR WOODHOUSE:

That does make it clearer. Basically, Option B we would provide the administrative costs but the enhancement would be reduced by that amount, and Option D would add additional \$283,750 in General Fund appropriations. Do we want to reduce it to cover the administrative costs or add more money to cover it?

ASSEMBLYWOMAN CARLTON:

I would be leaning toward Option D. I believe if we have the responsibility towards those costs to make the program work better for the students, Option D should be selected.

CHAIR WOODHOUSE:

I would agree.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES FOR B/A 101-2699 OPTION D AS DESCRIBED BY MS. WALLER.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLYWOMAN CARLTON:

I believe this is a bit confusing.

SENATOR DENIS:

Did we put any limitations or restrictions on how the GATE money is spent?

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MS. WALLER:

I believe NDE has indicated that school districts are required to submit a plan for the GATE programs and those expenditures need to align with its plan for the GATE program.

SENATOR DENIS:

I have seen both in the Washoe County School District and in the Clark County School District the things they do for GATE. I have seen a lot in the elementary school ages but I do not see a whole lot going on in the middle school and high school ages. I have a son who is gifted and has not received anything in middle school but yet in elementary school, they had a program where they pulled him out and did some things. I do not think they have made it clear to parents what they are doing. I think it is important to provide these services to elementary as well as middle school and high school levels.

CHAIR WOODHOUSE:

That is also my experience as well. It is very obvious what is being done and very positive for GATE students at the elementary level. I do have questions about how are we taking care of these students as they move forward into middle school and high school.

MS. WALLER:

I will mention that with an administrative budget, the director of the special education services, who oversees the GATE program, will be able to work with the school districts and charter schools to be sure that the program is meeting the students' needs. Fiscal staff recommends that the Subcommittees include in the motion approval of back language in the education funding bill clarifying that the eligibility requirements of GATE not only includes students identified as GT through the State-approved assessment but must also receive GATE instruction in accordance with the requirements outlined in NAC 388.425.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 3 beginning on page 37 of [Exhibit C](#) is the increased funding for the Victory Schools program, decision unit E-277. The Governor's budget includes \$10 million in FY 2017-2018 and \$20 million in FY 2018-2019 to provide support for an estimated 30 additional underperforming schools. Total recommended funding for the Victory Schools program is \$80 million over the 2017-2019 biennium, which represents a 60 percent increase when compared to the \$50 million legislatively approved for the 2015-2017 biennium.

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Assembly Bill (A.B.) 447 as amended, provides the policy guidelines, including eligible expenditures and reporting requirements for the Victory School program in the 2017-2019 biennium.

[ASSEMBLY BILL 447 \(1st Reprint\)](#): Revises provision related to Victory schools.
(BDR S-717)

Options for consideration by the Subcommittees are:

- A. Approve additional General Fund appropriations of \$10 million in FY 2017-2018 and \$20 million in FY 2018-2019 for the Victory Schools program, as recommended by the Governor, to provide support for an estimated 30 additional underperforming schools in the 2017-2019 biennium.
- B. Do not approve additional General Fund appropriations of \$10 million in FY 2017-2018 and \$20 million in FY 2018-2019 for the Victory Schools program, as recommended by the Governor, but rather redirect the recommended funding to support other high-priority educational initiatives of the Subcommittees.

CHAIR WOODHOUSE:

I think this one goes along with the action the Subcommittees took on the Zoom Schools.

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SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES B/A 101-2699 OPTION B TO NOT APPROVE ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$10 MILLION IN FY 2017-2018 AND \$20 MILLION IN FY 2018-2019 FOR THE VICTORY SCHOOLS PROGRAM, AS RECOMMENDED BY THE GOVERNOR, BUT RATHER REDIRECT THE RECOMMENDED FUNDING TO SUPPORT OTHER HIGH PRIORITY EDUCATIONAL INITIATIVES OF THE SUBCOMMITTEES.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

CHAIR WOODHOUSE:

I want to make sure that we all understand that the Zoom Schools and the Victory Schools are part of the discussion and work being done on S.B. 178.

SENATE BILL 178: Revises provisions relating to the funding formula for K-12 public education. (BDR 34-792)

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue 4 beginning on page 4 of Exhibit C is the Read by Grade 3 program. The *Executive Budget* recommends General Fund appropriations of \$22.3 million in each year of the 2017-2019 biennium to continue the Read by Grade 3 program approved by the 2015 Legislature.

Fiscal staff notes that in 2016 the Legislative Commission approved regulations that require the use of the Measures of Academic Progress (MAP) assessment to assess pupils' proficiency in the subject of reading. The NDE indicates the use of the MAP assessment was determined after surveying school districts and finding a majority were already utilizing the MAP assessment. Additionally, school districts requested the State adopt a single assessment to assist with the

development of common professional development, comparability across the State, and utilize economies of scale.

The NDE indicates that school districts utilized Read by Grade 3 grant funds to purchase these MAP assessments. However, based on information provided by NDE, the total cost for school districts and charter schools to purchase these assessments would be \$1.89 million in each year of the 2017-2019 biennium, while a Statewide contract with MAP assessment would total \$1.71 million. Accordingly, NDE indicates annual savings of \$173,430 in each year of the biennium could be realized if the MAP assessments were purchased utilizing a Statewide contract.

Fiscal staff notes that the Other State Education Programs budget is designed to provide pass-through funding to school districts, charter schools, and other education entities. Therefore, expenditures for a Statewide contract from the MAP assessment would not be appropriate in this budget. If the Subcommittees wish to approve the NDE's request to fund a Statewide contract to purchase the MAP assessments, they may wish to provide Fiscal staff with authority to enter a technical adjustment to transfer General Fund appropriations of \$1.71 million in each year of the 2017-2019 biennium from this budget to the NDE's Assessments and Accountability B/A 101-2697 and establish the MAP assessment expenditures in that budget, which funds the various assessments administered by the State. If approved, the remaining funding available to fund Read by Grade 3 grants would be \$20.5 million in each year of the 2017-2019 biennium.

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Do the Subcommittees wish to approve the Governor's recommendation for continued funding of \$22.3 million in each year of the 2017-2019 biennium for the Read by Grade 3 program, utilize \$1.71 million of this funding in each year of the biennium in B/A 101-2699 to fund a Statewide assessment contract, and provide Fiscal staff with authority to transfer annual General Fund appropriations of \$1.71 million to the NDE's Assessment and Accountability budget to fund the Statewide MAP assessment contract in that budget?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR CONTINUED FUNDING OF \$22.3 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR THE READ BY GRADE THREE PROGRAM, UTILIZING \$1.71 MILLION OF THIS FUNDING IN EACH YEAR OF THE BIENNIUM TO FUND A STATEWIDE ASSESSMENT CONTRACT, AND PROVIDE FISCAL STAFF WITH AUTHORITY TO TRANSFER ANNUAL GENERAL FUND APPROPRIATIONS OF \$1.71 MILLION TO THE NDE'S ASSESSMENTS AND ACCOUNTABILITY BUDGET TO FUND THE STATEWIDE MAP ASSESSMENT CONTRACT IN THAT BUDGET.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Waller:

Major closing issue 5 is the Social Worker or Other Licensed Mental Health Worker grant program. The *Executive Budget* recommends General Fund appropriations of \$11.2 million in each year of the 2017-2019 biennium to continue the Social or Other Licensed Mental Health Worker grant program approved by the 2015 Legislature.

The Social Worker or Other Licensed Mental Health Worker grant program also known as the Social Workers in Schools (SWS) program provides funding for contract social workers or other licensed mental health workers in schools with identified needs. A mental health screening tool/survey is administered annually to identify schools in need. Based upon the result of the survey, a school district or charter school receives a block grant to fund the contract social workers/mental health professionals needed for identified schools. Testimony provided by the NDE during the 2015 Legislature indicated that social workers or other licensed mental health workers would be contractors and not school employees.

The NDE reports that a total of 225 SWS grants totaling \$10.9 million have been awarded in 11 school districts and 7 charter schools, serving 165 schools Statewide.

The NDE indicates that all of the 225 SWS contractor positions awarded in FY 2016-2017 have been filled.

During the NDE's budget hearing, the NDE indicated the Office of Safe and Respectful Learning Environment and school districts and charter schools are working to expand the program with other possible funding sources, including Medicaid funding. It was also indicated that school districts, including the Clark County School District, were experiencing a high turnover rate of its social workers or other licensed mental health workers, which negatively affects the program. The NDE indicates this high turnover rate is due to the demand for these positions and the inability for the district to offer benefits for these contract positions. To address this issue, the NDE requests to allow school districts and charter schools the flexibility to either contract with individuals or hire these positions as employees. The NDE indicates this flexibility would attract qualified professionals to fill these grant positions since the perceived insecurity of a contract position would be eliminated and benefits could be offered, allow for longer-term relationships to be established with vulnerable students due to continuity of these positions, and eliminate the perceived "outsider" status that contract employees may experience at schools, allowing more collegial relationships to be established with staff and students.

It should be noted that allowing these positions to be hired as employees and providing benefits might decrease the number of positions that could be awarded, when compared to the level awarded in FY 2016-2017. However, as previously mentioned, the NDE is exploring other funding sources and is also working with the school districts and charter schools to develop a matching program for the State dollars utilized for employee benefits.

In addition, the NDE requests authorization to carry forward unexpended funding each biennium to the subsequent biennium in order to provide sufficient funding for the Social or Other Licensed Mental Health Worker grant program as well as authorization to carry unexpended funding in the first year of the biennium to the second year of the biennium. The NDE indicates this would allow it to fund

additional social workers in the upcoming biennium and allow for two-year grants to be awarded, which would assist with school districts' recruitment efforts as longer-term positions could be awarded.

Although the Subcommittees could authorize Fiscal staff to include back language in the 2017 K-12 education funding bill to allow the NDE to carry over unexpended funding each biennium to subsequent biennium, since the education funding bill is Session law, the language would need to be approved and added as back language each subsequent legislative session. Further, Legislative Counsel has indicated to Fiscal staff it would be preferable to have unexpended funding that would not revert to the State General Fund be associated with a statutorily created account. Therefore, it appears that the NDE's request would be contingent upon the action of the Subcommittees to retain the School Remediation Trust Fund, B/A 101-2615, which is recommended by the Governor for elimination. Based on the Subcommittees prior action to retain the School Remediation Trust Fund budget, the Subcommittees could consider authorizing the NDE to carry over that funding based on the options provided.

- A. Do the Subcommittees wish to approve the Governor's recommendation for General Fund appropriations of \$11.2 million in each year of the 2017-2019 biennium to continue the Social or Other Licensed Mental Health Worker grant program, allow the NDE to provide school districts and charter schools the flexibility to either contract with individuals or hire these positions as employees, and provide authority for unexpended funding to be transferred from the first fiscal year to the second fiscal year of a biennium?

This option is structured in the event that the School Remediation Trust Fund is eliminated. This would allow the Subcommittees to authorize the flexibility to move funding from the first year to the second year if needed.

- B. Do the Subcommittees wish to authorize the NDE the ability to carry forward unexpended Social or Other Licensed Mental Health Worker grant funding between biennia, contingent upon the Subcommittees' action concerning the elimination of the School Remediation Trust Fund? If so, Fiscal staff requests authority to transfer the Social or Other Licensed

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Mental Health Worker grant program funding from this budget to the School Remediation Trust Fund.

ASSEMBLYWOMAN SPIEGEL:

I think this program is extremely important, especially because of the work that it does related to fighting bullying. I would lean towards supporting both of these recommendations. I would support carrying the funding over because in addition to any other funding, it would leave funding for crisis situations not anticipated where mental health professionals might be needed.

SENATOR DENIS:

I would like to say that during the Interim, I heard from several of the schools that were taking advantage of this funding. The schools view this as a benefit for them. It provides additional help to schools where in the past, the support was not there.

ASSEMBLYMAN ARAUJO:

I know the school districts are responsible for selecting the social workers. Are nonprofits eligible to partner with the school districts to assist in the recruitment efforts?

MS. WALLER:

With respect to how those positions are recruited, I think that flexibility is provided to the school districts so that they can partner with other entities to find and hire those professionals.

ASSEMBLYWOMAN DIAZ:

In hearing feedback during the Interim, there was some frustration about hiring and not having the ability to keep these hires due to licensing issues or complying with certain provisions. I believe flexibility while we figure out what is the best course is needed. Then we can learn from our experience and use the best criteria moving forward.

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS OF \$11.2 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR B/A 101-2699 TO CONTINUE

THE SOCIAL OR OTHER LICENSED MENTAL HEALTH WORKER GRANT PROGRAM, ALLOW THE NDE TO PROVIDE SCHOOL DISTRICTS AND CHARTER SCHOOLS THE FLEXIBILITY TO EITHER CONTRACT WITH INDIVIDUALS OR HIRE THESE POSITIONS AS EMPLOYEES, AND PROVIDE AUTHORITY FOR UNEXPENDED FUNDING TO BE TRANSFERRED FROM THE FIRST FISCAL YEAR TO THE SECOND FISCAL YEAR OF A BIENNIUM. TO AUTHORIZE THE NDE TO CARRY FORWARD UNEXPENDED SOCIAL OR OTHER LICENSED MENTAL HEALTH WORKER GRANT FUNDING BETWEEN BIENNIA, CONTINGENT UPON THE SUBCOMMITTEES' ACTION CONCERNING THE ELIMINATION OF THE SCHOOL REMEDIATION TRUST FUND AND GRANT FISCAL STAFF THE AUTHORITY TO TRANSFER THE SOCIAL OR OTHER LICENSED MENTAL HEALTH WORKER GRANT PROGRAM FUNDING FROM THIS BUDGET TO THE SCHOOL REMEDIATION TRUST FUND.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 6 beginning on page 42 of [Exhibit C](#) is the Nevada Ready 21 (NR21) Technology Grant program. The Governor recommends the continuation of the NR21 Technology grant program, supported by General Fund appropriations of \$20 million over the 2017-2019 biennium. The NR21 grant program provides grants to schools to provide students with portable devices to connect wirelessly to the internet.

The NDE indicates the NR21 program would continue to focus on middle schools in the 2017-2019 biennium and expand to high schools in the 2019-2021 biennium.

The NDE anticipates all \$20 million in available grant funding will be distributed over the 2015-2017 biennium, which would provide devices to 19,041 students and 1,030 teachers (Cohort 1) in the 2015-2017 biennium.

Fiscal staff notes an evaluation of the NR21 grant program was released in December 2016, and the evaluation recommends the continued funding for the program with some modifications related to professional development and integration efforts.

The NDE has proposed to provide some additional options for school districts in charter schools to participate in this program in the upcoming biennium. The three options are:

1. Seat price of \$932: Chromebook or Microsoft device purchased by the State, professional development, digital learning coach, and onsite IT Technician.
2. Seat price of \$606: Local device compliant with NR21 requirements, professional development, digital learning coach, and onsite IT Technician.
3. Seat price of \$555: Local device compliant with NR21 requirements, professional development, and digital learning coach.

These options provide flexibility for school districts to make this program successful.

The NDE indicates that the exact number of students that would be served in the 2017-2019 biennium would not be known until after the Cohort 2 application process is complete. The NDE estimates the number of new students that would be added would range from 6,529 to 10,965 students. Between Cohort 1 and Cohort 2, the total number of students that would be served in the 2017-2019 biennium is estimated by the NDE to be 25,570 to 30,006 students.

Fiscal staff notes that State grant funds were utilized in the 2015-2017 biennium to support one contract project manager/communications officer and a

half-time contract administrative assistant position that assist the NDE with the administration of the NR21 program. When closing the Standards and Instructional Support budget, the Subcommittees recommended a separate contract NR21 position be replaced with a State education programs professional (EPP) to support the NR21 program. Based on this closing, the NR21 program would have a dedicated full-time EPP position in the 2017-2019 biennium to continue, rather than establish the NR21 program.

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Accordingly, the Subcommittees may wish to direct the NDE to discontinue the use of the contract project manager/communications officer and the halftime administrative assistant position since it would appear the program would not require the positions. If the NDE based on workload determines these positions are required, it could submit a request for an enhancement to support these positions in the upcoming biennium. This would allow additional funds to be distributed at the school sites.

Additionally, the NDE requests to utilize the funding appropriated for the NR21 program between biennia and fiscal years. The NDE indicates this flexibility would reflect the current three-year grant award period, which required the NDE to award funds conditionally for future years contingent upon continued State funding. The NDE indicates this would eliminate a perceived risk by school districts regarding continued State funding. The NDE also indicates the devices need to be cleaned and repaired over the summer and this funding flexibility would allow the NDE to fund those costs across biennia.

Fiscal staff notes the Other State Education Programs budget, B/A 101-2699, does not currently have the ability to balance forward General Fund appropriations between biennia, while the School Remediation Trust Fund has the ability to do so pursuant to NRS 387.1247.

The Governor recommends the School Remediation Trust Fund budget, B/A 101-2615, be repurposed as the Contingency Account for Special Education Services and utilized to disburse funds to reimburse school districts

and charter schools for extraordinary program expenses and related services for pupils with significant disabilities. Fiscal staff notes that this request is contingent upon the action of the Subcommittees to retain the School Remediation Trust Fund budget, B/A 101-2615, which is recommended by the Governor for elimination.

Due to the Subcommittees prior action to retain the School Remediation Trust Fund budget, B/A 101-2615, the Subcommittees could entertain the NDE's request to authorize the ability of the NR21 funding to be carried forward.

Options for the Subcommittees are:

1. Do the Subcommittees wish to approve the Governor's recommendation for General Fund appropriations of \$20 million over the 2017-2019 biennium to continue the NR21 grant program, and direct the NDE to discontinue the use of contract positions utilizing these funds?
2. Do the Subcommittees wish to approve the NDE's request to utilize the funding appropriated for the NR21 program between fiscal years? If so, Fiscal staff requests authority to include back language in the 2017 K-12 education funding bill to authorize this action.
3. Do the Subcommittees wish to authorize the General Fund appropriations approved for the NR21 program to be utilized across biennia, contingent upon the Subcommittees' closing action in the School Remediation Trust Fund budget to not repurpose the School Remediation Trust Fund budget? If so, Fiscal staff requests authority to make a technical adjustment to transfer General Fund appropriations of \$20 million over the 2017-2019 biennium for the NR21 program to the School Remediation Trust Fund budget.

SENATOR DENIS:

I would like to see the NR21 program continue.

MS. WALLER:

For clarification, it would be a motion for all three options if the Subcommittees wish to provide flexibility to transfer unexpended funding and also to move the

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funding into that budget account that would allow carryover funding from biennium to biennium.

SENATOR DENIS:

I like all three options presented as clarified by Ms. Waller.

SENATOR KIECKHEFER:

How much is being balanced forward?

MS. WALLER:

Currently this program is only allowed to carry forward from the first year of the biennium into the second year. The NDE currently estimates that the majority of the funding will be expended. Should there be any residual funding it would carry forward to cover some of those costs incurred during the summer.

SENATOR KIECKHEFER:

My concern is the size of the balance forward and if we are also doing this for other budget accounts. Will we be in a position where we would be bringing in lower reversions than we are anticipating? If it is not millions, but thousands of dollars, maybe it is not a concern.

MS. WALLER:

I believe with both of these programs, the Social Worker in Schools and the NR21 programs, the funds are being distributed and expended for the most part. There will be a minimal amount of carry forward.

ASSEMBLYWOMAN CARLTON:

I do not have anything against computers in schools. When I visit schools in my district, they are looking for printers, paper, library books, and textbooks. I understand that we want to bring the students into the next age, but I think it would be inappropriate for us to at least put on the record that there are some schools out there that do not even have the basics right now. We need to make sure that this happens as well. It is not just about handing a student a tablet. We do not want to overlook getting the other things done in the classroom. I will support this, but I want my discussion on the record.

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CHAIR WOODHOUSE:
I totally agree with you.

SENATOR DENIS:
As a reminder, the schools listed on page 44 of [Exhibit C](#) are not all the schools participating. Some school districts have other funding to distribute electronic devices to their students. For example, Roy W. Martin Middle School is not on this list. The NR21 program is expanding what is already happening. I agree there are basic needs in some schools.

SENATOR DENIS RECOMMENDS TO THE FULL COMMITTEES TO
APPROVE ALL THREE OPTIONS FOR B/A 101-2699.

ASSEMBLYMAN ARAUJO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON WAS
EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. WALLER:
Major closing issue 7 on page 46 of [Exhibit C](#) is the Turnaround Schools grant program. The Governor recommends \$2.5 million in each fiscal year of the 2017-2019 biennium to continue to support the turnaround of persistently underachieving schools.

At the March 16, 2017, budget hearing, the State Superintendent testified that the NDE has developed some recommendations for the Turnaround Schools grant funding beginning in the 2017-2019 biennium.

The first recommendation was to allow these grant funds be used for replication/partnership activities to facilitate engagement with best schools, which means identifying Shining Star schools (high poverty/high performing) as well as 5-Star schools (high performing) that can serve as models for other schools in the State.

The second recommendation is to continue to support schools that reach 3-Star status with State Turnaround Schools funding. The NDE indicates that this would be an opportunity to fill a funding gap, as once a school reaches three stars, it would no longer be eligible for federal school improvement funds. Turnaround Schools grant funds could be utilized for a period of time to support these schools in making a successful transition and becoming sustainable at the 3-Star level.

The third recommendation is to allow the NDE to use Turnaround Schools grant funds in a manner that is consistent with the State's approved federal plan for school development.

Do the Subcommittees wish to approve the General Fund appropriation of \$2.5 million in each year of the 2017-2019 biennium to continue the Turnaround Schools grant program, as recommended by the Governor, and approve the NDE's recommendation for expanded use of Turnaround Schools grant funds, which includes allowing funds to support replication activities, to support a transition period until such time as a school is sustainable at a 3-Star level, and to allow the NDE to use grant funds in a manner consistent with the approved federal plan for school improvement?

SENATOR DENIS:

It has been my concern that we put extra funds to help these schools get from 1-or-2-Star status to a 3-Star and then we stop assisting them and hope that they stay at a 3-Star status. This recommendations allows for some flexibility to allow these schools to continue on to 4- and 5-Star schools.

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GENERAL FUND APPROPRIATION OF \$2.5 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM IN B/A 101-2699 TO CONTINUE THE TURNAROUND SCHOOLS GRANT PROGRAM, AS RECOMMENDED BY THE GOVERNOR, AND APPROVE THE NDE'S RECOMMENDATION FOR EXPANDED USE OF TURNAROUND SCHOOLS GRANT FUNDS, WHICH INCLUDES ALLOWING FUNDS TO SUPPORT REPLICATION ACTIVITIES, TO SUPPORT A TRANSITION PERIOD UNTIL SUCH TIME AS A SCHOOL IS SUSTAINABLE AT A 3-STAR LEVEL, AND TO ALLOW THE NDE TO USE GRANT FUNDS IN A MANNER

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CONSISTENT WITH THE APPROVED FEDERAL PLAN FOR SCHOOL IMPROVEMENT.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON AND ASSEMBLYWOMAN BENITEZ-THOMPSON WERE EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue on page 48 of [Exhibit C](#) 8 is the College and Career Readiness (CCR) grant program. The Governor recommends General Fund appropriations of \$5 million in each year of the 2017-2019 biennium to continue a competitive grant program to support dual enrollment in high school and college courses and to create a competitive Science, Technology, Engineering and Mathematics grant program for middle and high schools to assist students in becoming college and career ready.

Testimony provided at the March 16, 2017, budget hearing indicated that the NDE submitted a budget bill to initiate work-based learning pilot programs funded with CCR grants. The NDE estimates that \$600,000 over the 2017-2019 biennium would be necessary to launch at least three work-based learning pilots across the State, one rural and two urban pilots. However, the NDE would like the flexibility to use between \$500,000 and \$750,000 of CCR funds for this purpose.

Senate Bill 66, as amended, would provide the policy guidelines for the proposed work-based learning pilot program. Senate Bill 66, as amended, was heard in the Senate Committee on Finance on May 1, 2017.

SENATE BILL 66 (1st Reprint): Revises provisions relating to work-based learning programs. (BDR 34-254)

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The NDE further notes that entities that may be eligible to apply for a grant to participate in the pilot include school districts, charter schools or nonprofit organizations. Students enrolled in a work-based learning program may also be eligible to earn dual credit upon completing an approved work-based learning program.

Do the Subcommittees wish to approve the General Fund appropriations of \$5 million in each year of the 2017-2019 biennium to continue the CCR grant program, as recommended by the Governor, and authorize the NDE to utilize between \$500,000 and \$750,000 of CCR grant funds over the 2017-2019 biennium to fund grants for the development and implementation of work-based learning pilot programs, contingent upon the passage and approval of S.B. 66 or some other enabling legislation?

ASSEMBLYWOMAN CARLTON RECOMMENDS TO THE FULL COMMITTEES TO APPROVE THE GENERAL FUND APPROPRIATIONS OF \$5 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR B/A 101-2615 TO CONTINUE THE CCR GRANT PROGRAM, AS RECOMMENDED BY THE GOVERNOR, AND AUTHORIZE THE NDE TO UTILIZE BETWEEN \$500,000 AND \$750,000 OF CCR GRANT FUNDS OVER THE 2017-2019 BIENNIUM TO FUND GRANTS FOR THE DEVELOPMENT AND IMPLEMENTATION OF WORK-BASED LEARNING PILOT PROGRAMS, CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 66 OR SOME OTHER ENABLING LEGISLATION.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND BENITEZ-THOMPSON WERE EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

Major closing issue 9 on page 49 of [Exhibit C](#) is the Advanced Placement (AP) grant program. The Governor recommends General Fund appropriations of \$462,750 in each year of the 2017-2019 biennium to continue an expansion of student participation in the AP courses and examinations in high schools.

The 2015 Legislature approved General Fund appropriations of \$525,875 in FY 2015-2016 and \$662,750 in FY 2016-2017. The recommended funding level of \$462,750 in each fiscal year is a reduction of \$200,000 in each year from the legislatively approved amount of \$662,750 in FY 2016-2017.

Actual expenditures for the AP grant program in FY 2015-2016 totaled \$277,063, which is less than the total available funding of \$525,875. According to the NDE, this was due, in part, to the number of new grant programs to be implemented by the NDE in FY 2015-2016, and there was not adequate time to plan for training or expansion of courses.

The NDE indicates that since the implementation of the AP grant program, school districts have been able to offer a number of new AP courses and in some rural areas, student participation in AP courses increased from 33 percent to 67 percent. The NDE states that in FY 2016-2017, school districts have been able to utilize funds in full capacity.

Fiscal staff notes that the federal AP grant, which funded AP test costs for low-income students, has been eliminated. In response to Fiscal staff's inquiry concerning the loss of federal support of the AP program and the reduction of \$200,000 per year of State AP program funding, as compared to the FY 2016-2017 legislatively approved level of \$662,750, the NDE indicates the loss of federal AP program funding and the reduction of State AP program funding will have a significant negative impact and will likely result in a decrease in student participation in AP examinations. With the loss of the federal AP grant, the NDE estimates that 6,000 low-income students will not be able to take AP examinations.

One of the stated goals of the new State-funded AP grant program was to increase participation of African-American and Native-American students, it

does not appear school districts expended any funding on these targeted student population.

The NDE indicates in response to follow-up questions regarding why school districts did not spend AP grant funding on test fees for African-American and Native-American students, the NDE indicated that in FY 2015-2016, the NDE had received a federal grant to pay for low-income AP test fees and the NDE requested school districts pay for the student portion of those test fees. However, the NDE indicates it did not specifically request that the school districts report on the amount spent for those student populations, but the NDE will request this information in FY 2016-2017.

Options for consideration for the Subcommittees are:

- A. Approve General Fund appropriations of \$462,750 in each year of the 2017-2019 biennium, for the continuation of the State AP grant program, as recommended by the Governor.
- B. Approve General Fund appropriations of \$662,750 in each year of the 2017-2019 biennium to continue the State AP grant program, which represents the level of funding approved by the 2015 Legislature for FY 2016-2017. This option would require additional General Fund appropriations of \$200,000 in each fiscal year.

ASSEMBLYWOMAN CARLTON:

Why is the federal AP grant no longer available?

MS. WALLER:

With the new federal Every Student Succeeds Act Reauthorization, the federal government is consolidating a number of grants into the federal Title I grant. School districts could choose to allocate their Title I grant funds for this purpose but the majority of the funds are already obligated.

ASSEMBLYWOMAN CARLTON:

They will be trying to get through the transition period to have that discussion.

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MS. WALLER:

Yes. It depends on whether or not the level of funding at the federal level increases or is maintained. Preliminary budget proposals show some reductions in the federal grant funding.

ASSEMBLYWOMAN CARLTON RECOMMENDS TO THE FULL COMMITTEES TO APPROVE B/A 101-2699 OPTION B.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON AND ASSEMBLYWOMAN BENITEZ-THOMPSON WERE EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. WALLER:

There are five other closing items on pages 50 and 51 of [Exhibit C](#). Other closing item 1 is Budget Amendment A171342699A which relates to the transfer of the IP 1 revenue. On March 1, 2017, the Fiscal Analysis Division received Budget Amendment A171342699A, which eliminates the recommended transfer of IP 1 revenues in the amount of \$163.4 million in FY 2017-2018 and \$187.3 million in FY 2018-2019, and replaces this funding source with General Fund appropriations of the same amount. Decision unit E-130 is no longer necessary.

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

I would note in other closing item 3, this is a recommended transfer from NDE's Career and Technical Education budget, B/A 101-2676, to this budget through decision unit E-906. Decision unit E-506 is recommended to align the funding to the corresponding category in this budget.

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E-906 Trans from BA 2676 to BA 2699 — Page K-12 EDUCATION-117

E-506 Adjustments to E906 — Page K-12 EDUCATION-22

After further review, it is unclear whether or not the transfer of those General Fund dollars out of that budget to this budget would impact their maintenance of effort (MOE). The NDE has requested that this decision unit be eliminated from this budget. However, the NDE indicates that they plan to continue funding the student organizations from that budget. The combination of funding from both budgets will remain at the same level recommended in the Governor's budget.

Other closing item 4, decision unit E-907, as recommended by the Governor transfers the Wide Area Network Incentive program. It is a \$2 million transfer of General Funds over the 2017-2019 biennium for the Wide Area Network Incentive program from this budget, B/A 101-2699, Other State Education Programs, to the Office of Science, Innovation and Technology (OSIT) budget, B/A 101-1003, to develop a Statewide E-Rate consortium to leverage E-Rate funding from the Federal Communications Commission. This decision unit was approved in that budget on May 8, 2017.

E-907 Transf from BA 2699 to OSIT — Page K-12 EDUCATION-23

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On page 52, [Exhibit C](#), there is a table summarizing other grant programs in this budget and the recommended funding levels. These funding levels are continued at base level and do not contain any enhanced levels.

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Fiscal staff recommends other closing Items 4 and 5 be closed as recommended by the Governor, other closing Item 1 be closed as revised by Budget Amendment A171342699A, other closing 2 be closed contingent upon the Subcommittees' closing action in the School Remediation Trust Fund budget, B/A 101-2699, and other closing Item 3 be closed consistent with the Subcommittees' closing action in the NDE's Career and Technical Education budget, B/A 101-2676. Fiscal staff request authority to make other technical adjustments as necessary.

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES FOR B/A 101-2699 TO APPROVE OTHER CLOSING ITEMS 4 AND 5 AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 1 AS REVISED BY BUDGET AMENDMENT A171342699A, OTHER CLOSING ITEM 2 CONTINGENT UPON THE SUBCOMMITTEES' CLOSING ACTION IN THE SCHOOL REMEDIATION TRUST FUND BUDGET, AND OTHER CLOSING ITEM 3 CONSISTENT WITH THE SUBCOMMITTEES' CLOSING ACTION IN THE NDE'S CAREER AND TECHNICAL EDUCATION BUDGET, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON AND ASSEMBLYWOMAN BENITEZ-THOMPSON WERE EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

That concludes are closing list for today. We will move to public comment.

DONNA WEST (Retired Public Employee):

I have lived in Nevada for over 40 years and I am a retired public employee. I am here representing myself and my family. My daughter was born and raised in Nevada. She attended K-12 in Clark County School District and attended the

University of Nevada, Reno. She is currently raising her family in northern California. Last year she and her husband wanted to return to Las Vegas. They have two boys, one aged eight and the other is age five. Both boys are on the autism spectrum. The eight-year old is finishing second grade in a special education classroom on an IEP. We anticipate that the five-year old will have the same needs when he starts kindergarten in the fall. Vouchers threaten their ability to access equal quality education. Schools can refuse to accept these boys.

There is a case in Indiana where the voucher program allowed for discrimination of students with disabilities. A mother, Carol Crawn, experienced this firsthand. "I asked for a face-to-face meeting to discuss options and they refused," Ms. Crawn said. The school rebuked her after seeing her daughter's IEP. In a recent article by National Public Radio explains that public schools are required to accept all students regardless of disability. Voucher schools are not. In many cases, it is not the students who choose the schools but the schools that choose the students. Federal law guarantees students will get a free appropriate education in a public school system. This is extremely important. It is also important to point out that some private schools are indeed discouraging and turning away special education students. That is not right. I do not want to see Nevada turning into Indiana and allow the discrimination of students with special needs. I have provided written testimony, ([Exhibit D](#)).

Because of the unknown and possible outcome of vouchers in Nevada, I have advised my daughter to stay in California, where the boys and their education are protected. It breaks my heart not to have them here with me. As a grandmother I have to advise my daughter to do what is best for her children. Please continue to say no to vouchers. Protect every Nevada child's right to fair and equal access to a quality education. No negotiations and no compromise, public funds only for public education. Thank you.

CHRIS DALY (Deputy Executive Director of Government Relations, Nevada State Education Association):

The Achievement School District (ASD) is a highly partisan program and has been an abject failure, marked by the Federal Bureau of Investigation raid of the Celerity Education Group this past January. Celerity is one of three charter management organizations selected by the ASD to convert public schools into

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these achievement charters. If budgeting reflects true priorities, it would seem appropriate for the ASD budget to be zeroed out. I have provided written testimony ([Exhibit E](#)).

In terms of the DSA budget, the Nevada Constitution requires the Legislature to appropriate a sufficient amount of money to fund the operation of public schools in the State. While there has not been an interpretation of what constitutes sufficiency, there seems to be broad agreement that public education in Nevada is underfunded, despite all the efforts that are out there. If you turn to the NDE's chart at the end of their initial presentation of which I have provided along with my written testimony, ([Exhibit F](#)) and ([Exhibit G](#)), the per-pupil funding from this fiscal year to the next fiscal year only goes up less than 2 percent. In the prior fiscal year it goes up less than 1 percent. What we have in terms of the DSA budget, base and add-ons, is unfortunately a status quo budget. There has been a great deal of discussion this Legislative Session about improving public education. We have talked about finding the resources, the IP 1 Room Tax revenue and the \$60 million in voucher money. We need to do more and we need to do better.

RENE CANTU (Executive Director, Jobs for Nevada's Graduates, Inc):

I want to express our gratitude on behalf of our Board Chair, Frank Woodbeck. Jobs for Nevada's Graduates, Inc. will be able to continue delivering 53 programs in 41 high schools in Nevada. Our graduation rates are at 83 percent. We continue to strive to increase those rates.

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CHAIR WOODHOUSE:
This meeting is adjourned at 10:50 a.m.

RESPECTFULLY SUBMITTED:

Mary Sullivan,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
	C	52	Fiscal Staff / LCB	Closing List #5
	D	3	Donna West	Testimony in Opposition to School Vouchers in Nevada
	E	1	Chris Daly / NSEA	Testimony to Defund Achievement School District budget
	F	1	Chris Daly / NSEA	Testimony to Enhance Distributive School Account budget
	G	1	Chris Daly / NSEA	NDE's Average Statewide Per-pupil Funding Chart