

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

**Eightieth Session
May 9, 2019**

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 9, 2019, in Room 3137 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 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 Chris Brooks
Senator James A. Settlemeyer
Senator Ben Kieckhefer

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Ellen B. Spiegel, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblywoman Heidi Swank
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

Assemblyman John Hambrick (Excused)

STAFF MEMBERS PRESENT:

Alex Haartz, Principal Deputy Fiscal Analyst

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Sarah Coffman, Principal Deputy Fiscal Analyst
Adam Drost, Senior Program Analyst
Jaimarie Ortega, Program Analyst
Julie Waller, Senior Program Analyst
Vicki Kemp, Committee Secretary
Michael Keever, Committee Secretary

OTHERS PRESENT:

Andrea Osborne, Director, Fiscal Support, Nevada Department of Education
Sarah Negrete, Director, Northeastern Nevada Regional Professional
Development Programs
Michael Malone, Program Manager, Nevada Ready 21

CHAIR WOODHOUSE:

Today, we will hear budget accounts for the Nevada Department of Education (NDE).

JAIMARIE ORTEGA (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Beginning on page 2 of ([Exhibit C](#)) is budget account (B/A) 101-2709. There are three major closing issues for this budget.

EDUCATION

K-12 EDUCATION

NDE - Office of Early Learning and Development — Budget Page K-12
EDUCATION-104 (Volume I)
Budget Account 101-2709

Found on page 3 of [Exhibit C](#) is the first major closing issue for B/A 101-2709. This is the Governor's recommendation for General Fund (GF) appropriations of \$44.8 million over the 2019-2021 biennium to continue the Nevada Ready Preschool Development grant or Prekindergarten (Pre-K) program. This program was previously funded by an expiring federal grant and State match funds. The recommendation would maintain funding for approximately 3,023 Pre-K seats.

To support the program, the Governor recommends five of the six full-time positions that were previously funded by the Pre-K program to be retained. The table on page 3 of [Exhibit C](#) provides a breakdown of expenditures included in the Governor's recommended budget. The table on page 4 of [Exhibit C](#) shows the total Pre-K sub-grant and the actual number of students served by the program for the 2015-2016 through the 2017-2018 school years.

The first expenditure category for B/A 101-2709 is the sub-grant. The Governor recommends \$21 million in each year of the 2019-2021 biennium for competitive Pre-K sub-grants. This is based on an average per-seat cost of \$8,000 for full-day Pre-K programs. The per-seat cost aligns with the federal rates provided for Head Start programs and is based on average spending by eligible entities in previous years. The bullet points on page 5 of [Exhibit C](#) provide the various categories or components to determine the \$8,000 average Pre-K seat cost. These include funding for indirect costs totaling \$224,399 for the administrative costs of the program. This represents \$74 of the total per-seat cost.

Based on a memo issued by the Governor's Office of Finance on November 16, 2016, operating costs for school districts and charter schools are funded through the Distributive School Account (DSA) B/A 101-2610 allocation. Charging indirect costs against State-funded grants duplicates State funding for the operation of school districts and charter schools. Additionally, the per-seat cost includes funding for transportation costs totaling \$154,400. This represents \$51 of the total per-seat cost which are not provided to all sub-recipients and appear to be inequitable and inconsistent.

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17
(Volume I)
Budget Account 101-2610

The Subcommittees may wish to eliminate funding for indirect costs which are consistent with the direction provided by the Governor's Office of Finance and transportation costs provided to school districts and charter schools. This would reduce the per-seat cost from \$8,000 to \$7,875 or \$755,750 over the 2019-2021 biennium. The table on page 6 of [Exhibit C](#) compares the existing funding provided by the NDE utilizing the fiscal year (FY) 2018-2019 federal

grant, State match and the Governor's recommendation. The NDE currently funds 1,081 Pre-K seats at an average cost of \$8,000 which funds the Pre-K seat at a full cost. The table on page 6 also shows the NDE currently funds 1,942 Pre-K seats at an average cost of \$4,000.

According to the NDE, the school districts are currently providing the additional \$4,000 per-seat cost to fund a full-day Pre-K program utilizing braided funding from Zoom, Victory, Title 1, Special Education and Head Start funding. The last column on the table on page 6 of [Exhibit C](#) shows the Governor's recommendation to fund all 3,023 Pre-K seats at \$8,000 per seat for a total cost of \$24.2 million in each year of the 2019-2021 biennium. To fund these expenditures, the NDE plans to utilize the funding of \$21 million included in decision unit E-276 and the \$3.3 million in each year of the 2019-2021 biennium included in the Governor's recommended budget for the Early Childhood Education program in the Other State Education Programs B/A 101-2699.

E-276 Educated and Healthy Citizenry — Page K-12 EDUCATION-108

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-22
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Budget Account 101-2699

To account for all funding of the State Pre-K program in a budget, Fiscal staff recommends a technical adjustment to transfer the \$3.3 million in each year of the 2019-2021 biennium for the Early Childhood Education program in B/A 101-2699 to B/A 101-2709. This would provide total funding of \$24.3 million which is \$154,875 greater than the total cost of \$24.2 million identified by the NDE. Fiscal staff also recommends a technical adjustment to reduce sub-grant funding by \$154,875 in each year of the 2019-2021 biennium. Based on supporting documents provided by the NDE, the Governor's recommendation would utilize GF appropriations to fund the portion of the seat costs that the school districts are currently funding by utilizing braided funding from other State and federal sources.

The Governor's recommendation would supplant braided funding that is currently provided by the local districts with GF appropriations totaling

\$4.4 million in each year of the 2019-2021 biennium. The Governor's recommendation to fund a cost of \$8,000 per Pre-K seat is primarily due to uncertainties of the braided funding school districts could provide. Nonprofit sub-recipients do not qualify for braided funding with the exception of Head Start funds. The NDE confirmed that if the school districts maintained the funding currently provided for Pre-K seats utilizing braided funding, the Governor's recommendation would then supplement the State Pre-K program if approved. However, the proposed State Pre-K program would be competitive. All current sub-recipients are required to reapply and may or may not be funded based on the following rubric measures.

The rubric measures can be found on page 7 of [Exhibit C](#). The next expenditure category for B/A 101-2709 is the Quality Rating and Improvement System (QRIS) coaches and assessors. This is the Governor's recommendation for \$519,600 in each year of the 2019-2021 biennium for the QRIS coaches and assessors. This is currently included in the affirmed \$21 million in each year of the 2019-2021 biennium for sub-grant awards. Since this is a duplicate expenditure, Fiscal staff recommends a technical adjustment to eliminate \$519,600 in each year of the 2019-2021 biennium. The travel log provided by the NDE is based on FY 2017-2018 actual travel expenditures and does not match the travel expenditures included in the Executive Budget. Fiscal staff recommends a technical adjustment to reduce travel expenditures by \$4,636 in each year of the 2019-2021 biennium to correct the error.

The Governor recommends operating expenditures totaling \$374,197 over the 2019-2021 biennium with a cost of \$25,000 in each year of the 2019-2021 biennium. These expenditures did not include contract services to evaluate the Pre-K program. When closing the NDE's Student and School Support B/A 101-2712, the Subcommittees approved program evaluation expenditures in only the second year of the 2019-2021 biennium. Fiscal staff recommends a technical adjustment to increase contract expenditures by \$25,000 in FY 2020-2021 and transfer these expenditures to B/A 101-2712.

The recommendation includes non-State employee travel reimbursements totaling \$20,000 in each year of the 2019-2021 biennium which is no longer required. Fiscal staff recommends a technical adjustment to reduce operating expenditures by \$20,000 in each year of the 2019-2021 biennium. In summary, the total technical adjustments recommended by Fiscal staff in this decision unit, not including the recommended transfer of \$3.3 million in each year of the 2019-2021 biennium from the Early Childhood Education program in B/A 101-2699 to B/A 101-2709, would result in GF reductions of \$1.4 million over the 2019-2021 biennium.

There are three decision points that require consideration by the Subcommittees. The first decision point described on page 9 of [Exhibit C](#) is how to determine the funding for the State Pre-K program. Option A is to approve the Governor's recommendation for a State Pre-K program funded with GF appropriations of \$44.8 million over the 2019-2021 biennium to fund 3,023 full-day Pre-K seats at an average cost of \$8,000 per seat with the technical adjustments noted by Fiscal staff and transfer \$3.3 million in each year of the 2019-2021 biennium from the Early Childhood Education program in B/A 101 2699 to B/A 101-2709. This option would fund 3,023 full-day pre-K seats and would supplant the existing braided funding provided by the school districts for the Pre-K program.

Option B is to approve a State Pre-K program funded with GF appropriations of \$35.9 million over the 2019-2021 biennium, inclusive of the transfer of \$3.3 million in each year of the 2019-2021 biennium from the Early Childhood Education program in B/A 101-2699 to B/A 101-2709, to fund 1,081 full-day Pre-K seats at an average cost of \$8,000 per seat, 1,942 half-day Pre-K seats at an average cost of \$4,000 per seat and the remaining half-day Pre-K seats with braided funding for a total of 3,023 full-day pre-K seats and with the technical adjustments noted by Fiscal staff. This option would maintain the existing level of funding provided by the State and would utilize braided funding from the school districts to cover the remaining \$4,000 to make 3,023 existing seats at a full day. This option would also reduce GF appropriations by \$8.9 million over the 2019-2021 biennium.

Option C is to approve a State Pre-K program funded with GF appropriations of \$44.8 million over the 2019-2021 biennium with the technical adjustments

noted by Fiscal staff and transfer \$3.3 million in each year of the 2019-2021 biennium from the Early Childhood Education program in B/A 101-2699 to B/A 101-2709 to supplement the State Pre-K program. This option would utilize the existing braided funding provided by the school districts for the Pre-K program to add additional full-day Pre-K seats beyond the existing 3,023 seats. Option D is to not approve the Governor's recommendation to establish a State Pre-K program which would result in GF reductions of \$44.8 million over the 2019-2021 biennium and transfer funding of \$3.3 million in each year of the 2019-2021 biennium from the Early Childhood Education program in B/A 101-2699 to B/A 101-2709 to reflect all Pre-K expenditures in this budget.

ASSEMBLYWOMAN CARLTON:

This is currently a braided funding model for the kids who are there with all of the different forms of funding supporting each child. The proposal is to supplant some of those funds with State funds. Since the kids are under this braided formula now, if we did not put the extra GF appropriations in, they will still receive the same services and everything would be status quo for them. They would still have a funding model that works and has continued to work since we started this project. This would be without GF appropriations and would remain under the current funding source.

I would be comfortable with option B. There are a lot of needs in the DSA right now with a lot of discussions going on. For consistency, I would be comfortable with option B if there is a way to make sure these services are still provided, kids are getting everything they need, and we can move forward with using some of those funds on the other side of the equation.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE A STATE PRE-K PROGRAM FUNDED WITH GF APPROPRIATIONS OF \$35.9 MILLION OVER THE 2019-2021 BIENNIUM, INCLUSIVE OF THE TRANSFER OF \$3.3 MILLION IN EACH YEAR OF THE 2019-2021 BIENNIUM FROM THE EARLY CHILDHOOD EDUCATION PROGRAM IN B/A 101-2699 TO B/A 101-2709, TO FUND 1,081 FULL-DAY PRE-K SEATS AT AN AVERAGE COST OF \$8,000 PER SEAT, 1,942 HALF-DAY PRE-K SEATS AT AN AVERAGE COST OF \$4,000 PER SEAT AND THE REMAINING HALF-DAY PRE-K SEATS WITH

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BRAIDED FUNDING FOR A TOTAL OF 3,023 FULL-DAY PRE-K SEATS,
WITH THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF.

SENATOR KIECKHEFER SECONDED THE MOTION.

SENATOR DENIS:

I agree with Assemblywoman Carlton. We have made some headway with Pre-K over the last few years. Before, we did not do a lot. The federal grant helped us to step up what we were doing. Now that the federal grant has gone away, we need to figure out how to not lose our momentum. Hopefully someday, we can figure out how to get Pre-K funds to all kids. Kids do so much better with Pre-K education. I support the motion.

CHAIR WOODHOUSE:

We have a commitment to parents and children who are in these programs. It is imperative that this continues so that children have the opportunity to start kindergarten and first grade where they should be at. Someday, I want every child to have the opportunity of full-day Pre-K education.

SENATOR KIECKHEFER:

Often times, we accept federal grants with the understanding that we are going to peel that program back when grants expire. I have never interpreted this grant to be like this. These federal grants were startup funds for a program that we are going to take over and run. I support the motion.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR SETTELMAYER WAS
ABSENT FOR THE VOTE.)

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MS. ORTEGA:

The second decision point can be found on page 10 of [Exhibit C](#). If the Subcommittees approve the State Pre-K program, the per-seat cost will need to be determined. Option A is to approve the Governor's recommendation of \$8,000 average per-seat cost which includes funding for indirect costs and

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transportation costs. Option B is to reduce the average per-seat cost from \$8,000 to \$7,875 by excluding funding for indirect costs, transportation costs and utilizing the GF appropriations totaling \$755,750 over the 2019-2021 biennium for additional Pre-K seats of approximately 48 Pre-K seats in each year of the 2019-2021 biennium.

ASSEMBLYWOMAN CARLTON:

Since these funds were double counted, there was some confusion on how they were accounting for this number. I think option B would be our best choice to make sure we clear up the indirect cost and transportation cost. This would add another 48 seats.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO REDUCE THE AVERAGE PER-SEAT COST FROM \$8,000 TO \$7,875 BY EXCLUDING FUNDING FOR INDIRECT COSTS, TRANSPORTATION COSTS AND UTILIZING GF APPROPRIATIONS TOTALING \$755,750 OVER THE 2019-2021 BIENNIUM FOR ADDITIONAL PRE-K SEATS OF APPROXIMATELY 48 PRE-K SEATS IN EACH YEAR OF THE 2019-2021 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR SETTELMAYER WAS ABSENT FOR THE VOTE.)

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Ms. ORTEGA:

The third decision point can be found on page 10 of [Exhibit C](#). If the Subcommittees approve the State Pre-K program, it should consider how the seats will be awarded. Option A is to continue to fund the existing seats that were funded in the 2017-2019 biennium. Option B is to fund seats in the 2019-2021 biennium using a competitive grant process.

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SENATOR DENIS:

I think that we have been doing some amazing things with Pre-K. In education, sometimes we need data to see how we are going to make things better. I would favor going with option A to fund the existing seats. By doing this, we can continue the work and collect data as we move forward into the future.

ASSEMBLYWOMAN CARLTON:

I agree with Senator Denis. I do not think that kids should have to compete for Pre-K education. This would be out of the parents' control, and it would be up to the districts on whether they would want to apply. Pre-K should be available to everyone and not be competitive. If we are going to take care of kids, we should take care of all of them. I support this option.

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES
TO CONTINUE TO FUND THE EXISTING SEATS THAT WERE FUNDED IN
THE 2017-2019 BIENNIUM.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. ORTEGA:

If the Subcommittees approve the State Pre-K program, Fiscal staff requests authority to enter the earlier noted technical adjustments that would result in GF reductions of \$1.4 million over the 2019-2021 biennium and any other necessary technical adjustments.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL
COMMITTEES TO PROVIDE FISCAL STAFF AUTHORITY TO ENTER THE
EARLIER NOTED TECHNICAL ADJUSTMENTS THAT WOULD RESULT IN
GF REDUCTIONS OF \$1.4 MILLION OVER THE 2019-2021 BIENNIUM
AND ANY OTHER NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

The next major closing issue for B/A 101-2709 can be found on page 10 of [Exhibit C](#). The Governor recommends one new administrative assistant position to provide administrative support for the Office of Early Learning and Development, the Nevada Early Childhood Advisory Council and the Silver State Stars Quality Rating and Improvement System Advisory Council. This position would be funded by a transfer of Child Care Development Block Grant (CCDBG) funds from the Department of Health and Human Services' Division of Welfare and Supportive Services.

Currently, a part-time contract position is performing the duties of the proposed new administrative assistant position. The contract position has a high turnover rate due to lower pay and lack of benefits. In follow-up communication by Fiscal staff, the NDE confirmed it would eliminate contract services if the new administrative assistant is approved. If the position is approved, Fiscal staff recommends a technical adjustment to reduce contract services by \$26,510 over the 2019-2021 biennium. Do the Subcommittees wish to approve a new administrative assistant position increasing transfers of federal Child Care Development Block Grant (CCDBG) funds from the Division of Welfare and Supportive Services by \$112,074 over the 2019-2021 biennium and provide Fiscal staff authority to enter any necessary technical adjustments?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE A NEW ADMINISTRATIVE ASSISTANT POSITION INCREASING TRANSFERS OF FEDERAL CHILD CARE DEVELOPMENT BLOCK GRANT FUNDS FROM THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES BY \$112,074 OVER THE 2019-2021 BIENNIUM AND PROVIDE FISCAL STAFF WITH AUTHORITY TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS.

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SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

The next major closing issue for B/A 101-2709 can be found on page 10 of [Exhibit C](#). The Governor recommends the transfer of CCDBG funds of \$251,124 over the 2019-2021 biennium from the Division of Welfare and Supportive Services to fund 2 contract QRIS coaches to assist providers with implementing the system and its standards. This recommendation would increase the number of child care providers participating in the QRIS which is used to assess providers and determine federal subsidy rates. Information on what the QRIS coaches would be performing can be found on page 11 of [Exhibit C](#). Do the Subcommittees wish to approve the Governor's recommendation for 2 contract QRIS coaches funded through increased transfers of federal CCDBG funds from the Division of Welfare and Supportive Services totaling \$251,124 over the 2019-2021 biennium?

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR 2 CONTRACT QRIS COACHES FUNDED THROUGH INCREASED TRANSFERS OF FEDERAL CHILD CARE DEVELOPMENT BLOCK GRANT FUNDS FROM THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES TOTALING \$251,124 OVER THE 2019-2021 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

There are 2 other closing items for B/A 101-2709 found on pages 11 and 12 of [Exhibit C](#). These include equipment replacement and NDE rent allocation adjustments. Fiscal staff recommends other closing item 1 be closed as recommended by the Governor, other closing item 2 be closed with authority for Fiscal staff to make the noted technical adjustments and authority to make other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE OTHER CLOSING ITEM 1 AS RECOMMENDED BY THE GOVERNOR, CLOSE OTHER CLOSING ITEM 2, PROVIDE FISCAL STAFF AUTHORITY TO MAKE THE NOTED TECHNICAL ADJUSTMENTS AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

Beginning on page 13 of [Exhibit C](#) is B/A 101-2620. There is one major closing issue for this budget.

NDE - Instruction In Financial Literacy — Budget Page K-12 EDUCATION-15
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Budget Account 101-2620

The Governor recommends eliminating funding for professional development in the Instruction in Financial Literacy program. The elimination of funding was based on the NDE's understanding that funding to support professional development was one time in nature. Funds available in the 2017-2019 biennium are allocated on a reimbursement basis. The table on the middle of page 14 of [Exhibit C](#) provides the allocations in FY 2017-2018 and

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FY 2018-2019. Information on the bottom of page 14 provides how each school district utilized funds in FY 2017-2018. According to the NDE, Clark County School District (CCSD) will continue to provide professional development to teachers and purchase instructional materials in FY 2018-2019. Washoe County School District (WCSD) plans to utilize the FY 2018-2019 funds for a conference focused on financial literacy and additional professional development opportunities in the latter part of FY 2018-2019.

The rural school districts decided to create a consortium consisting of 4 rural school districts to provide travel and related expenditures for approximately 53 teachers to attend professional development. Lastly, Pinecrest Academy Charter School projects to provide professional development and instructional material for approximately 30 teachers in FY 2018-2019. Do the Subcommittees wish to approve the Governor's recommendation to eliminate funding for professional development for the Instruction in Financial Literacy program and provide Fiscal staff with authority to enter any necessary technical adjustments?

CHAIR WOODHOUSE:

The Subcommittees are aware of how I feel about this closing item. I have been working on this for a long time with a lot of people.

ASSEMBLYWOMAN CARLTON:

We had a lot of discussions on this in the Subcommittees, and I was never under that impression. Sometimes wires get crossed, and we understand how these things can happen. It is up to us to fix them. I would move to not approve the Governor's recommendation to eliminate funding for professional development for the Instruction in Financial Literacy program, add back GF appropriations of \$750,000 in each year of the 2019-2021 biennium into B/A 101-2620, add GF appropriations of \$51,500 over the 2019-2021 biennium to the applicable NDE budget for various related expenses, include back language in the Appropriations Act and K-12 funding bill to proscribe the uses of these funds and provide Fiscal staff with authority to enter any necessary technical adjustments.

Since the NDE budgets are already closed by the Subcommittees, the recommendation to appropriate \$51,500 over the 2019-2021 biennium would

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need to be discussed and reviewed when the full Committees close these budgets. This will be less money than what was allocated over the 2017-2019 biennium. We will not be fully replacing it; however, we are also not eating the seeds per se. We are keeping the program at a smaller level, but it is still there.

CHAIR WOODHOUSE:

During the 2017-2019 biennium, the total was \$2.5 million. For the 2019-2021 biennium, the total will be \$1.67 million. This is also including a second motion that will be made regarding the Regional Professional Development Programs (RPDP) being involved in professional development. This funding is in Senate Bill (S.B.) 314. It would be my commitment to strip that bill of this funding if this motion passes. We will only take care of the processes, monitoring and evaluation components. Senate Bill 314 would not have any funding left in it.

SENATE BILL 314 (1st Reprint): Revises provisions relating to education.
(BDR 34-730)

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FUNDING FOR PROFESSIONAL DEVELOPMENT FOR THE INSTRUCTION IN FINANCIAL LITERACY PROGRAM, ADD BACK GF APPROPRIATIONS OF \$750,000 IN EACH YEAR OF THE 2019-2021 BIENNIUM INTO B/A 101-2620, ADD GF APPROPRIATIONS OF \$51,500 OVER THE 2019-2021 BIENNIUM TO THE APPLICABLE NDE BUDGET FOR VARIOUS RELATED EXPENSES, INCLUDE BACK LANGUAGE IN THE APPROPRIATIONS ACT AND K-12 FUNDING BILL TO PROSCRIBE THE USES OF THESE FUNDS AND PROVIDE FISCAL STAFF WITH AUTHORITY TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

SENATOR KIECKHEFER:

Is the \$51,500 appropriation for the 2017-2019 biennium?

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Ms. ORTEGA:

No. It is a \$51,500 appropriation over the 2019-2021 biennium.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN
BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

Beginning on page 17 of [Exhibit C](#) is B/A 101-2717. There is one major closing issue for this budget.

NDE - Teachers' School Supplies Reimbursement — Budget Page K-12
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Budget Account 101-2717

The Governor recommends GF appropriations of \$2 million in each year of the 2019-2021 biennium to increase annual funding for the Teachers' School Supplies Reimbursement program from \$2.5 million in each year to \$4.5 million. The recommendation would increase the average annual reimbursement amount for eligible out-of-pocket expenditures from \$121 in the 2017-2019 biennium to \$177 in the 2019-2021 biennium. The NDE provides sub-awards to school districts and charter schools based upon available funds and the number of eligible licensed teachers at all school districts and charter schools. These are usually determined in September each fiscal year.

The table on page 18 of [Exhibit C](#) provides the number of teachers who received reimbursement and the total amount of reimbursements to each school district and charter school combined in FY 2017-2018 and projected for FY 2018-2019. The table also shows the projected yearly reimbursement for each year of the 2019-2021 biennium which is based on the total number of eligible licensed teachers in FY 2018-2019.

Monitoring for this grant was conducted in FY 2015-2016. However, the NDE did not conduct monitoring for this grant in FY 2016-2017 and FY 2017-2018

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due to staff turnover and a backlog in conducting State and federal grant audits. The NDE plans to conduct monitoring in FY 2018-2019 through the use of contract services. The new grants and projects analyst position and auditor position recommended by the Governor for the District Support Services budget B/A 101-2719 would conduct monitoring of the program and eliminate the need for contract services.

NDE - District Support Services — Budget Page K-12 EDUCATION-50 (Volume I)
Budget Account 101-2719

Do the Subcommittees wish to approve the Governor's recommendation to increase annual funding for the Teachers' School Supplies Reimbursement program by increasing GF appropriations by \$2 million in each year of the 2019-2021 biennium?

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE ANNUAL FUNDING FOR THE TEACHERS' SCHOOL SUPPLIES REIMBURSEMENT PROGRAM BY INCREASING GF APPROPRIATIONS BY \$2 MILLION IN EACH YEAR OF THE 2019-2021 BIENNIUM.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. ORTEGA:

There are no other closing items for B/A 101-2717. Fiscal staff requests authority to make technical adjustments as necessary.

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SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. ORTEGA:

Beginning on page 21 of [Exhibit C](#) is B/A 101-2618. There is one major closing issue for this budget.

NDE - Professional Development Programs — Budget Page K-12 EDUCATION-28
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Budget Account 101-2618

The Governor recommends GF appropriations of \$149,219 in each year of the 2019-2021 biennium. This would increase the entire budget for the RPDPs by 2 percent. The RPDPs currently employ 47 school district employees and have reduced operating expenditures each time school districts provide cost of living arrangement (COLA) or salary increases. These make it difficult to maintain a consistent level of service. Based on testimony provided during the NDEs budget hearing, the continuous absorption of the cost for COLA and employee movement on the salary schedules would require a reduction of operating and travel expenditures. This would limit the RPDPs' ability to provide the same level of professional development.

The Governor's recommendation would provide a COLA of 2 percent and an inflation factor for non-personnel costs of 2 percent which is not provided to school districts or State agencies in the Executive Budget. The Governor recommends a 3 percent COLA increase in FY 2019-2020 for all school employees in the DSA B/A 101-2610. The Governor's recommendation for

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a 3 percent COLA was not available during the time the Agency requested budget was submitted. The NDE would have requested the same percentage if it was known at that time.

Based on Fiscal staff's calculation, the projected annual cost for a 3 percent COLA which is provided in the second table on page 23 of [Exhibit C](#) totals \$106,445 in each year. To align with the Governor's recommendation for a 3 percent COLA for all school employees in the DSA, the Subcommittees may wish to approve a 3 percent COLA for the RPDP staff contingent upon approval of the Governor's recommendation for a 3 percent COLA for all school employees in the DSA. There are three options for the Subcommittees to consider on page 24 of [Exhibit C](#).

Option A is to approve the Governor's recommendation for additional GF appropriations of \$149,219 in each year of the 2019-2021 biennium to increase the RPDPs' entire budget by 2 percent in each year of the 2019-2021 biennium to fund a COLA contingent upon the Subcommittees' closing action on COLAs in the DSA with the balance of funding utilized to fund operating costs. Option B is to not approve the Governor's recommendation for \$149,219 in each fiscal year of the 2019-2021 biennium to fund a 2 percent COLA and other operating costs, but instead approve GF appropriations of \$106,445 in each year of the 2019-2021 biennium to fund the cost of a 3 percent COLA increase for RPDP employees contingent upon the Subcommittees' closing action in the DSA regarding COLAs for school employees. Option C is to not approve the Governor's recommendation for additional GF appropriations of \$149,219 in each year of the 2019-2021 biennium to increase the RPDPs' budgets by 2 percent in each year of the 2019-2021 biennium.

SENATOR KIECKHEFER:

The RPDP employees are employed by the local school districts. Why were these employees not used in the calculation when the Governor included the COLA in the DSA?

MS. ORTEGA:

School districts employ RPDP employees. When salary increases are provided, they utilize operation costs to cover those increases in salaries. Based on information provided by the NDE over the last 5 years, they have not been

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providing an increase for B/A 101-2618 to cover salary increases for the school districts employees. It is separate from the DSA allocation.

SENATOR KIECKHEFER:

Are these costs not included in operating costs of school districts when used to calculate the DSA operating costs?

MS. ORTEGA:

Yes, they are not included in the DSA operating costs.

SENATOR KIECKHEFER:

Would we not be double counting them if we put the COLA into these budgets along with the \$90 million per year that was included in the DSA?

I want to make sure that we are not double counting these individuals. When the Governor's office prepared the Executive Budget with the 3 percent COLA, \$90 million per year was put into the DSA to cover educational expenses. Were these positions not included in that calculation?

ANDREA OSBORNE (Director, Fiscal Support, Nevada Department of Education):

Yes, these positions were not included in the DSA educational expenses. They are paid out of the budget that is directly for the RPDPs.

SENATOR KIECKHEFER:

Were they not included in the calculation for other Executive Branch employees?

MS. OSBORNE:

Yes, they were not included in the calculation for other Executive Branch employees. The RPDP amounts that we pay out are for those teachers. Therefore, we would have to pay the full amount of their salary to the RPDPs to pay for the teachers.

SENATOR KIECKHEFER:

Are the salaries set through the collective bargaining process of the local school districts?

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MS. OSBORNE:
Yes.

SENATOR SETTELMAYER:

Does the 3 percent COLA only apply to teachers and not to administrative staff, support staff, school law enforcement or support staff for school law enforcement? There are almost five different collective bargaining units for Clark County.

Within the northeastern Nevada regional professional development center, do other staff members receive COLA or is it only teachers?

SARAH NEGRETE (Director, Northeastern Nevada Regional Professional Development Programs):

We would be obligated to give any increase that the Governor recommended that would flow through the school districts. We are obligated to all increases that school districts give in their pay scale. This includes assistants in classified staff and certified staff.

SENATOR KIECKHEFER:

Washoe County School District has all of their contracts open. Is the RDPD obligated to pay whatever their contracts negotiations close with?

MS. NEGRETE:

Yes. We are obligated to anything they close. Because of this, we do not get any flow through, and it always comes out of our flat budget every year. This is why we have requested the enhancement.

SENATOR KIECKHEFER:

This explains the problem of methodology to funnel these COLAs through the DSA.

ASSEMBLYWOMAN CARLTON:

Since we do not allow raises on operating costs and based on the discussion of how the operating cost was built in the original portion of this, option B is the best option.

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ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION FOR \$149,219 IN EACH FISCAL YEAR OF THE 2019-2021 BIENNIUM TO FUND A 2 PERCENT COLA AND OTHER OPERATING COSTS AND APPROVE GF APPROPRIATIONS OF \$106,445 IN EACH YEAR OF THE 2019-2021 BIENNIUM TO FUND THE COST OF A 3 PERCENT COLA INCREASE FOR RPDP EMPLOYEES, CONTINGENT UPON THE SUBCOMMITTEES' CLOSING ACTION IN THE DSA REGARDING COLAS FOR SCHOOL EMPLOYEES.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ASSEMBLYWOMAN CARLTON:

The other closing items for B/A 101-2618 described on page 24 through 27 of [Exhibit C](#) are in conjunction with the discussion about financial literacy, the Peer Assistance and Review program and cleaning up how these funds are distributed.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$120,000 IN GF APPROPRIATIONS OVER THE 2019-2021 BIENNIUM IN B/A 101-2618 TO FUND THE TRAINING REQUIRED PURSUANT TO NEVADA REVISED STATUTES 391A.125, SUBSECTION 1, PARAGRAPH (G) AND INCLUDE BACK LANGUAGE IN THE K-12 FUNDING BILL AS APPROPRIATED TO PRESCRIBE THE USES OF THESE FUNDS AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

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CHAIR WOODHOUSE:

This is the last piece of the appropriation I have in S.B. 314. The staff development that the RPSPs do is in math, science, economics and other subjects that are a part of financial literacy. I had \$120,000 in S.B. 314 for them to be a part of that training that is being done. This will be removed from S.B. 314 if this motion passes. We want to make sure this is in the right place in the budget.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

There are 2 other closing items for B/A 101-2618 beginning on page 24 of [Exhibit C](#). These continue funding for the peer assistance and review program and the grade teaching and leading fund program. Fiscal staff recommends that other closing items be closed as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. ORTEGA:

Beginning on page 28 of [Exhibit C](#) is B/A 101-2718. There is one major closing issue for this budget.

NDE - Teach Nevada Scholarship Program — Budget Page K-12 EDUCATION-38
(Volume I)
Budget Account 101-2718

The Governor's recommended budget includes reserves of \$4.9 million in each year of the 2019-2021 biennium. This includes provider incentives or stipends, set-aside scholarship funds and unexpended funds returned by the providers. The provider incentives and set-aside scholarship funds are encumbered funds and would be awarded to eligible recipients once the sub-recipient completes the necessary program requirements. In that regard, placing these funds in an unencumbered reserve is inappropriate. However, these funds were placed in reserve due to the lack of accounting and reconciliation of these funds by the NDE.

During the budget hearing on March 29, 2019, the NDE testified that an education programs professional position has been assigned to reconcile the Teach Nevada Scholarship (TNS) program funds allocated in FY 2015-2016 through FY 2018-2019. The NDE is currently working with providers to determine the total set-aside scholarship funds and unexpended scholarship funds that should be returned to the State. Various institutions owe the State unexpended scholarship funds of approximately \$228,254 from scholarship funds that were provided up front in FY 2015-2016 and FY 2016-2017 which is the result of students dropping from the program. The NDE anticipates all scholarship funds owed to the State would be returned by the end of FY 2018-2019 and plans to submit a work program in FY 2019-2020 to provide additional scholarships utilizing the unencumbered funds in reserve.

Fiscal staff requested information from the NDE regarding the total number of TNS teachers that were licensed and hired in FY 2015-2016 through FY 2017-2018. However, the NDE indicated it would require a considerable amount of time and a manual process to gather this data. The NDE indicated it lost a majority of data pertaining to the TNS program due to recent staff turnover. The NDE further indicated it does not have a dedicated staff member

to administer the TNS program. Although one education programs professional position is currently reconciling this program, the education programs professional position is responsible for reviewing and approving continuing education courses and professional development offered to educators. It is also responsible for the educator preparation programs offered by the Nevada System of Higher Education in an alternate route to licensure providers.

During the budget hearing on March 29, 2019, the NDE testified that the TNS program involves extensive financial monitoring and tracking. The Subcommittees asked the NDE what resources it would need to ensure the State programs are effectively and efficiently implemented and monitored. In response, the NDE indicated it would require one full-time management analyst position to efficiently monitor and track the TNS program, Teacher Incentives Grant program and Teacher's Supplies Reimbursement program since all of these programs have been identified as needing additional monitoring. Based on Fiscal staff's calculation, establishing a new management analyst position and including associated operating and equipment costs would result in additional GF appropriations of \$164,769 over the 2019-2021 biennium.

The Subcommittees could consider reducing GF appropriations allocated for the TNS program from \$5 million to \$4.8 million over the 2019-2021 biennium to fund the management analyst position. Additionally, since all administrative functions are performed in the NDE's Educator Effectiveness B/A 101-2612, the Subcommittees could also consider transferring this position to this budget. However, since the B/A 101-2612 was closed by the Subcommittees on April 9, 2019, if the Subcommittees approve establishing the position and transferring it to B/A 101-2612, the recommendations should be considered during the closing B/A 101-2718 and B/A 101-2612 when the full Committees close all of the NDE's budgets.

NDE - Educator Effectiveness — Budget Page K-12 EDUCATION-89 (Volume I)
Budget Account 101-2612

Do the Subcommittees wish to approve a new management analyst position in B/A 101-2718 which would be funded by a reduction in Teach Nevada Scholarship funding and would transfer the position to B/A 101-2612? This recommendation would need to be discussed and reviewed during the budget

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closing of B/A 101-2612 and B/A 101-2718 during the full Committees meeting.

SENATOR KIECKHEFER:

I struggle with B/A 101-2718 based on the fact that we do not know how many teachers are currently licensed in the State and teaching based on the scholarships that have been provided.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE A NEW MANAGEMENT ANALYST POSITION IN B/A 101-2718 WHICH WOULD BE FUNDED BY A REDUCTION IN TEACH NEVADA SCHOLARSHIP FUNDING AND WOULD TRANSFER THE POSITION TO B/A 101-2612.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. ORTEGA:

There is 1 other closing item for B/A 101-2718 beginning on page 31 of [Exhibit C](#). This is the status update of the TNS program. 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 CLOSE B/A 101-2718 AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ADAM DROST (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Beginning on page 34 of [Exhibit C](#) is B/A 101-2704. Fiscal staff is responsible for developing closing recommendations for this budget. The Subcommittees have not previously reviewed this budget.

NDE - Bullying Prevention Account — Budget Page K-12 EDUCATION-162
(Volume I)

Budget Account 101-2704

Budget account 101-2704 provides grants to school districts for the establishment of programs to create a school environment that is free from bullying and cyberbullying. There are no major closing issues. There is one other closing item concerning the continuation of bullying prevention grants. The Governor recommends the continuation of funding for bullying prevention grants with GF appropriations of \$45,000 in each year of the 2019-2021 biennium. On page 35 of [Exhibit C](#), Fiscal staff has provided the actual expenditures in FY 2017-2018 and the grant awards in FY 2018-2019 based on these grants being awarded on a competitive basis. The Governor's recommendation to continue funding for bullying prevention grants appears reasonable. Fiscal staff recommends B/A 101-2704 be closed as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE B/A 101-2704 AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. DROST:

Beginning on page 36 of [Exhibit C](#) is B/A 101-2619. Fiscal staff is responsible for developing closing recommendations for this budget. The Subcommittees have not previously reviewed this budget.

NDE - Contingency Account For Special Ed Services — Budget Page K-12
EDUCATION-151 (Volume I)
Budget Account 101-2619

Budget account 101-2619 provides funding for extraordinary program expenses and services that are not ordinarily present in the typical special education service and delivery system. There are no major closing issues in this budget. There is one other closing item where Fiscal staff has provided an update on the contingency account. The Governor recommends the continuation of B/A 101-2619 with a GF appropriation of \$100 and a projected balance forward of \$2 million in each year of the 2019-2021 biennium. The \$100 GF appropriation in this account allows the NDE to request funding from the Interim Finance Committee (IFC) Contingency Account.

The IFC Contingency Account will replenish this budget each fiscal year. Fiscal staff has provided a table identifying expenditures for FY 2016-2017 and FY 2017-2018 which can be found on page 37 of [Exhibit C](#). The Governor's recommendation to continue B/A 101-2619 appears reasonable. Fiscal staff recommends this budget be closed as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE B/A 101-2619 AS RECOMMENDED BY THE GOVERNOR AND

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PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL
ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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

Beginning on page 38 of [Exhibit C](#) is B/A 101-2615. There are six programs in
this budget which are funded with GF appropriations. Unless statutory language
for a specific program requires funding to revert at the end of the biennium,
unexpended funding does not revert at the end of a fiscal year and earns
interest.

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-30
(Volume I)

Budget Account 101-2615

There is 1 major closing issue for B/A 101-2615 beginning on page 39 of
[Exhibit C](#). This is to extend the end date of the Zoom Schools and English
Learner Grant programs. Pursuant to S.B. No. 390 of the 79th Session, the
Zoom Schools and English Learner program expires June 30, 2019. Likewise,
the Victory Schools program which was approved by Assembly Bill No. 447 of
the 79th Session expires June 30, 2019. Senate Bill 467, as amended, would
continue the Zoom Schools and English Learner Grant programs as well as the
Victory Schools grant program for the 2019-2021 biennium. The bill also
outlines related policy guidelines including eligible expenditures and reporting
requirements for the programs.

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SENATE BILL 467 (1st Reprint): Revises provisions relating to education.
(BDR S-820)

The Governor recommends continuing GF appropriations of \$50 million in each year of the 2019-2021 biennium in the base budget for the support of the Zoom Schools and English Learner programs for rural school districts and the State Public Charter School Authority (SPCSA) sponsored charter schools. Fiscal staff would note that the Zoom Schools program is based on a whole school intervention for high concentration English learners and low performing schools in the CCSD and WCSD. The English Learner Grant program allocates per-pupil funding based on the number of individuals identified as English learners in each school district or SPCSA sponsored charter school. Over the 2017-2019 biennium, CCSD operated 31 elementary schools, 6 middle schools and 1 high school in the Zoom School program. The WCSD operated 20 elementary schools and 3 middle school Zoom Schools.

According to the independent evaluation for FY 2017-2018, the total number of English learner students served in the Zoom Schools and English Learner Grant programs totaled 21,531 in FY 2017-2018. This represents 28.1 percent of the total 76,689 students identified as English learners for funding purposes in FY 2017-2018 or the 2017 count. Do the Subcommittees wish to approve GF appropriations of \$50 million in each year of the 2019-2021 biennium to continue the Zoom Schools and English Learner grant programs as recommended by the Governor and contingent upon passage and approval of S.B. 467 as amended or other enacting legislation?

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE GF APPROPRIATIONS OF \$50 MILLION IN EACH YEAR OF THE 2019-2021 BIENNIUM TO CONTINUE THE ZOOM SCHOOLS AND ENGLISH LEARNER GRANT PROGRAM AS RECOMMENDED BY THE GOVERNOR AND CONTINGENT UPON PASSAGE AND APPROVAL OF S.B. 467 AS AMENDED OR OTHER ENACTING LEGISLATION.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

The second program that would expire at the end of FY 2018-2019 is the Victory Schools program. The Governor recommends GF appropriations of \$25 million in each year of the 2019-2021 biennium to continue the Victory Schools program. The Victory Schools program provides funding for the support of additional services to underperforming elementary, middle and high schools identified as one- or two-star schools on the State's accountability system and have high percentages of students qualifying for free and reduced-price lunch. The actual number of Victory Schools funded in each year of the 2017-2019 biennium is 35 each year. This represents no change from the number of schools funded in the 2015-2017 biennium.

As noted during the budget hearing, one of the challenges schools encounter is when Victory Schools improve from one- and two-star status to three- and four-star status. Such schools are no longer eligible for Victory Schools grant funding under current policy guidelines because the grant currently only provides funding for underperforming schools identified as one- or two-star schools. In FY 2016-2017, 5 Victory Schools moved up to a 3-star status and 2 Victory Schools moved up to a 4-star status. In FY 2017-2018, 4 elementary schools moved up to a 3-star status from either a 1- or 2-star status.

As noted in the annual reports of Victory Schools, as schools no longer qualify for the grant funding, schools that achieve performance improvements may find it difficult to sustain programs that helped improve student performance. The NDE has determined the level of funding that may be needed to sustain successful programs in Victory Schools once schools improve and no longer qualify for these grant funds. Based on discussions with several principals of Victory Schools, retaining 75 percent of the Victory Schools grant allocation

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would assist the Victory Schools that improve their star rating above 1-star or 2-star status to sustain their successful programs.

Regarding the distributions of funding, some of the challenges the schools may be experiencing may be related to the policy guidelines at the district level. The NDE is committed to assisting that process by expediting the funding. Victory School plans will be collected in the first week of June 2019 in order for the Victory Schools to have access to funding as early as July 2, 2019. Do the Subcommittees wish to approve GF appropriations of \$25 million in each year of the 2019-2021 biennium to continue funding the Victory Schools program as recommended by the Governor and contingent upon passage and approval of S.B. 467 as amended or some other enacting legislation?

SENATOR DENIS:

We need to continue this program. Taking the funds away from where we have been successful is not going to help. I think we should do the second option to fund the 75 percent.

SENATOR DENIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE GF APPROPRIATIONS OF \$25 MILLION IN EACH YEAR OF THE 2019-2021 BIENNIUM TO CONTINUE FUNDING THE VICTORY SCHOOLS PROGRAM AS RECOMMENDED BY THE GOVERNOR AND CONTINGENT UPON PASSAGE AND APPROVAL OF S.B. 467 AS AMENDED OR SOME OTHER ENACTING LEGISLATION.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. WALLER:

Do the Subcommittees wish to add back language to the K-12 Education funding bill to allow Victory Schools that attain a performance rating of 3-stars

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or higher and that would otherwise not be eligible to receive Victory Schools funding under the current program to retain 75 percent of the Victory Schools grant funding received in the preceding year to sustain successful programs for the 2019-2021 biennium?

CHAIR WOODHOUSE:

This motion is regarding back language that would allow funding for Victory Schools to steadily decrease if their star rating increases.

ASSEMBLYWOMAN CARLTON:

I am not sure what the 75 percent is based on. That is what they think they need. Since this is new, we are not sure what is needed. No one wants to remove funding all at once. We knew that this was a problem. We need to figure out how to steadily decrease funding. I would think 50 percent would be more sufficient as opposed to 75 percent. This would allow for those funds to be expended in other places. When these schools hit their 3-star rating, they will lose the funding. I am leaning more towards 50 percent.

SENATOR DENIS:

My concern is if 50 percent will be enough. Certain amounts of funding may not be enough to move forward. Are we going to allocate money that will not be used? How many more schools will we be able to have in the program at 50 percent?

CHAIR WOODHOUSE:

In the past, we have not provided additional funding for these schools when they were successful. I support 50 percent. We are doing a lot of monitoring and evaluation of both Victory and Zoom schools. During the 81st Session, we will have a better handle on what needs to be done, whether this is the right way to go or if we need to take shorter steps. I want to make sure the program continues.

SENATOR KIECKHEFER:

We have two years in the biennium. If the schools improve, do they get 50 percent in the first year of the biennium and 50 percent of that 50 percent in the second year of the biennium? If the schools continue to receive funding

through the Victory Schools program, would that make them ineligible for weighted funding under S.B. No. 178 of the 79th Session?

MS. WALLER:

That is correct. If the school receives Victory Schools funding of 100 percent or 50 percent, they would not be eligible for the New Nevada Education Funding Plan.

SENATOR KIECKHEFER:

The Governor has recommended additional funding to cover at risk youth regardless of star rating. There are schools that could be receiving less under a continued lower Victory School rating than they would be by capturing the weights through S.B. No. 178 of the 79th Session. If they move up to a three-star school, they could be ineligible.

MS. WALLER:

At 50 percent funding, they would be around \$600 to \$700 under the Victory Schools program. If they were no longer part of the Victory Schools program and had the lowest 25 percent quartile, they could receive \$1,200 per student. The Governor's recommendation in B/A 101-2677 estimates that they will be able to fund the majority of the students qualifying as underperforming in the lowest quartile.

NDE - New Nevada Education Funding Plan — Budget Page K-12
EDUCATION-14 (Volume I)
Budget Account 101-2677

If there was enrollment growth, it is not certain that it would cover the full spectrum of students. The language in *Nevada Revised Statutes* says that schools start at the lowest star rating and go up. If there was growth and that funding was not sufficient to cover all of those students that performed in the lowest quartile, they would be at the highest performing schools anyway.

SENATOR KIECKHEFER:

This demonstrates that we are funding the same categories of kids in different ways based on what schools they are in. Maybe we need to change how we do this. We need to address the fiscal cliff these schools are walking off. We also

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need to know if the easiest and cleanest way is to do 50 percent. If so, I support this.

MS. WALLER:

The count of the students for the New Nevada Education Funding Plan exclude Victory Schools and Zoom Schools. As Victory Schools improve, those students are not in the count. They would potentially be funded if they were at the lowest performing schools or in the lowest quartile. That would lower their ability to reach all of the other students who are not reaching Victory School funding.

ASSEMBLYWOMAN CARLTON:

Senator Kieckhefer brings up a good point. There are so many different widgets in this thing and making them all line up is not going to be easy. If a school found out it was going to end up at a lower rating, is there a compensation mechanism for them to appeal to use one funding formula over another? We do not want to create an adverse effect.

MS. WALLER:

Based on the way eligibility is determined, this would be challenging. The Victory Schools program is a whole school model based on students. Of the schools that are selected, all students receive funding. There may be students in those schools who are not in the lowest quartile of performance, and this is not a one-to-one tradeoff.

ASSEMBLYWOMAN CARLTON:

By not knowing where the widgets are going to line up, I want give them the glide path. We need to do this.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO ADD BACK LANGUAGE TO THE K-12 EDUCATION FUNDING BILL TO ALLOW VICTORY SCHOOLS THAT ATTAIN A PERFORMANCE RATING OF 3 STARS OR HIGHER AND THAT WOULD OTHERWISE NOT BE ELIGIBLE TO RECEIVE VICTORY SCHOOLS FUNDING UNDER THE CURRENT PROGRAM TO RETAIN 50 PERCENT OF THE VICTORY SCHOOLS GRANT FUNDING RECEIVED IN THE

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PRECEDING YEAR TO SUSTAIN SUCCESSFUL PROGRAMS FOR THE
2019-2021 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

SENATOR DENIS:

I support this motion. We need to make sure the funding is there. It would be helpful to receive additional information on whether this funding will be sufficient.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN
BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

There are 4 other closing items for B/A 101-2615 beginning on page 43 of [Exhibit C](#). The first item is a recommendation to transfer the Social or Other Licensed Mental Health Worker program and funding from B/A 101-2615 to a proposed new School Safety budget to consolidate all resources for the program into one budget. The recommendation includes the transfer of the associated GF appropriations of \$11.2 million in each year of the 2019-2021 biennium for the program. In closing the NDE's Safe and Respectful Learning B/A 101-2721, the Subcommittees recommended approving the Governor's Task Force on School Safety recommendation to transfer GF appropriations from the Social Workers in Schools program to B/A 101-2721 to fund a new position in the Office of Safe and Respectful Learning.

NDE - Safe and Respectful Learning — Budget Page K-12 EDUCATION-112
(Volume I)
Budget Account 101-2721

Based upon the action of the Subcommittees, Fiscal staff recommends a technical adjustment to transfer GF appropriations of \$96,346 in FY 2019-2020 and \$120,988 in FY 2020-2021 from the Social Workers in

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Schools program to B/A 101-2721 for the support of the personnel and operating costs of the new position. Fiscal staff has also reduced the recommended transfer of funding and expenditures for the Social Worker in Schools program to the new School Safety budget to \$11.1 million in each year of the 2019-2021 biennium. With the noted technical adjustment, this recommendation appears reasonable. Fiscal staff recommends other closing item 1 be approved with the noted technical adjustment and other closing items 2 through 4 be approved as recommended by the Governor. Fiscal staff also requests authority to make other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEM 1 WITH THE NOTED TECHNICAL ADJUSTMENT, OTHER CLOSING ITEMS 2 THROUGH 4 BE APPROVED AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. WALLER:

Beginning on page 48 of [Exhibit C](#) is B/A 101-2616. This budget has not been reviewed by the Subcommittees. Fiscal staff is responsible for developing closing recommendations for this budget.

NDE - Incentives For Licensed Education Personnel — Budget Page K-12
EDUCATION-44 (Volume I)
Budget Account 101-2616

Budget Account 101-2616 funds the remaining obligation of the 1/5 Retirement Credit Purchase program. The Executive Budget recommends GF appropriations

of \$1 million in each fiscal year to continue funding the estimated outstanding liability. The 1/5 Retirement Credit Purchase program will need to be funded until such time as all eligible employees participating in the program prior to July 1, 2007 have received an additional 1 full year of retirement service credit.

The Public Employees' Retirement System reports that, since inception of the program, there have been 41,547 retirement credit purchases at a cost of \$147.3 million. Of the original 5,449 eligible participants opting in to continue the purchase of retirement credits, an estimated 734 participants in FY 2019-2020 and 631 participants in FY 2020-2021 would continue to be eligible to earn retirement service credits at a projected cost of \$3.5 million and \$3 million respectively. However, of these eligible participants, school districts estimate 168 participants in FY 2019-2020 and 166 participants in FY 2020-2021 would claim the 1/5 retirement credit for a projected cost of \$805,041 and \$796,041 respectively. The overall number of required retirement credit purchases per school continues to decline as eligible teachers reach the maximum retirement credit purchase of five years.

To ensure sufficient funding is available to fund the purchase retirement service credits including those associated with any unanticipated increase in the number of eligible teachers claiming retirement service credits earned, the Subcommittees may wish to consider continuing to provide the NDE with authority to transfer appropriations for the purchase of retirement service credits earned between fiscal years of the 2019-2021 biennium. Fiscal staff recommends B/A 101-2616 be closed as recommended by the Governor with authority for Fiscal staff to include language in the K-12 education funding bill to allow appropriation transfers between fiscal years of the 2019-2021 biennium for the purchase of retirement service credits earned as needed. Fiscal staff also requests authority to make other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON:

We thought it was a good idea to give retirement credits and get teachers in to those schools. With other programs we are considering this Session, this will give more incentives to people. I would like to apologize to Senator Brooks. He is a new member of the Nevada Legislative Senate, and he will be dealing with this at the end of his 12 years in the Senate. This program was well intended.

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ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE B/A 101-2616 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO INCLUDE LANGUAGE IN THE K-12 EDUCATION FUNDING BILL TO ALLOW APPROPRIATION TRANSFERS BETWEEN FISCAL YEARS OF THE 2019-2021 BIENNIUM FOR THE PURCHASE OF RETIREMENT SERVICE CREDITS EARNED AS NEEDED AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

We will now open up the hearing for public comment.

MICHAEL MALONE (Program Manager, Nevada Ready 21):

I am submitting ([Exhibit D](#)) as testimony in support of the Nevada Ready 21 program. The Nevada Ready 21 is the State of Nevada's plan for educational technology. It was initiated out of request from our districts and charter system to ensure equitable opportunities for all of our students no matter where they live in the State. Our collaborative Statewide approach has earned Nevada national recognition for the forward looking investment in our students. The teachers in Nevada Ready 21 have brought new learning opportunities to their students and have helped us share their best practices throughout the State.

The intent of the program is to share resources and maximize the benefits of the program throughout the State. I hope the Subcommittees were able to meet some of our Nevada Ready 21 students when they presented to the Legislature in February 2019 during the digital learning day. They are impressive, and we have heard testimony that Generation Z will be working at jobs that have not

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been created yet. In order to prepare for jobs that do not exist, we empower our educators with the tools and support to thrive in a student centered learning environment. Two minutes is insufficient to properly acknowledge all of the incredible work our educators have accomplished. All Nevadans should be proud. Public comment does not always reflect the positive things that are happening in the State. I appreciate the opportunity to express gratitude for the educators I have been privileged to work with in Nevada Ready 21. They are a dedicated and passionate group. I look forward to sharing their insights with future cohorts.

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CHAIR WOODHOUSE:

There being no further business, this meeting is adjourned at 9:47 a.m.

RESPECTFULLY SUBMITTED:

Michael Keever,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

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EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
	C	52	Alex Haartz/ Fiscal Division	Closing Packet
	D	4	Michael Malone/ Nevada Ready 21	Testimony