

**MINUTES OF THE JOINT MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Eightieth Session
May 16, 2019**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Joyce Woodhouse at 8:29 a.m. on Thursday, May 16, 2019, in Room 4100 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 COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblyman Jason Frierson
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Dina Neal
Assemblywoman Ellen B. Spiegel
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus
Assemblyman Jim Wheeler

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 2

COMMITTEE MEMBERS ABSENT:

Assemblyman John Hambrick (Excused)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Adam Drost, Senior Program Analyst
Julie Waller, Senior Program Analyst
Tom Weber, Committee Secretary
Michael Keever, Committee Secretary

OTHERS PRESENT:

Caryne Shea, HOPE for Nevada
Jenn Blackhurst, HOPE for Nevada
Meredith Freeman, HOPE for Nevada
Amanda Morgan, Director, Legal, Educate Nevada Now
Michelle Booth, Educate Nevada Now
Michaela Tonking, Director, Advocacy and Data, Educate Nevada Now
Michael Malone, Program Manager, Nevada Ready 21
Heather Dye, Executive Director, Nevada FFA Association
Rebecca Garcia, President, Nevada Parent Teacher Association
Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association

CHAIR WOODHOUSE:

Today, we will begin with closing reports for the Nevada Department of Education (NDE).

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

The Subcommittees on kindergarten through Grade 12 (K-12), higher education and capital improvement program (CIP) has completed its review of certain budgets for K-12 education as shown in the closing report ([Exhibit C](#)). These

budgets include the Instruction in Financial Literacy budget account (B/A) 101-2620, Professional Development Programs B/A 101-2618, School Remediation Trust Fund B/A 101-2615, Teach Nevada Scholarship Program B/A 101-2718, Teachers' School Supplies Reimbursement B/A 101-2717, Incentives for Licensed Education Personnel B/A 101-2616, Contingency Account for Special Education Services B/A 101-2619 and the Bullying Prevention Account B/A 101-2704.

EDUCATION

K-12 EDUCATION

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

NDE - Professional Development Programs — Budget Page K-12 EDUCATION-28
(Volume I)
Budget Account 101-2618

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-30
(Volume I)
Budget Account 101-2615

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

NDE - Teachers' School Supplies Reimbursement — Budget Page K-12
EDUCATION-42 (Volume I)
Budget Account 101-2717

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

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 4

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

NDE - Bullying Prevention Account — Budget Page K-12 EDUCATION-162
(Volume I)
Budget Account 101-2704

The Subcommittees' recommendations result in an increase of General Fund (GF) appropriations totaling \$755,396 for FY 2019-2020 and \$614,842 for FY 2020-2021. The following highlights the more significant closing recommendations of the Subcommittees.

For B/A 101-2620 the Subcommittees recommended to not approve the Governor's recommendation to eliminate the funding for professional development for the Instruction in Financial Literacy program. Instead, they recommended the addition of GF appropriations of \$750,000 in each year of the 2019-2021 biennium in this budget and recommended approval of GF appropriations totaling \$51,500 over the 2019-2021 biennium to the applicable NDE budget for various Department expenses related to financial literacy.

The Subcommittees also recommended including back language in the Appropriations Act and the K-12 education funding bill to prescribe the uses of these funds. Since the Department budgets were already closed by the Subcommittees, it was recommended that the additional funding of \$51,500 over the 2019-2021 biennium to the applicable NDE budget be further discussed and reviewed when the full Committees close the Department budgets. Subsequent to the budget closing meeting, the Department indicated this funding should be reflected in the Educator Effectiveness B/A 101-2612. Accordingly, on May 13, 2019, the full Committees approved the additional funding in B/A 101-2612.

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

For B/A 101-2618, the Subcommittees recommended to not approve the Governor's recommendation for \$149,219 in each year of the 2019-2021

biennium to fund a 2 percent cost-of-living adjustment (COLA) for salaries and other operating costs. Instead, the Subcommittees recommended approval of GF appropriations of \$106,445 in each year of the 2019-2021 biennium to fund the cost of a 3 percent COLA increase for the salaries of positions assigned to the Regional Professional Development Programs, contingent upon the closing action in the Distributive School Account (DSA) regarding COLA for school employees.

The Subcommittees also recommended to approve GF appropriations of \$120,000 over the 2019-2021 biennium in B/A 101-2618 to fund professional development for teachers who receive an endorsement to teach courses relating to financial literacy and include appropriate back language in the K-12 education funding bill to prescribe the uses of these funds.

For B/A 101-2615, the Subcommittees recommended approval of the Governor's recommendation for GF appropriations of \$50 million in each year of the 2019-2021 biennium to continue the Zoom Schools and English Learner grant program contingent upon the passage and approval of Senate Bill (S.B.) 467, as amended, or other enacting legislation. The Subcommittees also recommended approval of the Governor's recommendation for GF appropriations of \$25 million in each year of the 2019-2021 biennium to continue funding the Victory Schools program contingent upon the passage and approval of S.B. 467, as amended or some other enacting legislation.

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

The Subcommittees also recommended that back language be included in the K-12 education funding bill to allow Victory Schools that attain a performance rating of 3-stars or higher, 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 from the preceding year for the 2019-2021 biennium.

Consistent with the closing of the Department's Safe and Respectful Learning B/A 101-2721, the Subcommittees also recommended approval of the Governor's Task Force on School Safety recommendation to transfer GF appropriations of \$96,346 in FY 2019-2020 and \$120,988 in

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 6

FY 2020-2021 from the Social Workers in Schools program to B/A 101-2721 to fund the personnel and operating costs of 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

Assembly Bill (A.B.) 309 was heard by the Assembly Committee on Ways and Means on May 14, 2019. This bill as proposed to be amended would allow funding from seven categorical programs to be provided to school districts and charter schools as block grants based on enrollment. Two of these grant programs are currently included in the School Remediation Trust Fund; however, the other five programs are in two other Department budgets. These five programs include Great Teaching and Leading Fund, Peer Assistance and Review, Vocational Student Organizations, Library Books, and Geographic Alliance in Nevada programs. Accordingly, the full Committees may wish to provide Fiscal staff with authority to include language in the K-12 education funding bill to transfer the funding from these various categorical programs to the School Remediation Trust Fund if A.B. 309 is passed and approved consistent with the language that would be included in the bill.

ASSEMBLY BILL 309: Makes various changes relating to education.
(BDR 34-886)

Do the full Committees wish to provide Fiscal staff with authority to include language in the K-12 education funding bill to transfer the funding from 5 categorical programs to the School Remediation Trust Fund if A.B. 309 is passed and approved?

ASSEMBLYWOMAN CARLTON MOVED TO PROVIDE FISCAL STAFF WITH AUTHORITY TO INCLUDE LANGUAGE IN THE K-12 EDUCATION FUNDING BILL TO TRANSFER THE FUNDING FROM 5 CATEGORICAL PROGRAMS TO THE SCHOOL REMEDIATION TRUST FUND IF A.B. 309 IS PASSED AND APPROVED.

SENATOR DENIS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 7

ASSEMBLYWOMAN NEAL:

Regarding the contingency of S.B. 467, has this bill been heard or have any motions been made for the Zoom Schools and Victory Schools funds?

MR. DROST:

The bill is currently with the Senate Committee on Finance.

CHAIR WOODHOUSE:

The bill received a hearing with the Senate Committee on Education.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Regarding B/A 101-2718, although not included in the Executive Budget the Subcommittees recommended approval of a new management analyst position in this budget to be funded by a reduction in Teach Nevada Scholarship funding. Since all administrative functions related to the proposed duties of the new management analyst position are performed in B/A 101-2612, the Subcommittees also recommended approval to transfer the position to B/A 101-2612. However, since B/A 101-2612 had already been closed by the Subcommittees, it was recommended that the transfer of the new position be discussed and reviewed during the closing of B/A 101-2612 before the full Committees. Accordingly, on May 13, 2019, the full Committees approved the transfer of this position to B/A 101-2612.

For B/A 101-2717, the Subcommittees recommended approval of the Governor's recommendation to increase GF appropriations by \$2 million in each year for the Teachers' School Supplies Reimbursement program which would result in total funding of \$4.5 million in each year of the 2019-2021 biennium.

For B/A 101-2616, the Subcommittees recommended approval of the Governor's recommendation for GF appropriations of \$1 million in each year of the 2019-2021 biennium to continue funding the estimated outstanding liability of the 1/5 Retirement Credit Purchase program. The Subcommittees also

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 8

recommended 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. The Subcommittees recommended closing B/A 101-2619 and B/A 101-2704 as recommended by the Governor.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE BUDGET ACCOUNTS 101-2620, 101-2618, 101-2615, 101-2718, 101-2717, 101-2616, 101-2619 AND 101-2704 AS RECOMMENDED BY THE SUBCOMMITTEES ON K-12, HIGHER EDUCATION AND CIP.

SENATOR PARKS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

* * * * *

CHAIR WOODHOUSE:

Next, we will hear budget accounts for the NDE.

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

Beginning on page 31 of ([Exhibit D](#)) is B/A 101-2677. This budget was created pursuant to S.B. No. 178 of the 79th Session and codified in *Nevada Revised Statutes* (NRS) 387.129.

NDE - New Nevada Education Funding Plan — Budget Page -13 (Volume I)
Budget Account 101-2677

The New Nevada Education Funding Plan (NNEFP) provides school districts and charter schools that are not designated as Zoom or Victory Schools with an additional \$1,200 per eligible student to implement specific education interventions to improve the academic performance of students. Qualifying

students must be English language learners (ELL) or eligible for free or reduced-price lunch (FRL), score in the bottom quartile on certain assessments and must not have an individualized education plan.

There is one major closing issue beginning on page 32 of [Exhibit D](#). The Governor recommends increased funding to expand the program. The Governor's budget increases GF appropriations by \$33.9 million in each year for the 2019-2021 biennium to \$69.9 million. This represents an increase of 94.3 percent when compared to the \$36 million legislatively approved by the 79th Session. Inclusive of the recommended enhancement, total funding is projected to nearly double the number of students served from 30,000 students in the 2017-2019 biennium to 58,280 students in each year of the 2019-2021 biennium.

As noted during the budget hearing, certain assessments outlined in NRS are used to identify the students performing in the lowest quartile. These assessments can be found in NRS 387.137. The table found on page 33 of [Exhibit D](#) indicates the assessments used by grade level. Referring to the shaded area for grades 9 through 10, there is a requirement for the Department to use end-of-course examinations in Mathematics for these grades. Assembly Bill No. 7 of the 79th Session eliminated the requirement of end-of-course examinations as Statewide assessments. Instead, school districts administer end-of-course examinations and are no longer required to report the results on the assessments to the State. The Department plans to utilize the high school science assessment in the 2019-2021 biennium for Grades 9 and 10 in lieu of end-of-course math data.

The Department's planned change to the assessment criteria for utilization would require a statutory change. The Department provided information regarding the proposed changes which can be found on page 34 of [Exhibit D](#). This would remove the requirement to use the end-of-course examinations and replace the language with the assessment implemented by the Department for these grade levels. For grades kindergarten through Grade 2 (K-2), NRS outlines the measured academic progress. Typically in NRS, there is no reference of a specific assessment or vendor. Because of this, the Department would like to modify this language to read as "the assessment implemented by the Department for these grades."

Fiscal staff notes a budget implementation bill or back language in the K-12 Education funding bill would be necessary to effectuate the noted changes to the statutory requirements for the assessments. The statutory language requires an annual independent evaluation of this program to evaluate the effectiveness of the evidence-based services provided through the allocation of the NNEFP funding. For the Department's Student and School Support B/A 101-2712, the Subcommittees approved \$240,000 in the odd year of the 2019-2021 biennium to fund the cost of the independent evaluation of 8 State education programs including the NNEFP program.

NDE - Student and School Support — Budget Page K-12 EDUCATION-119
(Volume I)
Budget Account 101-2712

To be consistent with the Subcommittees' action on B/A 101-2712, the full Committees may wish to authorize back language in the K-12 Education funding bill to amend subsection 4 of NRS 387.139 to eliminate an annual independent evaluation and instead require an independent evaluation be conducted in the odd year of the biennium which reviews program activities that occurred in the even year of the biennium. The enhancement recommended in the Governor's budget was estimated to provide \$1,200 per student to serve all students performing in the lowest quartile regardless of the school's star rating who are currently not being served at Zoom or Victory Schools and who do not have an individualized education plan.

In response to Fiscal staff's request for an update of the number of eligible students that would qualify for NNEFP funding in the upcoming biennium, the Department indicated the total number increased from 58,280 eligible students to 63,573 eligible students. This is an increase of 5,293 students over the 58,280 count included in the Governor's budget. This is primarily due to utilizing more recent assessment results and a change of one of the assessment criteria used to determine eligibility. The preliminary figure used the end-of-course math assessment while the updated projection used the high school science assessment.

Although the recommended enhancement is estimated to provide \$1,200 per student for all students performing in the lowest quartile, regardless of a school's star rating, based upon the updated count of 63,573 eligible students,

the \$33.9 million in each year of the 2019-2021 biennium recommended in the Governor's budget would not be sufficient to fund all students performing in the lowest quartile in all schools. In order to fund all eligible students \$1,200 each, regardless of a school's star rating, additional GF appropriations of \$6.4 million in each fiscal year would be required above the recommended \$33.9 million. This would result in a revised total enhancement of \$40.3 million each year in addition to the base funding of \$36 million in each year of the 2019-2021 biennium.

Fiscal staff notes the Governor's Office of Finance does not support increasing the recommended enhancement by \$6.4 million in each year of the 2019-2021 biennium based on the revised count of eligible students, and as such, a budget amendment has not been submitted. Should the full Committees approve the Governor's budget as recommended, the Department indicates the funding would be sufficient to serve all eligible students attending schools rated 1- through 4-stars and would reach 2 5-star schools based on FY 2017-2018 star ratings.

Although the independent evaluator noted that most of the intended outcomes for this program could not yet be evaluated due to the early stages of the programs implementation, the final report received on May 3, 2019 noted some positive performance outcome on formative measures of achievement. There was perceived positive impact on graduation rates for ELL and FRL students, positive outcomes on student engagement and teacher-student relationships, and the ability to provide differentiated instruction to support ELLs and students qualifying for FRL.

Found on page 37 of [Exhibit D](#) there are 3 options for consideration by the full Committees. Option A is to approve GF appropriations of \$33.9 million in each fiscal year of the 2019-2021 biennium for the NNEFP as recommended by the Governor which would increase the number of students served from 30,000 students each year to 58,280 students in each year and would result in total program funding of \$69.9 million in each year of the 2019-2021 biennium. Option B is to approve additional GF appropriations of \$6.4 million for a total enhancement of \$40.3 million in each fiscal year of the 2019-2021 biennium for the NNEFP which would increase the number of students served from 30,000 students each year to 63,573 students in each year and would result in total program funding of \$76.3 million in each year of the 2019-2021 biennium.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 12

Option C is to not approve GF appropriations of \$33.9 million in each fiscal year of the 2019-2021 biennium.

Once the full Committees vote, there is a question on whether to add back language in the K-12 Education funding bill to amend NRS for changes in the required assessments and to modify NRS to change the requirement for an annual evaluation to only conduct evaluations in the odd year of the 2019-2021 biennium.

ASSEMBLYWOMAN NEAL:

Regarding high school science which will now be used as an end-of-course examination, please explain the alignment and how this will be used for ninth and tenth grades. If a ninth grader is still in a remedial science course or is not taking a science course, how will this be dealt with? There was not enough math data. How do we know there is enough science data?

MS. WALLER:

In addition to the fact that those results are no longer reported to the NDE, the reason why the science assessment would be used in lieu of the end-of-course mathematics examination is because the science assessment is one of the required assessments for the Every Student Succeeds Act or 2015. The NDE is also able to extrapolate information for those students if they do not have sufficient data. If the students were in remedial courses, they would likely be eligible for this funding.

ASSEMBLYWOMAN NEAL:

You are going to be evaluating the eight State education programs. What is included in this? I was reading that this was anecdotal data and reported improvements were not corroborated with data. For the additional NNEPP funds that were used for professional development, additional personnel and individual interventions, are we going to track how those teachers engaged those students and what they produce to promote academic achievement? I do not understand what we are going to be tracking for the \$240,000.

MS. WALLER:

Those are eight different State programs that the Legislature has funded for annual and external evaluations. The NRS for this program in addition to requiring an external evaluation required the school districts to develop

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 13

performance measures and report them annually to the NDE. The external evaluator will use some performance data. This evaluation report is for 2018 which was when this was first implemented. The 2018 report will establish the baseline. After this, the evaluation will compare the results to measure improvement.

SENATOR DENIS:

I worked on S.B. No. 178 of the 79th Session. It was a precursor trying to figure out how we could help the lowest achieving kids. It was successful; however, in my own district we had schools who received funds from S.B. No. 178 of the 79th Session, made improvements and then lost the funds. There were other schools that did not receive any funds. I appreciate that funding will get to more kids. I support option A even though we need to make tough decisions. Under this option, we will not get to all of the kids, but it will almost double the number of kids we are helping. I think we are making a difference in the lives of these kids. We need to continue until we can get adequate funding for all of our kids.

SENATOR DENIS MOVED TO APPROVE GF APPROPRIATIONS OF \$33.9 MILLION IN EACH FISCAL YEAR OF THE 2019-2021 BIENNIUM FOR THE NNEFP B/A 101-2677 AS RECOMMENDED BY THE GOVERNOR WHICH WOULD INCREASE THE NUMBER OF STUDENTS SERVED FROM 30,000 STUDENTS EACH YEAR TO 58,280 STUDENTS IN EACH YEAR AND WOULD RESULT IN TOTAL PROGRAM FUNDING OF \$69.9 MILLION IN EACH YEAR OF THE 2019-2021 BIENNIUM.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ASSEMBLYWOMAN CARLTON MOVED TO INCLUDE BACK LANGUAGE IN THE K-12 EDUCATION FUNDING BILL TO AMEND NRS 387.137, SUBSECTION 1, PARAGRAPHS (C) AND (D) TO REVISE THE REQUIRED ASSESSMENTS FOR GRADES K-2 AND GRADES 9 AND 10 THAT ARE

USED TO DETERMINE THE PROFICIENCY OF STUDENTS FOR PURPOSES OF DISTRIBUTING THE NNEFP FUNDS AS NOTED BY THE DEPARTMENT AND TO MODIFY THE REQUIRED EVALUATION FROM EACH YEAR TO THE ODD YEAR ONLY CONSISTENT WITH THE SUBCOMMITTEES' CLOSING ACTION IN B/A 101-2712 WHICH ONLY FUNDS ONE INDEPENDENT EVALUATION OF THE NNEFP PROGRAM OVER THE 2019-2021 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

There is one other closing item for B/A 101-2677 on page 37 of [Exhibit D](#). This is for a recommended technical adjustment to add interest earnings pursuant to NRS 387.129, subsection 1. The interest and income earned on money and unexpended appropriations in B/A 101-2677 are to be credited to the account. The Governor's budget does not currently include interest earnings. Based on information provided by the Governor's Office of Finance, Fiscal staff recommends a technical adjustment to add projected interest income of \$22,044 in each year of the 2019-2021 biennium. This is based on base funding of \$36 million in each year. Fiscal staff recommends approval of the other closing item and requests authority to make other technical adjustments, as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE B/A 101-2677 OTHER CLOSING ITEM AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 15

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

BUDGET CLOSED.

* * * * *

MS. WALLER:

Beginning on page 39 on [Exhibit D](#) is B/A 101-2698. The Governor recommends the creation of a new budget to support various school safety initiatives to enhance the physical safety and emotional well-being of K-12 students. These initiatives were among several recommendations included in the final report of the 2018 Task Force on School Safety.

NDE - School Safety — Budget Page K-12 EDUCATION-32 (Volume I)
Budget Account 101-2698

There are eight major closing issues. The first major closing issue for B/A 101-2698 is the funding source proposed for the new school safety initiatives. Originally, the Governor recommended a portion of the proceeds from the 10 percent Retail Excise Tax on recreational marijuana totaling \$53.8 million over the 2019-2021 biennium to support 7 school safety initiatives in B/A 101-2698. However, S.B. 545 was introduced on May 14, 2019, and would redirect the revenues collected from the 10 percent Retail Excise Tax on recreational marijuana from the Account to Stabilize the Operation of State Government also known as the Rainy Day Fund to the DSA B/A 101-2610.

[SENATE BILL 545](#): Revises provisions governing the distribution of certain tax proceeds. (BDR 32-1241)

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

If S.B. 545 is approved, the funding source recommended for the school safety enhancements would no longer be available. As such, the full Committees could consider funding any approved school safety enhancements with GF appropriations in lieu of the proceeds from the ten percent Retail Excise Tax

on recreational marijuana as was originally recommended by the Governor. The discussion of the enhancements for B/A 101-2698 found on page 40 of [Exhibit D](#) are in the context of the passage and approval of S.B. 545. Passage would eliminate the discussion of funding the enhancements with proceeds from the 10 percent Retail Excise Tax on recreational marijuana. Do the full Committees wish to fund any approved school safety enhancements with GF appropriations contingent upon the passage and approval of S.B. 545 or other enacting legislation?

ASSEMBLYWOMAN CARLTON:

I had many good discussions with the Subcommittees on these items. We know that we need to fund these with the GF. The first item is social worker and behavioral health professionals found on the table on page 40 of [Exhibit D](#). Previously, Assemblywoman Benitez-Thompson had a bill to put social workers into schools. Sometimes, it takes a while to get these professionals into the schools. I recognize the numbers that are being proposed; however, I believe there might be a more appropriate funding number on this. This is funded with the GF. In establishing this program, some of the conversations have been to appropriate \$3.5 million in FY 2019-2020 and \$7 million in FY 2020-2021 for a total of \$10.5 million over the 2019-2021 biennium.

SENATOR KIECKHEFER:

Is it \$3.5 million and \$7 million for a total of \$10.5 million?

ASSEMBLYWOMAN CARLTON:

Yes.

CHAIR WOODHOUSE:

The next item is school resource officers.

ASSEMBLYWOMAN CARLTON:

We have had previous conversations on school resource officers, funds that are available, officers that are already in schools and officers working through contractors with rural law enforcement. I propose \$1.5 million in FY 2019-2020 and \$3 million in FY 2020-2021 for a total of \$4.5 million over the 2019-2021 biennium for school resource officers.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 17

CHAIR WOODHOUSE:
The next item is school safety improvements.

ASSEMBLYWOMAN CARLTON:
These are for facility enhancements. Since this item is mostly for equipment and tangible items, we discussed making this a one-shot appropriation. It does not need to be ongoing if we are purchasing things. The one-shot would be a total of \$5 million over the 2019-2021 biennium.

MS. WALLER:
The first numbers stated were correct. We were discussing making this a one-shot in FY 2018-2019 and balancing forward the funds for FYs 2019-2020 and 2020-2021.

ASSEMBLYWOMAN CARLTON:
It would be a total one-shot of \$5 million.

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):
I believe the intent of Assemblywoman Carlton may be to approve the \$5 million as recommended by the Governor in FY 2019-2020 and reduce the second year amount from \$20 million to \$2.5 million. Providing that this is a one-shot, it would be a single \$7.5 million appropriation effective in FY 2018-2019.

SENATOR SETTELMAYER:
On S.B. 545 there was \$53.8 million for school safety, and we are considering backfilling this. Will this be backfilled by \$20 million?

MR. KRMPOTIC:
The table on page 40 of [Exhibit D](#) reflects a total of \$53.8 million. The suggestions by Assemblywoman Carlton would reduce this. Fiscal staff could provide a total once the full Committees have gone through the entire list on page 40.

CHAIR WOODHOUSE:
The next item is the multi-tiered system of support team.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 18

ASSEMBLYWOMAN CARLTON:

There are no necessary changes on this item; funding will remain the same.

CHAIR WOODHOUSE:

The next item is the rural school threat assessment training.

ASSEMBLYWOMAN CARLTON:

This item would not be funded. We believe there are funds already appropriated to this.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

The Health and Human Services Subcommittees increased funds for the crisis mobilization teams out in the rural areas for the Department of Health and Human Services' Division of Public and Behavioral Health. We have done this in another part of the Executive Budget, and the item on page 40 of [Exhibit D](#) is duplicative.

CHAIR WOODHOUSE:

The next item is the five-year social, emotional and academic development strategic plan.

ASSEMBLYWOMAN CARLTON:

There were a lot of conversations about this item in the Subcommittees with follow up questions. There does not seem to be a plan for this item. Without a plan, many members of the Subcommittees were apprehensive about moving forward on this. Some of the school districts are incorporating this into their plan for teachers and curriculum. I believe with increased dollars in the DSA and by not funding this these funds may be appropriated to the DSA. This will allow the school districts to move forward with a plan that suits them the best.

CHAIR WOODHOUSE:

Philosophically, I agree with Assemblywoman Carlton. This is something that needs to be done, and we need some time to put this together. Part of this would be an additional requirement on teachers and administrators. I want to make sure we have all of the pieces in place before we move forward. We will handle this in the 2021-2023 biennium.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 19

SENATOR KIECKHEFER:

Assemblywoman Carlton indicated that putting the \$4.7 million into the DSA would allow school districts to use it for that purpose. Would this be a dedicated account to ensure it gets done so that the districts could implement it? I support this. From my experience, Washoe County School District (WCSD) has done this well, and it has made an impact.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

At the school district level, we are increasing the number of social workers and behavioral health professionals. They are an integral part of social and emotional learning. We are also providing other resources. We thought this might be more organic from the district level with policies coming into play. In WCSD, this process happened organically when they received a federal grant. The thought is for this to be applied in other school districts. Douglas County is also doing great work around this.

CHAIR WOODHOUSE:

The last item is the public broadcasting system datacasting plan.

ASSEMBLYWOMAN CARLTON:

There are no changes that need to be made on this. I was able to see this system operate in southern Nevada at the Las Vegas Public Broadcast Station (PBS), and I was impressed. I believe enhancing this system and bringing it to northern Nevada will help to deal with any incidences that may occur in schools. This is beneficial to the system. I support these numbers staying the same.

CHAIR WOODHOUSE:

I agree with Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON MOVED TO NOT APPROVE THE SCHOOL SAFETY ENHANCEMENTS WITH GF APPROPRIATIONS CONTINGENT UPON S.B. 545 IN B/A 101-2698.

SENATOR DENIS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 20

SENATOR KIECKHEFER:

Based on my calculations, all of the decision units would have a cumulative GF impact on the 2019-2021 biennium of \$37.99 million. This is based on total reductions in these decision units of \$30.49 million in addition to a shift of \$7.5 million to the current fiscal year. Is this correct?

MR. KRMPOTIC:

Based on Fiscal staff's totals and what was indicated by Assemblywoman Carlton, the total would be \$23.3 million that would be appropriated. This is inclusive of the \$7.5 million that would represent a one-shot for school facility improvements. This total also includes the elimination of the social and emotional learning funds. The total comes to \$23,325,650.

SENATOR KIECKHEFER:

The original proposal was \$58 million, and the total appropriation is \$23.3 million.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN WHEELER WAS ABSENT FOR THE VOTE. ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS KIECKHEFER, SETTELMAYER AND GOICOECHEA VOTED NO.)

* * * * *

MS. WALLER:

Major closing issue 2 for B/A 101-2698 can be found on page 40 of [Exhibit D](#). The Governor recommends the transfer of the existing social worker and schools program from the School Remediation Trust Fund B/A 101-2615 to B/A 101-2698 for the consolidation of all resources for the program into one budget. Budget account 101-2615 is established in NRS and permits funding to not revert and to be ongoing. If the full Committees approve the transfer of this funding to B/A 101-2698, the Department has asked for that same ability. However, because B/A 101-2615 is established in NRS and B/A 101-2698 would not be established in NRS, it appears the full Committees could approve authority for the Department to carry forward unexpended funding from FY 2019-2020 to FY 2020-2021 and not across biennia.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 21

Do the full Committees wish to approve funding of back language in the K-12 education funding bill for the 2019-2021 biennium to authorize the Department to carry forward all unexpended social workers and school funding and approve decision unit E-908 to transfer the existing social workers and school program from B/A 101-2615 to B/A 101-2698. This funding is approximately \$11.2 million in each fiscal year of the 2019-2021 biennium.

E-908 Trans. Frm Sch. Remediation Trust To School Safety — Page K-12
EDUCATION-34

ASSEMBLYWOMAN CARLTON:

The full Committees need to approve decision unit E-908.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE DECISION UNIT E-908 TO TRANSFER THE EXISTING SOCIAL WORKERS IN SCHOOLS PROGRAM FROM B/A 101-2615 TO B/A 101-2698 TO CONSOLIDATE ALL RESOURCES FOR THE PROGRAM INTO ONE BUDGET AND INCLUSIVE OF BACK LANGUAGE IN THE K-12 EDUCATION FUNDING BILL FOR THE 2019-2021 BIENNIUM TO AUTHORIZE THE DEPARTMENT TO CARRYFORWARD ALL UNEXPENDED SOCIAL WORKERS IN SCHOOLS FUNDING FROM FY 2019-2020 TO FY 2020-2021.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN WHEELER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE FUNDING OF \$3.5 MILLION IN FY 2019-2020 AND \$7 MILLION IN FY 2020-2021 IN B/A 101-2698 TO EXPAND THE SOCIAL WORKERS IN SCHOOLS PROGRAM AND HEALTH PROFESSIONALS THIS YEAR.

SENATOR DENIS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 22

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN WHEELER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. WALLER:

Major closing issue 3 for B/A 101-2698 can be found on page 42 of [Exhibit D](#). Do the full Committees wish to approve the Governor's recommendation to fund \$1.5 million in FY 2019-2020 and \$3 million in FY 2020-2021 to increase the number of school resource officers (SRO) and school police officers (SPO) positions in schools? The discussion in [Exhibit D](#) referred to whether or not the full Committees wish to keep this funding as categorical or replace the funding in the DSA to be allocated through the new Nevada Plan funding formula.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE \$1.5 MILLION IN FY 2019-2020 AND \$3 MILLION IN FY 2020-2021 TO INCREASE THE NUMBER OF SRO AND SPO POSITIONS IN SCHOOLS AND TO PROVIDE THIS FUNDING THROUGH A CATEGORICAL PROGRAM AS RECOMMENDED BY THE GOVERNOR.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:

I will vote in the affirmative on each of these individual decision units. They are helpful; I want to make sure that my objection to the reductions that were made in the first motion regarding shifting the funding source carries through each of these motions. I would prefer to see them funded at the originally proposed levels. Some enhancement is better than none.

ASSEMBLYWOMAN CARLTON:

With the discussion point on the categorical, since this is going to be new for us I believe having it in categorical will allow us to follow, evaluate and get information that we need. When these discussions happen during the 81st Session, we will have data to make decision points.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

* * * * *

MS. WALLER:

Major closing issue 4 for B/A 101-2698 can be found on page 44 of [Exhibit D](#). The Governor's budget had contemplated allocating funds for the school safety facility improvements on a base plus per-pupil allocation. Given the allocations that were provided, funding in the second year was contemplated to be distributed with competitive grants and aligned with the information in the table on page 45. The two largest Nevada school districts have access to various funding sources for facility improvements. Clark County School District (CCSD) has bond funding revenue and WCSD has sales tax revenue available from the passage of Washoe County Question 1 or WC-1 by the Washoe County voters. The full Committees may wish to provide this facility enhancement funding exclusively to the school districts and charter schools in the State. This would reduce funding needed for this program.

If the full Committees elect to reduce the recommended funding for this decision unit, they may wish to provide authority for the Department to carry forward unexpended funding from FY 2018-2019 to FY 2019-2020 and FY 2020-2021. The State does not typically provide funding for facility and capital projects for schools. If the full Committees approve this funding, they may wish to direct the Department to consider this one-time funding that should be eliminated when preparing the base budget for the 2019-2021 biennium.

There are three options for the full Committees to consider on page 46 of [Exhibit D](#). Option A is to approve the Governor's recommendation for funding of \$5 million in FY 2019-2020 and \$20 million in FY 2020-2021 for school safety facility improvements that would be provided to all school districts and charter schools in the State. Option B is to approve a reduced level of funding which the full Committees discussed to be \$5 million in FY 2019-2020, \$2.5 million and combining those and moving them to FY 2018-2019 for a one-shot appropriation. Under option B, if the full Committees choose to provide this funding to all school districts and charter schools except for CCSD and WCSD,

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 24

the methodology would be changed from base plus per-pupil to a competitive grant process based on demonstrated need.

The full Committees may wish to designate this funding as one-time funding, that should be eliminated when preparing the base budget for the 2021-2023 biennium. They may also wish to authorize back language in the K-12 education funding bill to allow the Department to carry forward unexpended funding to FY 2020-2021.

ASSEMBLYWOMAN CARLTON MOVED TO APPROPRIATE IN B/A 101-2698 \$7.5 MILLION AS A ONE-SHOT OUT OF FY 2018-2019 WITH CARRY FORWARD INTO FY 2019-2020 AND FY 2020-2021 WITH THE APPROVAL OF A REDUCED LEVEL OF FUNDING FOR FACILITY IMPROVEMENTS FOR SCHOOL DISTRICTS AND CHARTER SCHOOLS AND DISTRIBUTE THE FUNDING UTILIZING A COMPETITIVE GRANT PROCESS BASED ON DEMONSTRATED NEED EXCLUDING CCSD AND WCSD AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:

Who is going to get the money?

MS. WALLER:

If option B is approved, the money would go to the rural school districts and charter schools.

SENATOR KIECKHEFER:

Is this consistent with the amount outlined on the table on page 45 of [Exhibit D](#)?

MS. WALLER:

This table was provided by the NDE on the initial methodology for allocating funding; it was developed by the school superintendents. It was determined that a base plus per-pupil amount would be allocated. The superintendents also indicated that the second year of the 2019-2021 biennium would be allocated by competitive grants. If this motion is accepted, it would be to change the

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 25

methodology from what was provided during the budget hearing on a base plus per-pupil amount to a competitive grant process based on demonstrated need.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN WHEELER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATORS CANCELA, BROOKS AND GOICOECHEA WERE ABSENT FOR THE VOTE.)

* * * * *

MS. WALLER:

Major closing issue 5 for B/A 101-2698 can be found on page 46 of [Exhibit D](#). There would be no modification to funding recommended by the Governor for the multi-tiered system of support. The Governor recommends \$201,000 in each year of the 2019-2021 biennium to fund the cost of administering the annual school climate survey. This is currently being funded with a federal grant that is set to expire. The Governor also recommends funding \$50,000 for costs of training and coaching school staff in a multi-tiered system of support. Do the full Committees wish to approve \$201,000 in each year of the 2019-2021 biennium for the administration costs of the annual school climate survey and the costs of coaching and training school staff in multi-tiered system of support?

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE \$201,000 IN EACH YEAR OF THE 2019-2021 BIENNIUM FOR THE ADMINISTRATION COSTS OF THE ANNUAL SCHOOL CLIMATE SURVEY AND THE COSTS OF COACHING AND TRAINING SCHOOL STAFF IN A MULTI-TIERED SYSTEM OF SUPPORT.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN WHEELER WAS ABSENT FOR THE VOTE.)

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 26

SENATE: THE MOTION CARRIED. (SENATORS CANCELA, BROOKS AND GOICOECHEA WERE ABSENT FOR THE VOTE.)

* * * * *

MS. WALLER:

Major closing issue 6 for B/A 101-2698 can be found on page 47 of [Exhibit D](#). For clarification, the Governor recommends \$145,000 in each year of the 2019-2021 biennium. The Department clarified that the threat assessment and training for rural school districts will be funded by the federal STOP School Violence grant program, and the \$145,000 would support contracts either with social workers under the Rural Mobile Crisis Team housed and funded by the Department of Health and Human Services or independent social workers that would cover and support rural and frontier communities for this purpose. Funding for this was approved in a different budget account for the Division of Public and Behavioral Health. Based on this information, the full Committees determined that they did not want to approve funding. Do the full Committees wish to approve funding of \$145,000 in each year of the 2019-2021 biennium as recommended by the Governor to fund two contract positions to provide mobile crisis response team services in rural communities?

ASSEMBLYWOMAN CARLTON MOVED TO NOT APPROVE FUNDING OF \$145,000 IN EACH YEAR OF THE 2019-2021 BIENNIUM AS RECOMMENDED BY THE GOVERNOR TO FUND TWO CONTRACT POSITIONS TO PROVIDE MOBILE CRISIS RESPONSE TEAM SERVICES IN RURAL COMMUNITIES.

SENATOR PARKS SECONDED THE MOTION.

SENATOR SETTELMAYER:

I support the Governor's recommendation.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS SETTELMAYER AND KIECKHEFER VOTED NO. SENATORS CANCELA AND GOICOECHEA WERE ABSENT FOR THE VOTE.)

* * * * *

MS. WALLER:

Major closing issue 7 for B/A 101-2698 can be found on page 47 of [Exhibit D](#). This is a recommendation to fund \$2 million in FY 2019-2020 and \$2.7 million in FY 2020-2021 for the costs to develop and implement a Statewide social, emotional and academic development strategic 5-year plan for public schools. Do the full Committees wish to approve the Governor's recommendation to fund a Statewide social, emotional and academic development strategic 5-year plan for public schools totaling \$2 million in FY 2019-2020 and \$2.7 million in FY 2020-2021? If so, do the full Committees wish to approve placing the funding in the Reserve category and direct the Department to approach the Interim Finance Committee, before utilizing this funding, to provide an update on the planned implementation of this program?

ASSEMBLYWOMAN CARLTON MOVED TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND A STATEWIDE SOCIAL, EMOTIONAL AND ACADEMIC DEVELOPMENT STRATEGIC 5-YEAR PLAN FOR PUBLIC SCHOOLS TOTALING \$2 MILLION IN FY 2019-2020 AND \$2.7 MILLION IN FY 2020-2021.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 28

Ms. WALLER:

Major closing issue 8 for B/A 101-2698 can be found on page 49 of [Exhibit D](#). The Governor recommends funding of \$310,140 in FY 2019-2020 and \$113,510 in FY 2020-2021 to retrofit existing datacasting equipment in southern Nevada and provide equipment in northern Nevada. This recommendation includes funding for one contract engineering technical staff position in each year of the 2019-2021 biennium to provide system support, testing and training. Given the limited duration of this project and its implementation, if the full Committees approve funding for the datacasting project they may also wish to direct the Department to eliminate all expenditures associated with the datacasting project when preparing its budget for the 2021-2023 biennium.

If needed, the Department could seek authority for additional expenditures in an enhancement decision unit in the Executive Budget for the 2021-2023 biennium. Do the full Committees wish to approve the Governor's recommendation for funding of \$310,140 in FY 2019-2020 and \$113,510 in FY 2020-2021 to retrofit existing datacasting equipment in southern Nevada and provide equipment in northern Nevada? If so, do the full Committees also wish to direct the Department to eliminate all expenditures associated with the datacasting project when preparing its budget for the 2021-2023 biennium?

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE IN B/A 101-2698 THE GOVERNOR'S RECOMMENDATION FOR FUNDING OF \$310,140 IN FY 2019-2020 AND \$113,510 IN FY 2020-2021 TO RETROFIT EXISTING DATACASTING EQUIPMENT IN SOUTHERN NEVADA, PROVIDE EQUIPMENT IN NORTHERN NEVADA AND DIRECT THE DEPARTMENT TO ELIMINATE ALL EXPENDITURES ASSOCIATED WITH THE DATACASTING PROJECT WHEN PREPARING ITS BUDGET FOR THE 2021-2023 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 29

BUDGET CLOSED.

* * * * *

MS. WALLER:

Beginning on page 51 of [Exhibit D](#) is B/A 101-2699. 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 entities for various educational programs.

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

There are 5 major closing issues for B/A 101-2699. The first major closing issue is a recommendation for increased funding for the career and technical education (CTE) program. The Governor recommends a GF increase of \$1 million in each fiscal year of the 2019-2021 biennium to bring total State funding for CTE programs to \$13.5 million in each year. The \$1 million annual increase would be utilized to develop new programs, improve or expand existing programs identified by the workforce sector councils and would serve an additional 2,000 CTE students.

Currently, CTE programs are in 14 out of 17 school districts in the State. In FY 2017-2018, a total of 63,787 students were enrolled in CTE programs. Graduation rates of students participating in programs of CTE continue to outpace graduation rates of all students. The graduation rate of CTE students was 91.2 percent compared to the graduation rate of 80.9 percent for all students in FY 2017-2018. Do the full Committees wish to approve a GF increase of \$1 million in each fiscal year of the 2019-2021 biennium for the CTE program which would bring total State funding for CTE programs to \$13.5 million in each year?

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE A GF INCREASE OF \$1 MILLION IN EACH FISCAL YEAR OF THE 2019-2021 BIENNIUM FOR THE CTE PROGRAM WHICH WOULD BRING TOTAL STATE FUNDING FOR CTE PROGRAMS TO \$13.5 MILLION IN EACH YEAR.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue 2 for B/A 101-2699 can be found on page 53 of [Exhibit D](#). This is for increased funding for the adult high school diploma (AHSD) program. The Executive Budget recommends a GF increase of \$1 million in each fiscal year of the 2019-2021 biennium bringing total State funding for AHSD programs to \$19.3 million in each year. The AHSD programs provide free academic counseling and instruction to eligible students who lack a high school diploma or a high school equivalency certificate. The Department estimates the \$1 million enhancement would serve an additional 1,433 students in each year of the 2019-2021 biennium. This program provides funding for adult learners 18 years or older in 14 school districts and for the State's correctional system inmates in the 8 school districts that operate programs within 18 correctional facilities.

In response to follow-up questions after the budget hearing regarding the factors contributing to an increase in corrections enrollment for the AHSD program, the Department indicated one contributing factor is the increase of inmate population and the establishment of the Nevada Corrections Education Consortium. Through this collaboration, school districts developed vocational training programs that have grown to 18 different programs to date. Another contributing factor is the Department of Corrections' merit time incentive. This issues time off a sentence for completion of high school or vocational training and has increased demand into all educational programs. This program has been extended to the conservation camps which previously had no education provided. Do the full Committees wish to approve a GF increase of \$1 million in each fiscal year of the 2019-2021 biennium for the AHSD program which would bring total State funding for this program to \$19.3 million in each year?

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 31

ASSEMBLYMAN KRAMER:

In the funds used in the AHSD programs, there is a component of cooperation with the prison system. Are these funds intended for high schools in the State, or is this a grant program for any adult high school program in the State?

MS. WALLER:

The funds are distributed to the school districts who provide the education in their schools for qualifying adult students for the regular program. They also provide teachers that go to the prison facilities to provide educational services for the inmates.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE A GF INCREASE OF \$1 MILLION IN EACH FISCAL YEAR OF THE 2019-2021 BIENNIUM FOR THE AHSD PROGRAM WHICH WOULD BRING TOTAL STATE FUNDING FOR THIS PROGRAM TO \$19.3 MILLION IN EACH YEAR.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue 3 for B/A 101-2699 can be found on page 55 of [Exhibit D](#). This is for increased funding for the Jobs for America's Graduates (JAG) program. The Governor recommends GF appropriations of \$1.1 million in FY 2019-2020 and \$1.2 million in FY 2020-2021 to fund the expansion of the JAG program to increase students served from 3,377 to approximately 4,100 students. Inclusive of the enhancement total, recommended funding for the JAG program is \$4.6 million in FY 2019-2020 and \$4.8 million in FY 2020-2021. In addition to the State grant funding received from the NDE JAG has received funding from other public and private sources since FY 2016-2017. Three grants totaling \$320,000, excluding the grant from the NDE, expire at the end of FY 2018-2019 and another 3 grants totaling \$615,000 expire at the end of FY 2019-2020. The JAG program indicates it

will continue to seek grant opportunities to diversify and enhance its revenue portfolio.

The Department indicates there are eight schools currently on a wait list to receive JAG program funding. Testimony provided by the executive director at the budget hearing indicated JAG currently operates in 12 school districts and serves Esmeralda County School District through Tonopah High School bringing the total number of school districts operating JAG programs to 13. When asked how JAG would prioritize the expansion of the JAG program, the executive director of JAG testified that the first priority would be to offer the JAG program to the four school districts that currently do not have JAG programs. The executive director further testified that the way in which JAG selects where to place JAG programs is by working with school district superintendents to help identify the schools of highest need and making such decisions in conjunction with the advice and discretion of superintendents.

As requested during the budget hearing, the JAG has provided detail of the supportive services expenditure category and the line item cost break down. These are directed for student support to help remove barriers to success. There are three options for the full Committees to consider. Option A is to approve additional GF appropriations of \$1.1 million in FY 2019-2020 and \$1.2 million in FY 2020-2021 to fund the expansion of the JAG program to increase students served from 3,377 to approximately 4,100 students over the 2019-2021 biennium and to replace expiring grants totaling \$320,000 in FY 2019-2020 and \$615,000 in FY 2020-2021. Option B is to approve additional GF appropriations of \$320,000 in FY 2019-2020 and \$615,000 in FY 2020-2021 to replace expiring grant funds to maintain the current level of programming serving approximately 3,377 students in each year of the 2019-2021 biennium.

Option C is to approve additional GF appropriations, the amount of which would be determined by the full Committees. Option D is to not approve additional GF appropriations of \$1.1 million in FY 2019-2020 and \$1.2 million in FY 2020-2021 to fund the expansion of the JAG program to increase students served from 3,377 to approximately 4,100 students over the 2019-2021 biennium and to replace expiring grants totaling \$320,000 in FY 2019-2020 and \$615,000 in FY 2020-2021.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 33

SENATOR KIECKHEFER:

During the Subcommittees' meetings, it was Assemblyman Thompson who disclosed that we both served on the board of this organization. This is now my responsibility.

ASSEMBLYWOMAN CARLTON:

There were discussions in the Subcommittees about the JAG program and their evolution in getting grants and doing other fundraising outside of relying on State funds. There were also discussions on administration fees and the funds used to run the program.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ADDITIONAL GF APPROPRIATIONS OF \$320,000 IN FY 2019-2020 AND \$615,000 IN FY 2020-2021 TO REPLACE EXPIRING GRANT FUNDS TO MAINTAIN THE CURRENT LEVEL OF PROGRAMMING SERVING APPROXIMATELY 3,377 STUDENTS IN EACH YEAR OF THE 2019-2021 BIENNIUM AND PLACE \$1.2 MILLION INTO RESERVES FOR FY 2019-2020 WITH ALLOWABLE ROLLOVER OF FUNDS INTO FY 2020-2021 SO JAG CAN COME BACK AND ASK FOR A 1-TO-1 MATCH ON FUNDS THAT ARE RAISED.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR KIECKHEFER ABSTAINED FOR THE VOTE.)

* * * * *

MS. WALLER:

Major closing issue 4 for B/A 101-2699 can be found on page 57 of [Exhibit D](#). This is for increased funding for the Read by Grade Three (RBG3) program. The Executive Budget recommends a GF increase of \$11.2 million in each year of the 2019-2021 biennium to provide additional learning strategist positions and professional development to support kindergarten through Grade 3 (K-3) teachers and students at elementary schools Statewide through the RBG3 program. Total recommended funding for this program is \$31.7 million in

each year of the 2019-2021 biennium which represents a 54.5 percent increase when compared to the legislatively approved funding for the 2017-2019 biennium.

The Department indicates the budgetary enhancement of \$11.2 million in each year of the 2019-2021 biennium would fund approximately 141 learning strategist positions at a cost of \$10 million each year at 192 elementary school sites using an average salary and benefit cost of \$70,936 per learning strategist. The enhancement would also provide professional development of \$1.2 million each year. This recommendation would ensure all 406 school district and charter school programs would have assigned learning strategists to support K-3 literacy.

During the Subcommittees' budget hearing, there were discussions about challenges recruiting staff in rural school districts and the Department confirms this. In response to this, some rural schools have provided stipends to teachers on staff to perform the additional duties of a learning strategist. The Department noted having a multi-year grant would provide consistent funding which would assist in recruiting individuals to the rural school districts.

Currently, there are 215 learning strategists serving 91,770 students funded through current RBG3 grant funds; 191 remaining elementary schools are in need of a learning strategist. To ensure the \$10 million will be allocated to cover 191 school sites currently without a learning strategist, a single learning strategist may cover more than one school. The method for determining which schools should share a learning strategist position would be based on the percentage of identified RBG3 struggling readers in K-3 as measured by the reading assessment and the smarter balanced assessment consortium English language arts assessment from the previous year.

In addition to funding the learning strategist positions, the Governor's recommendation adds \$1.2 million in each year of the 2019-2021 biennium to fund professional development. The Department indicated an equal distribution of funding among 406 elementary schools in Nevada would be allocated \$2,950 in potential aid to schools for literacy development. In response to follow-up questions after the budget hearing, the Department indicated that expanding the number of learning strategists would increase the demand for technical assistance and support by Department staff assigned to the RBG3 program.

Additionally, two new education program professional (EPP) positions would be needed to ensure continued success of the program.

A portion of the recommended enhancement that is utilized by the Department to ensure consistent professional development is provided to all instructional leaders involved in the administration of the RBG3 program. Expansion of the number of learning strategists to additional elementary schools would require additional travel by the RBG3 program EPPs. Estimated costs for increasing staffing to monitor and administer the RBG3 program is approximately \$283,437 in FY 2019-2020 and \$208,724 in FY 2020-2021. Currently, there are 2 EPP positions to administer and monitor the RBG3 program which is funded at \$20.5 million each fiscal year. It appears that one additional EPP position would be justified if the enhancement to increase the program by \$11.2 million in each year is approved.

The Governor's Office of Finance concurs with the proposal to reduce funding for professional development to fund a new EPP position, Department-provided professional development and travel costs as outlined in the table on page 60 of [Exhibit D](#). Do the full Committees wish to approve a GF increase of \$11.2 million in each fiscal year of the 2019-2021 biennium for the RBG3 program which would bring total State funding for this program to \$31.7 million in each year? If so, do the full Committees wish to reduce the amount of funding for professional development from \$1.2 million in each year to \$916,563 in FY 2019-2020 and \$891,276 in FY 2020-2021 to fund the costs of a new EPP position, Department-provided professional development and travel totaling \$283,437 in FY 2019-2020 and \$308,724 in FY 2020-2021 and approve the transfer of this administrative funding to the Literacy Programs budget B/A 101-2713?

NDE - Literacy Programs — Budget Page K-12 EDUCATION-129 (Volume I)
Budget Account 101-2713

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE A GF INCREASE OF \$11.2 MILLION IN EACH FISCAL YEAR OF THE 2019-2021 BIENNIUM FOR THE RBG3 PROGRAM WHICH WOULD BRING TOTAL STATE FUNDING FOR THIS PROGRAM TO \$31.7 MILLION IN EACH YEAR AND REDUCE THE AMOUNT OF FUNDING FOR PROFESSIONAL DEVELOPMENT FROM \$1.2 MILLION IN EACH YEAR TO \$916,563 IN

FY 2019-2020 AND \$891,276 IN FY 2020-2021 TO FUND THE COSTS OF A NEW EPP POSITION, DEPARTMENT-PROVIDED PROFESSIONAL DEVELOPMENT AND TRAVEL TOTALING \$283,437 IN FY 2019-2020 AND \$308,724 IN FY 2020-2021, AND APPROVE THE TRANSFER OF THIS ADMINISTRATIVE FUNDING TO THE LITERACY PROGRAMS BUDGET B/A 101-2713.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue 5 for B/A 101-2699 can be found on page 60 of [Exhibit D](#). This is for increased funding for the Nevada Institute on Teaching and Educator Preparation (NITEP). The Governor recommends GF appropriations totaling \$2.5 million over the 2019-2021 biennium to continue grant funding for the NITEP. Through the passage and approval of S.B. No. 548 of the 79th Session, \$500,000 was appropriated in each year of the 2017-2019 biennium to the State Board of Education as one-time funding to award grants to a college or university within the Nevada System of Higher Education to establish the NITEP. In accordance with S.B. No. 548 of the 79th Session, a college or university applying for a grant must provide matching funds. Although no grant funds were expended in FY 2017-2018, the Department anticipates the \$1 million grant will be fully expended in FY 2018-2019.

Supporting documentation provided by the Department indicates the recommended budgetary enhancement for the 2019-2021 biennium would include a cohort of principal fellows using a similar method of teacher fellows. It would also fund research on the approaches used through the NITEP. The NRS 396.5185 is specific to teacher preparation and does not include principals. As noted on page 62 of [Exhibit D](#) under the Proposed Legislation section, [S.B. 376](#) would revise certain provisions related to the NITEP. However, as it is currently drafted, it does not include a provision to allow this program to include principals.

SENATE BILL 376: Revises provisions relating to the Nevada Institute on Teaching and Educator Preparation. (BDR 34-732)

In response to follow-up questions from the March 29, 2019, budget hearing, the Department indicated UNLV does not have plans to offer principal training with the NITEP funding. While some research projects may involve school leaders, the fellowship is currently only intended for teaching candidates. Senate Bill 376 does not currently contain provisions to amend NRS to include principal training. The funding recommended in the Governor's budget relating to principals totals \$500,000 in each year of the 2019-2021 biennium. This includes \$250,000 part-time master principals and \$250,000 to provide professional development for principal fellows. Based upon the information provided, the full Committees could consider reducing the recommended funding related to principal activities totaling \$500,000 in each year and fund \$750,000 for the continuation of the NITEP for teachers as currently authorized in NRS.

There are 3 options on pages 62 and 63 of [Exhibit D](#) for the full Committees to consider. Option A is to approve GF appropriations of \$1.25 million in each year of the 2019-2021 biennium as recommended by the Governor to continue grant funding for the NITEP. Option B is to approve GF appropriations of \$750,000 in each year of the 2019-2021 biennium to continue grant funding for the NITEP. This option would reduce funding related to principal activities that are not currently provided for in NRS 396.5185 by \$500,000 in each year. It would still provide an increase of \$250,000 in each year of the 2019-2021 biennium as compared to the \$500,000 in each year of the 2017-2019 biennium approved by the 79th Session. Option C is to not approve GF appropriations of \$1.25 million in each year of the 2019-2021 biennium as recommended by the Governor to continue grant funding for the NITEP.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE GF APPROPRIATIONS OF \$750,000 IN EACH YEAR OF THE 2019-2021 BIENNIUM TO CONTINUE GRANT FUNDING FOR THE NITEP.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 38

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Other closing items for B/A 101-2699 can be found on pages 63 through 66 of [Exhibit D](#). A new National Board of Certification for School Nurses (NBCSN) is recommended to be funded by GF appropriation of \$13,125 in each year of the 2019-2021 biennium to reimburse 35 nurses per year \$375 each for examination costs for successful completion of the NBCSN. The Department provided updated information that 2 Nevada candidates passed the examination in FY 2016-2017, 3 candidates passed in FY 2017-2018 and 2 candidates took the examination in FY 2018-2019. The results for FY 2017-2018 are not yet available.

Based upon the five nurses who passed the NBCSN in the past two years, it appears the number of nurses for which reimbursement funds are recommended in the Governor's budget may be too high. Fiscal staff recommends a technical adjustment to reduce the recommended number of nurses to be reimbursed from 35 to 10 in each fiscal year with the ability to carry forward unexpended funding from FY 2019-2020 to FY 2020-2021. This would be in the event that the number of nurses eligible for reimbursement increases beyond 10 in FY 2020-2021. The Department provided a revised cost of \$364 for the NBCSN examination. The recommended technical adjustment would result in a GF reduction of \$9,485 in each year. The Governor's Office of Finance concurs with this adjustment.

Fiscal staff recommends other closing items 1 and 3 be approved with the noted technical adjustments, other closing item 2 be approved as recommended by the Governor and other closing item 4 be approved with authority for Fiscal staff to transfer funding for the 3 identified programs from B/A 101-2699 to B/A 101-2615 contingent upon the passage and approval of [A.B. 309](#) as proposed to be amended. Fiscal staff requests authority to make other technical adjustments as necessary.

ASSEMBLYWOMAN TITUS:

How did the Governor's Office determine 35 to reimburse? I understand how many have taken the exam recently; however, that low number may be a result

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 39

of the cost of the examination. I am hesitant to support the motion to not fund more.

MS. WALLER:

The reimbursement is for the successful completion of the examination. While there may have been a number of candidates who took the examination, there were only five who successfully passed in the last two years. I do not believe there was specific detail on how the 35 candidates was estimated. Nationwide there were 3,886 National Board certified nurses. Of the 475 examinations administered nationally in 2017, 411 candidates passed.

It does not appear that there is a significant pass rate of those who are taking the examination. The option for consideration would allow any unused funding in the first year to be carried forward to the second year. Once this reimbursement program is communicated among the nurses, there may be more potential for passage of the examination. In the 2021-2023 biennium, we would likely see a higher number being budgeted for reimbursement.

SENATOR KIECKHEFER MOVED TO APPROVE B/A 101-2699 OTHER CLOSING ITEMS 1 AND 3 WITH THE NOTED TECHNICAL ADJUSTMENTS, APPROVE OTHER CLOSING ITEM 2 AS RECOMMENDED BY THE GOVERNOR, APPROVE OTHER CLOSING ITEM 4 WITH AUTHORITY FOR FISCAL STAFF TO TRANSFER FUNDING FOR THE 3 IDENTIFIED PROGRAMS FROM B/A 101-2699 TO B/A 101-2615 CONTINGENT UPON THE PASSAGE AND APPROVAL OF A.B. 309 AS PROPOSED TO BE AMENDED AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

SENATOR KIECKHEFER:

My disclosure was not fully clear. I will be abstaining on the vote for the JAG program.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

MR. DROST:

Beginning on page 67 of [Exhibit D](#) is B/A 101-2617. This budget was created as a result of the Initiative Petition 1 (IP 1) Room Tax which was approved by the 75th Session.

NDE - State Supplemental School Support Account — Budget Page K-12
EDUCATION-36 (Volume I)
Budget Account 101-2617

Budget account 101-2617 reflects the proceeds from the Room Tax revenue generated in Clark County and Washoe County. Since FY 2011-2012, this revenue has been transferred to the DSA as a State funding source. This is scheduled to expire on June 30, 2019. There are no major closing issues. Other closing items include the continuation of the transfer of the Room Tax to the DSA. The Governor recommends the transfer of \$187.9 million in FY 2019-2020 and \$190 million in FY 2020-2021. In May 2019, the Economic Forum reconvened as part of the process to re-project GF revenue. The Legislative Counsel Bureau Fiscal Analysis Division, the Governor's Office of Finance and the Nevada Commission on Tourism also re-projected Room Tax revenue. They calculated a minor cumulative decrease of \$195,000 over the 2019-2021 biennium with interest earnings that would project transfers of \$187.2 million in FY 2019-2020 and \$190.6 million in FY 2020-2021. The transfer amounts in the Executive Budget did not match, and a technical adjustment has been entered to correct this. These updated projections are reflected on page 67 of [Exhibit D](#).

If the transfer of Room Tax revenue including interest earnings were to expire as originally scheduled and remain in B/A 101-2617, additional GF appropriations totaling \$377.8 million would be required to support the Governor's recommended funding level in B/A 101-2610 for the 2019-2021 biennium. If the transfer of Room Tax revenues to the DSA is approved, Fiscal staff requests approval to include back language in the 2019 K-12 education funding bill to extend the expiration date through June 30, 2021. This is similar to the Legislature's actions in previous biennia.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 41

Fiscal staff recommends B/A 101-2617 be closed as recommended by the Governor, include the technical adjustment to update the projected Room Tax revenues, interest earnings and transfer amounts to the DSA and include back language in the 2019 K-12 education funding bill to extend the expiration date of the Room Tax transfer inclusive of interest earnings through June 30, 2021. Fiscal staff also requests authority to make other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO CLOSE B/A 101-2617 AS RECOMMENDED BY THE GOVERNOR, INCLUDE THE TECHNICAL ADJUSTMENT TO UPDATE THE PROJECTED ROOM TAX REVENUES, INTEREST EARNINGS AND TRANSFER AMOUNTS TO THE DSA, INCLUDE BACK LANGUAGE IN THE 2019 K-12 EDUCATION FUNDING BILL TO EXTEND THE EXPIRATION DATE OF THE ROOM TAX TRANSFER INCLUSIVE OF INTEREST EARNINGS THROUGH JUNE 30, 2021 AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

MR. DROST:

Beginning on page 71 of [Exhibit D](#) is B/A 101-2610. The DSA is the budget through which the State distributes direct financial aid to school districts and charter schools. This includes per-pupil support and other categorical programs such as special education and class-size reductions.

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

Budget Account 101-2610

Funding is provided through the Nevada Plan funding formula. A guaranteed amount of basic support per-pupil on a Statewide basis and for each school district is calculated and established in law each session. Funding for the basic support guarantee consists of State financial support distributed through the DSA and locally collected revenues from the 2.6 percent Local School Support Tax and 33.33 percent of the Ad Valorem Tax or property tax received by school districts for operating purposes. State GF appropriations provide the majority of revenue to the DSA from which the State share of financial aid to schools under the Nevada Plan is paid.

The Governor's recommended 2019-2021 biennium Nevada Plan formula can be found on page 89 of [Exhibit D](#). This is compared to the 2017-2019 biennium Nevada Plan formula. A share responsibility is supporting Nevada's public elementary and secondary schools with State, local and federal sources which contribute to the operating funds for school districts and charter schools. Budget account 101-2610 does not include the entire funding for K-12 education. Instead, it includes the State's portion of the school district and charter school operating funds that provide the basic support guarantee and other State-supported programs.

This reduction is due to the increases in local revenues and reflects the shared responsibility for K-12 education funding between State and local governments. The State serves as the final funding source. For the 2019-2021 biennium, the Governor recommends a per-pupil basic support guarantee of \$6,052 for FY 2019-2020 and \$6,116 for FY 2020-2021. This is reflected on the chart on page 74 of [Exhibit D](#).

There are three major closing issues. The first major closing issue for B/A 101-2610 can be found on page 74 of [Exhibit D](#). This is for a deposit of the 10 percent Retail Marijuana Excise Tax in the DSA. The State currently collects a 10 percent Retail Excise Tax on recreational marijuana. This is unrelated to the 15 percent Wholesale Excise Tax on marijuana which was approved by the voters through the passage of Question 2 in November 2016. The 10 percent Retail Excise Tax was approved by the 2017 Legislature; however, they did not dedicate the proceeds from the 10 percent Retail Excise Tax to the DSA for K-12 education as recommended by Governor Sandoval. Rather, the 2017 Legislature deposited this revenue into the Rainy Day Fund. Actions of the

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 43

Legislature did not affect funding for K-12 education since that amount was replaced with GF appropriation of an equal amount.

Based on updated consensus forecast by the Fiscal Analysis Division and the Governor's Office of Finance, the 10 percent Retail Excise Tax is projected to generate revenue of \$58.6 million in FY 2019-2020 and \$61.3 million in FY 2020-2021. Originally, the Executive Budget recommended this funding be utilized for the Governor Guinn Millennium Scholarship program and B/A 101-2698 in the 2019-2021 biennium. However, given the limited history with this revenue and the ability of the DSA to increase and decrease GF appropriations between fiscal years, the Governor's Office of Finance has recommended this revenue be deposited in the DSA. Senate Bill 545 was introduced and would require revenues collected from the 10 percent Retail Excise Tax to be deposited in the DSA.

Do the full Committees wish to deposit all proceeds from the 10 percent Retail Excise Tax on recreational marijuana into the DSA consistent with S.B. 545? If the full Committees wish to deposit the proceeds from the 10 percent Retail Excise Tax on recreational marijuana into the DSA, do they wish to utilize that funding for one of the following options? Option A is to supplant GF appropriations in B/A 101-2610 by replacing GF appropriations with 10 percent Retail Excise Tax revenue. Option B is to supplement funding in the DSA by including all or a portion of this funding as a new enhancement decision unit. If the full Committees choose this option, Fiscal staff estimates the average incremental increases to the Statewide basic support guarantee amount which can be found on page 75 of [Exhibit D](#).

ASSEMBLYWOMAN CARLTON MOVED TO DEPOSIT ALL PROCEEDS FROM THE 10 PERCENT RETAIL EXCISE TAX ON RECREATIONAL MARIJUANA INTO THE DSA CONSISTENT WITH S.B. 545 AND TO SUPPLEMENT FUNDING IN THE DSA BY INCLUDING 100 PERCENT OF THIS FUNDING AS A NEW ENHANCEMENT DECISION UNIT FOR AN INCREASE TO THE STATEWIDE BASIC SUPPORT GUARANTEE AMOUNT OF APPROXIMATELY \$120 PER PUPIL IN FY 2019-2020 AND \$124 PER PUPIL IN FY 2020-2021.

SENATOR DENIS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 44

ASSEMBLYWOMAN CARLTON:

I am happy to see this. I got to the point where my elevator speech was explaining how the money from the 10 percent marijuana tax got into the DSA last time. However, it was not the same color. We had orange money and green money. The money did get there. Now that conversation will no longer need to happen.

ASSEMBLYMAN WHEELER:

I need to clarify that the motion was not for \$124 but for \$124 million.

CHAIR WOODHOUSE:

It is an increase of approximately \$120 in FY 2019-2020 and \$124 in FY 2020-2021 per pupil.

SENATOR KIECKHEFER:

I will be voting no on this motion based on my objection to the reduction of \$30 million in the previous vote from school safety and the \$30 million gap it leaves in making the Millennium Scholarship solvent.

ASSEMBLYWOMAN CARLTON:

I can understand where Senator Kieckhefer is seeing this. There are other options for the Millennium Scholarship that we have not gotten to yet. People have been asking why we did not put the 10 percent into the DSA. This motion puts the 10 percent into the DSA as the public thought was supposed to happen. This was never truly intended.

SENATOR KIECKHEFER:

I had the same elevator speech as Assemblywoman Carlton. This money has been going to education since it was approved. Every penny we thought we were going to generate from the Retail Excise Tax was put into education. Just because people did not understand this does not mean we did it wrong.

CHAIR WOODHOUSE:

Funding for the Millennium Scholarship will come up soon and it will be taken care of.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN KRAMER AND ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS SETTELMAYER,
KIECKHEFER AND GOICOECHEA VOTED NO.)

* * * * *

MR. DROST:

Major closing issue 2 for B/A 101-2610 can be found on page 75 of [Exhibit D](#). This is for base budget and enrollment updates. Re-projections were conducted by the Fiscal Analysis Division and the Governor's Office of Finance. As compared to the Governor's recommended budget, those re-projections for revenue can be found in the table on page 76 of [Exhibit D](#). The Local School Support Tax is projected to increase by \$4.1 million over the 2019-2021 biennium compared to the Executive Budget. The Property Tax is projected to be approximately \$671,400 less than the amount included in the Executive Budget for FY 2019-2020 and approximately \$2.7 million more than the amount included for FY 2020-2021. The permanent school fund interest reflects an increase of \$1 million in each year of the 2019-2021 biennium.

The transfer from the marijuana regulation program is projected to increase by \$20.4 million in FY 2019-2020 and \$17.8 million in FY 2020-2021 when compared to the amount originally recommended by the Governor. This includes the amount associated with application fees, license fees, the 15 percent Excise Tax on wholesale marijuana products and does not include the 10 percent Retail Excise Tax. The Governor's Office of Finance submitted Budget Amendment No. A193452610 on April 1, 2019, which corrected an oversight in the Executive Budget that caused the transfer amounts to not be aligned between the DSA and the Marijuana Regulation and Control Account B/A 101-4207. This budget amendment can be found in ([Exhibit E](#)).

Taxation - Marijuana Regulation and Control Acct — Budget Page TAXATION-15
(Volume I)
Budget Account 101-4207

Room Tax revenue is projected to be approximately \$759,000 less than the amount included in the Executive Budget for FY 2019-2020 and approximately \$564,000 more than the amount included for FY 2020-2021. Other sources of revenue included the Governmental Services Tax, which is used by schools to fund their operational costs. This is projected to increase by \$3.8 million in

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 46

FY 2019-2020 and \$3.5 million in FY 2020-2021 compared to the amount originally recommended by the Governor. The NRS 387.303 requires each school district and charter school to report its actual expenditures and revenue from the immediately preceding fiscal year of July through June by no later than November 1 to the NDE. The 387 Report provides actual base year expenditures which are used as the beginning basis for the upcoming biennial DSA budget.

As explained on page 77 of Exhibit D, the NDE identified various revisions for the 387 Report for FY 2017-2018 after the Executive Budget was submitted. This included correcting amounts reported by districts' reclassification of expenditures and revenue and adjusting expenditures between funds. Fiscal staff requests authority to enter those items as technical adjustments. As a result of the updated projected revenues and the technical corrections, the Governor's recommended budget is projected to increase for the DSA by \$71 million over the 2019-2021 biennium.

Do the full Committees wish to approve the updated revenue projections for the non-General Fund revenue sources included in B/A 101-2610 as outlined on the table on page 76 of [Exhibit D](#) and the base budget adjustments noted by Fiscal staff? Fiscal staff requests authority to make additional technical adjustments based upon any updated revenue forecasts and revised transfer amounts related to the marijuana program based on the decisions of the full Committees.

SENATOR KIECKHEFER:

The net effect of these changes was discussed on page 77 of [Exhibit D](#). Will these result in a \$71 million increase or decrease?

MR. DROST:

It will result in a \$71 million decrease.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE UPDATED REVENUE PROJECTIONS FOR THE NON-GENERAL FUND REVENUE SOURCES INCLUDED IN B/A 101-2610 AS OUTLINED ON THE TABLE ON PAGE 76 OF [EXHIBIT D](#), APPROVE THE BASE BUDGET ADJUSTMENTS NOTED BY FISCAL STAFF AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE ADDITIONAL TECHNICAL ADJUSTMENTS BASED UPON ANY UPDATED REVENUE FORECASTS AND REVISED

TRANSFER AMOUNTS RELATED TO THE MARIJUANA PROGRAM
BASED ON THE DECISIONS OF THE FULL COMMITTEES.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN FRIERSON WAS
ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The next item under major closing issue 2 for B/A 101-2610 can be found on page 77 of [Exhibit D](#). This is for projected enrollment growth. Each school district's and charter school's guaranteed level of funding is determined by multiplying the basic support per-pupil by weighted enrollment. The Fiscal Analysis Division and the Governor's Office of Finance re-projected enrollment based on updated enrollment data for FY 2018-2019 which reflects enrollment growth of 0.83 percent. The Executive Budget reflected an increase of 1.35 percent for FY 2019-2020 and a 1.25 percent increase for FY 2020-2021. A consensus was reached for projected enrollment increases of 4,585 or a 0.95 percent increase in FY 2019-2020 and an additional 4,096 pupils or a 0.84 percent increase in FY 2020-2021. This information is provided in the table on page 78 of [Exhibit D](#).

The Governor recommends GF appropriations of \$44.8 million in FY 2019-2020 and \$81.7 million in FY 2020-2021 to provide for projected enrollment growth. This enrollment growth is based on a number of factors including the number of school employees that would be required to maintain the actual pupil-to-employer ratios indicated in the base year or FY 2017-2018. The Executive Budget estimates that an additional 588 licensed instructional personnel will be needed. However, based on the revised enrollment projections only 403 additional licensed instructional personnel would be needed.

Consistent with past practice, B/A 101-2610 utilized 75 percent of the average cost of an existing position to determine the cost of a new position. However, the Department recently implemented a new educator licensure system or

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 48

Online Portal for Applications and Licensure (OPAL). With this system, they are able to provide actual new teacher and administrator salaries. Based on this information, there was an increase if that information is utilized. The full Committees may wish to consider using data from the OPAL system to determine the costs to support additional licensed instructional personnel which would require additional funding of approximately \$5.8 million over the 2019-2021 biennium. This is inclusive of the revised enrollment projections.

Do the full Committees wish to approve the updated enrollment projections for the 2019-2021 biennium which are estimated to increase the number of pupils by 4,485 in FY 2019-2020 over projected FY 2018-2019 enrollment and 4,096 in FY 2020-2021 over projected FY 2019-2020 enrollment? Do the full Committees also wish to utilize the salary information from the OPAL system when budgeting for new teacher and licensed administrator positions? Fiscal staff requests authority to enter any necessary technical adjustments based on the action of the full Committees which would require additional funding of \$5.8 million over the 2019-2021 biennium.

ASSEMBLYWOMAN TITUS:

Based on calculations of the percentages of new pupils, we would need approximately 403 additional licensed personnel for the 2019-2021 biennium. How many positions do we need now in the State that are not currently filled?

MR. DROST:

I do not have this information. Current vacancies positions are budgeted in B/A 101-2610.

SENATOR DENIS MOVED TO APPROVE THE UPDATED ENROLLMENT PROJECTIONS FOR THE 2019-2021 BIENNIUM WHICH ARE ESTIMATED TO INCREASE THE NUMBER OF PUPILS BY 4,485 IN FY 2019-2020 OVER PROJECTED FY 2018-2019 ENROLLMENT AND 4,096 IN FY 2020-2021 OVER PROJECTED FY 2019-2020 ENROLLMENT, UTILIZE THE SALARY INFORMATION FROM THE OPAL SYSTEM WHEN BUDGETING FOR NEW TEACHER AND LICENSED ADMINISTRATOR POSITIONS AND PROVIDE FISCAL STAFF AUTHORITY TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS BASED ON THE ACTION OF THE FULL COMMITTEES WHICH WOULD REQUIRE ADDITIONAL FUNDING OF \$5.8 MILLION OVER THE 2019-2021 BIENNIUM.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Based on those technical adjustments revenue updates, GF savings would total \$59.8 million in FY 2019-2020 and \$58 million in FY 2020-2021. Fiscal staff has noted that there is a possible reallocation of savings based on those changes. In the NDE's budget request for the 2019-2021 biennium, inflationary increases of \$11.1 million in FY 2019-2020 and \$21.6 million in FY 2020-2021 were requested. This was calculated based on input from the districts on inflationary costs and was not included in the Governor's recommended budget. If the full Committees choose to allocate the GF savings back into the DSA, this action would be funded by State GF and would also be reflected as an increase to the basic support per-pupil on a Statewide basis.

Do the full Committees wish to provide an inflationary increase or other budgetary enhancement for school districts and charter schools utilizing a portion or all of the GF reductions of approximately \$59.8 million in FY 2019-2020 and \$58.0 million in FY 2020-2021? Fiscal staff requests authority to enter any necessary technical adjustments based on the action of the full Committees.

ASSEMBLYWOMAN CARLTON:

I recommend that the full Committees wait on taking action on this decision unit. There are a lot of other pieces to this that need to come together. We would not want to do something only to redo it by having to add or subtract funds.

CHAIR WOODHOUSE:

We will hold this item for a later date.

MR. DROST:

Major closing issue 3 for B/A 101-2610 can be found on page 79 of [Exhibit D](#). This is for salary and fringe benefit rate adjustments. The Governor recommends various adjustments to funding provided for the salary and benefits of all school employees. These are funded with total GF appropriations of \$414.2 million over the 2019-2021 biennium. The first adjustment is a 2 percent roll-up, decision unit M-101, which provides funding for roll-up costs equivalent to 2 percent each year to reflect all school employees earning merit increases due to attainment of additional education and/or additional years of service. This totals GF appropriations of \$176.7 million over all categories which can be found in the first table on the top of page 80 of [Exhibit D](#). Categories include Nevada Plan formula funding, class-size reduction program and the special education program. If the aforementioned enrollment updates and technical adjustments are approved, this decision unit is projected to be reduced by \$325,623 over the 2019-2021 biennium.

M-101 Agency Specific Inflation — Page K-12 EDUCATION-18

The second adjustment, decision unit M-300, is for the fringe benefit. This includes GF appropriations of \$56.8 million that the Governor recommends increasing for the funding of group health insurance costs for school personnel by 3.7 percent in FY 2019-2020 and 3.8 percent in FY 2020-2021 based on the projected rate increase for State agencies. The Executive Budget also increases funding to reflect the Public Employees' Retirement System contribution rate increase from 28 percent to 29.25 percent in the 2019-2021 biennium. Based on the aforementioned enrollment updates and technical adjustments, this decision unit is projected to be reduced by \$466,477 over the 2019-2021 biennium.

M-300 Fringe Benefits Rate Adjustment — Page K-12 EDUCATION-19

The third adjustment, decision unit E-670, is for a 3 percent cost-of-living adjustment (COLA). The Governor recommends GF appropriations of \$180.6 million over the 2019-2021 biennium to provide the equivalent of a 3 percent COLA for all school employees in FY 2019-2020. The table on the bottom of page 80 of [Exhibit D](#) shows that distribution among the 3 categories. This decision unit is projected to be reduced by \$223,276 over the 2019-2021 biennium due to the enrollment and technical adjustments.

E-670 Salary Adjustment For 2019-2021 Biennium — Page K-12
EDUCATION-20

The recommended funding for a COLA for school employees aligns with the 3 percent COLA the Governor recommends for State employees in FY 2019-2020. Although the Governor's recommendation may have an impact on the funding level for salaries of school district and charter school personnel, the actual salary impact is uncertain, since the employee groups in school districts are subject to collective bargaining. This decision is made locally with the autonomous school districts and their boards who will ultimately negotiate that decision.

Average contract salaries for teachers are affected by a number of factors including the number of teachers who retire or leave the profession. The table on page 81 of [Exhibit D](#) provides the average contract salary for teachers for FY 2017-2018 carried into the 2019-2021 biennium. When reviewing annual teacher salaries, teachers work a contractual number of days which is usually between 180 to 184 days. This is different from a typical full-time employee who works about 260 days in a year. The National Center for Education Statistics ranked Nevada 18th in the Nation for average classroom teachers' salaries. The National Education Association indicates Nevada has the highest number of enrolled students per classroom averaging 25.86 students per teacher. Fiscal staff would note that the Executive Budget did not correctly calculate funding for a 3 percent COLA for new positions that are budgeted over the 2019-2021 biennium due to enrollment growth. Fiscal staff requests to enter a technical adjustment to fix this error which is approximately \$556,953 in FY 2020-2021.

Do the full Committees wish to approve total GF appropriations of approximately \$413.2 million over the 2019-2021 biennium in decision units M-101, M-300 and E-670 to provide funding equivalent to the following for all school employees: a roll-up costs equivalent to 2 percent each fiscal year of the 2019-2021 biennium funded with GF appropriations of \$176.4 million over the biennium, increased benefit costs of approximately 3.7 percent in FY 2019-2020 and 3.8 percent in FY 2020-2021 for group health insurance costs, a Public Employees' Retirement System contribution rate increase funded with GF appropriations of \$56.4 million over the biennium and a 3 percent COLA in FY 2019-2020 funded with GF appropriations of \$180.4 million over

the 2019-2021 biennium? Fiscal staff requests authority to enter any necessary technical adjustments based on the action of the full Committees.

ASSEMBLYWOMAN TITUS:

Earlier it was mentioned that there would be an increase for all school employees. Does this include bus drivers, school nurses and administration?

MR. DROST:

Yes. School districts report all of their positions funded by GF and special education funds to the NDE through the 387 Report. That information is utilized to calculate the roll-up and the 3 percent COLA.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE TOTAL GF APPROPRIATIONS OF APPROXIMATELY \$413.2 MILLION OVER THE 2019-2021 BIENNIUM IN DECISION UNITS M-101, M-300 AND E-670 IN B/A 101-2610 TO PROVIDE FUNDING EQUIVALENT TO THE FOLLOWING FOR ALL SCHOOL EMPLOYEES: A ROLL-UP COSTS EQUIVALENT TO 2 PERCENT EACH FISCAL YEAR OF THE 2019-2021 BIENNIUM FUNDED WITH GF APPROPRIATIONS OF \$176.4 MILLION OVER THE BIENNIUM, INCREASED BENEFIT COSTS OF APPROXIMATELY 3.7 PERCENT IN FY 2019-2020 AND 3.8 PERCENT IN FY 2020-2021 FOR GROUP HEALTH INSURANCE COSTS, A PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRIBUTION RATE INCREASE FUNDED WITH GF APPROPRIATIONS OF \$56.4 MILLION OVER THE BIENNIUM, A 3 PERCENT COLA IN FY 2019-2020 FUNDED WITH GF APPROPRIATIONS OF \$180.4 MILLION OVER THE 2019-2021 BIENNIUM AND PROVIDE FISCAL STAFF AUTHORITY TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS BASED ON THE ACTION OF THE FULL COMMITTEES.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 53

MR. DROST:

The revised Governor recommended DSA is provided on page 90 of [Exhibit D](#). This would not be final. It does include the technical adjustments and enrollment changes; however, there may be additional technical adjustments based on the Retail Excise Tax and the transfer from B/A 101-4207.

There are other closing items for B/A 101-2610 beginning on page 82 of [Exhibit D](#). These include continuation of the transfer of Room Tax revenue which was previously approved by the full Committees. Other closing item 3 includes equipment replacement with a noted technical adjustment. Other closing item 6 includes the National school lunch program match with a technical adjustment to correct an error that was in the Executive Budget. Other closing item 7 is for special transportation. Fiscal staff requests to make technical adjustments to reflect expenditures of \$142,555 in FY 2019-2020 and \$145,650 in FY 2020-2021. These expenditures appear reasonable.

Do the full Committees wish to approve other closing items 3, 6 and 7 with the noted technical adjustments; other closing items 2, 4 and 5 as recommended by the Governor and approve closing other closing item 1 consistent with the full Committees' closing action taken in B/A 101-2617? Fiscal staff requests authority to make technical adjustments as necessary.

NDE - State Supplemental School Support Account — Budget Page K-12
EDUCATION-36 (Volume I)
Budget Account 101-2617

SENATOR DENIS MOVED TO APPROVE B/A 101-2610 OTHER CLOSING ITEMS 3, 6 AND 7 WITH THE NOTED TECHNICAL ADJUSTMENTS; OTHER CLOSING ITEMS 2, 4 AND 5 AS RECOMMENDED BY THE GOVERNOR, CLOSE OTHER CLOSING ITEM 1 CONSISTENT WITH THE FULL COMMITTEES' CLOSING ACTION TAKEN IN B/A 101-2617 AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 54

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

CHAIR WOODHOUSE:

The full Committees will now hear public comment.

CARYNE SHEA (HOPE for Nevada):

I am submitting ([Exhibit F](#)) as testimony on B/A 101-2617. The full Committees' third option has been to evade the duties of the Legislature by passing the burden down to local municipalities and making our State vulnerable to an equity lawsuit against the federal civil rights plan. How convenient to have counties try to raise taxes so the Legislature and our Governor don't have to.

JENN BLACKHURST (HOPE for Nevada):

I am submitting ([Exhibit G](#)) as testimony on the IP 1 Room Tax. Now, you have misdirected an additional \$400 million away from our students.

MEREDITH FREEMAN (HOPE for Nevada):

I am submitting ([Exhibit H](#)) as testimony on the IP 1 Room Tax.

AMANDA MORGAN (Director, Legal, Educate Nevada Now):

Fund Our Future Nevada is a Statewide coalition consisting of groups representing teachers, parents, districts and the community. Thank you for using the 10 percent Marijuana Retail Excise Tax to supplement and not supplant the State GF contribution to the DSA. As the ballot initiative Wholesale Excise Tax has gone into the DSA, the State GF contribution has decreased in response to the new revenue, or supplanting. That is where a lot of frustration has been in the community even though it is not always expressed eloquently. This is where the confusion has been. We appreciate supplanting the Marijuana Retail Excise Tax.

We are still concerned about the continued transfer of the IP 1 Room Tax into the DSA. In 2009, education advocates and teachers collected 130,000 voter signatures for a legislative initiative known as the Save Our Schools Initiative. This was specifically designed to support teacher recruitment, retention and

improving student achievement. The initiative was designed to ensure the new revenue was directed to a separate supplemental account outside of the DSA. It states that the new money must "supplement and not replace other money appropriated to fund K-12 public schools." Although funding could be diverted to the State GF for the first two years, starting in 2011, schools would receive relief in addressing teacher salaries, class sizes and other critical student support. It expressly prohibited the use of these funds for administration.

This money was meant for our classrooms. Unfortunately, in 2011, Nevada was still recovering from a devastating recession. To help with the hardship, lawmakers decided to pass a temporary transfer of IP 1 Room Tax money into the DSA to assist with the budget shortfalls. It was understandable given the grim economic outlook. The same consideration also made sense in 2013. The temporary transfers have continued in 2015, 2017 and 2019. It is the 10-year anniversary of the passage of the IP 1 Room Tax. The economy now is not the economy of 2011. We urge lawmakers to correct the issue and find a way to make this right; our students, teachers and taxpayers deserve it.

MICHELLE BOOTH (Educate Nevada Now):

As we have heard in the news, the State is having trouble providing a 3 percent promised raise for our educators. We have had the threat of what could be the first teachers' strike in Nevada in recent memory. In 2009, voters approved the IP 1 Room Tax that was meant to go specifically to teacher recruitment and retention, and student resources. These are all things we are trying to address and trying to find funding for today, even though we have a designated funding stream that does this. By voting to transfer those funds, the full Committees ignored these problems and the will of our taxpayers and voters.

Initiative Petition 1 Room Tax dollars were supposed to be put in a separate fund to keep it from going into the DSA so that it would not supplant. Yet every session, since some of the money became available, legislators have voted to transfer and supplant these dollars. We are told that if passed, the new funding formula would address planning issues. By transferring these funds, we supplant the IP 1 Room Taxes forever. Will we need an IP 2 tax? Maybe we can find another drug to legalize so that we can have dollars that make a Statewide impact. What are we going to tell taxpayers when we ask for more money when we did not use the dollars they provided us correctly?

Why not vote against supplanting both funds and allow these dollars to work as intended. While marijuana dollars transfer to supplement bringing in \$120 million per biennium, IP 1 Room Tax, which was supplanted, raised \$400 million for the biennium. That is where the noise should be. We have heard that the IP 1 Room Tax funding issues are problems from past legislators. This Legislature had the power to provide a solution today and chose not to. By transferring these funds, we create a hole. Education seems to have its own hole to fill. By transferring funds, more than \$1.2 billion dollars have been supplanted.

Today, you voted to rob our students and educators of \$400 million. We have heard from many teachers who wish they could be here today to ask the same request from the full Committees. However, they are in classrooms working hard to set up their students for success and cannot be here. Sadly, we have to report back to them that this Legislative body did not help them do that. Instead they voted to supplant their dollars.

MICHAELA TONKING (Director, Advocacy and Data, Educate Nevada Now):

I am here to express the outcomes of transferring IP 1 Room Tax dollars from a supplemental fund account to the DSA. Since 2011, the State has transferred \$1.2 billion raised by the IP 1 Room Tax to the DSA. The DSA has only increased by about \$160 million. The Legislature has put the IP 1 Room Tax dollars into the DSA and lowered the State's contribution of GF dollars by a similar amount. Since 2011, the contribution from the State GF to the DSA has increased by only an average of 1 percent while the IP 1 Room Tax contributions have increased by an average of 8 percent.

In an announcement, the Guinn Center found that in 2011 contributions by the State's GF made up 89 percent of the DSA. By 2019, GF contributions only make up 75 percent of the DSA. The Legislature is using IP 1 Room Tax dollars to supplant education funding instead of increasing the education funds we desperately need. The transfer of \$378 million of IP 1 Room Tax revenue from the supplemental fund account to be supplanted into the DSA today should have been used to move our State closer to the adequacy targets our students need. The funding formula and any new taxes are solutions for the future. Let us address today's urgencies with today's money.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 57

MICHAEL MALONE (Program Manager, Nevada Ready 21):

I am submitting ([Exhibit I](#)) as testimony on the Nevada Ready 21 program. [Exhibit I](#) articulates the three year span of a school in the Nevada Ready 21 program and the exact arc of transformation we hope to see. Yesterday, the Lied Science, Technology, Engineering and Mathematics (STEM) Academy was one of three Nevada Ready 21 participating schools who received the Governor's officially designated STEM school recognition. We encourage the full Committees to continue supporting Nevada Ready 21.

HEATHER DYE (Executive Director, Nevada FFA Association):

We are appreciative of the full Committees' support of B/A 101-2699 category 78. The next steps are in the appropriations bill if it is fully funded. Started in 2015, an issue that has come up is that there was language that was added to the funding amount and that language has been provided as ([Exhibit J](#)). Language in the 2017 State Budget Bill states "not for the use of leadership and training activities and pupil organizations." With increased funding from 2015 that carried through 2017, we have seen the numbers of career technical education (CTE) student enrollments increase. We have also seen an increased number of students participation in State-level CTE organizations which are required as part of the CTE program.

Due to this phrase, we have seen a decrease in State-level funding for CTE organizations. We have also seen a decrease in the ability for the NDE to provide more training and professional development for teachers Statewide. My recommendation would be to delete that phrase if it is funded in the next appropriations bill. By doing this, the NDE will have the flexibility to fund this at higher levels and levels prior to 2015 to provide professional development for teachers. When this phrase was added, some questions were raised about having as much funding go down to the locals as possible. I agree since we are nothing without our CTE programs.

In NRS 388.392, there are limitations for that funding. There is a cap percentage for how much can be used at the State-level by the NDE for training teachers and special development. There is also a percentage cap on how much of that funding can be used for career and technical student organizations. The majority of that CTE funding is going down to the locals whether it is at \$12 million or \$13 million. My recommendation would not have an economic impact on the State. It would be a matter of giving the NDE more flexibility to

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 58

use some of those funds for career and technical student organizations or leadership development for teachers.

REBECCA GARCIA (President, Nevada Parent Teacher Association):

Nevada Parent Teacher Association (PTA) is committed to ensuring our mission that every child's potential becomes a reality. Ensuring all children, regardless of Zip Code, have access to a high quality education is essential to ensuring they can reach their full potential. Nevada's education system ranks at the top for class size and at the bottom for school funding. Today, the IP 1 Room Tax was discussed. Noted prior, this was written specifically to be supplemental to the point of the title of that fund including "supplemental." Today, without any opportunity for public comment, the full Committees have once again transferred that money.

Nevadans have signed and voted to increase funding for education repeatedly and wonder why school funding continues to not provide adequate resources for our students to succeed. This causes frustration and erodes trust when voter intent is ignored. It is time to honor the will of our voters and Nevadans who want increased funding for education. We appreciate the effort this Session with many efforts introduced this week to make needed and historic changes for the benefit of Nevada students. A modernized funding formula is essential. However, more funding is also needed. Our students, schools and teachers need a different way to distribute funding and real additional funding which IP 1 Room Tax dollars could provide immediately.

Waiting another session or two may not seem like a long time to adults, but my fourth-grade son was born in 2009 when this law was passed. My second-grade daughter was born in 2011. For children, a few sessions equal a lifetime. My oldest daughter was in the eighth-grade when the IP 1 Room Tax was passed. She graduated in 2013 without ever seeing the benefit of any additional revenue. Waiting directly impacts our children's educational opportunities in ways that we cannot reverse. As a mother, a Nevada voter and on behalf of Nevada PTA, I ask that the full Committees look at the choices made when funding children's education. Time is essential and choices that have been made today make an impact that we cannot always undo. It is time to recognize that our children deserve adequate resources to reach their full potential and to ensure that additional funding is provided to our students.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 59

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

We appreciate our community partners and education stakeholders who are talking about IP 1 Room Tax monies. Our association is different. We spearheaded the fight for the IP 1 Room Tax, and there have been years of disappointment. This Session feels different, and there seems to be a focus on finding resources for schools. There is bipartisan agreement that Nevada needs to do better. I want to thank the full Committees for their leadership and for moving an additional \$120 per-pupil into the DSA to start trying to right these wrongs. With aggressive action, we might be able to move through the 2019-2021 biennium without the most draconian cuts to our school districts.

Without additional new revenue, the State is going to hit a wall. I hope the urgency we have seen this Session to fund educator raises that keep up with inflation, and the attempt of preventing cuts and budget deficits at all of our school districts, translates into leadership finding new revenue. We need to finally move the needle on education funding without decimating the rest of the State budget. We will be here to assist and help in the struggle to improve the quality of education for every Nevada student.

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 16, 2019
Page 60

CHAIR WOODHOUSE:

There being no further business, this meeting is adjourned at 11:39 a.m.

RESPECTFULLY SUBMITTED:

Michael Kever,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	8		Attendance Roster
	C	46	Adam Drost/ Fiscal Analysis Division	Closing Report
	D	90	Julie Waller/ Fiscal Analysis Division	Closing Packet
	E	6	Alex Haartz/ Fiscal Analysis Division	Budget Amendment A193452610
	F	2	Caryne Shea/ HOPE for Nevada	Testimony
	G	1	Jenn Blackhurst/ HOPE for Nevada	Testimony
	H	1	Meredith Freeman/ HOPE for Nevada	Testimony
	I	2	Michael Malone/ Nevada Ready 21	Testimony
	J	1	Heather Dye/ Nevada FFA Association	2017 State Budget Bill