

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

**Eightieth Session
February 19, 2019**

The joint meeting of the Subcommittees on K-12/Higher Education/CIP of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Joyce Woodhouse at 8:05 a.m. on Tuesday, February 19, 2019, in Room 3137 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator Moises Denis
Senator Kelvin Atkinson
Senator James A. Settlemeyer
Senator Ben Kieckhefer

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

Assemblyman John Hambrick (Excused)

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 2

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Analyst
Adam Drost, Senior Program Analyst
Julie Waller, Senior Program Analyst
Desirae Munns, Committee Secretary
Felicia Archer, Committee Secretary

OTHERS PRESENT:

Jonathan P. Moore, Acting Superintendent, of Public Instruction,
Nevada Department of Education
Megan Hanke, Management Analyst, District Support Services,
Nevada Department of Education
Peter Zutz, Administrator, Office of Assessment, Data and Accountability
Management, Nevada Department of Education
Karl Wilson, Education Programs Supervisor, Nevada Department of Education
Susan Ulrey, Education Programs Professional, Nevada Department of Education
Christy McGill, Director of Safe and Respectful Learning, Nevada Department
of Education
Susan Brown, Director, Governor's Finance Office
Danny L. Thompson, Public Broadcasting System
Chris Daly, Deputy Executive Director of Government Relations, Nevada State
Education Association
Sarah Adler, Charter School Association of Nevada
Amanda Morgan, Legal Director, Educate Nevada Now
Jenn Blackhurst, President, Hope for Nevada
Lindsay Anderson, Director of Government Affairs, Washoe County
School District
Wendy Madson, Executive Director, Healthy Communities Coalition
Andrew Feuling, Chief Financial Officer, Carson City School District
Phyllis Dowd, Director of Business Services, Churchill County School District
Jim Berryman-Shafer
Michaela Tonking, Advocacy and Data Director, Educate Nevada Now

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 3

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

JONATHAN P. MOORE (Acting Superintendent of Public Instruction, Nevada Department of Education):
Today we will present information on budget accounts (B/A) 101-2610, B/A 101-2677 and B/A 101-2698.

EDUCATION

K-12 EDUCATION

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

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

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

The Department's mission is to become the fastest improving State in the Nation by 2020. This is the overarching goal of our strategic plan. We use eight indicators to judge progress toward that goal.

On page 4 of the Department of Education's Presentation to the Subcommittees on K-12/Higher Education/CIP Budget Hearing ([Exhibit C](#)), the vertical line represents 2018. The blue arrows represent current data points. We have surpassed our goals for graduate rate, quality-rated early childhood programs, and career and technical education completers. Six goals are set by the Nevada Board of Education, as shown on page 5 of [Exhibit C](#). The 12 objectives of the State Improvement Plan (STIP) are shown on page 6. The STIP is updated annually. It builds toward our five-year strategic plan. We want children to read by Grade 3 and the State funds to reach students.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 4

MEGAN HANKE (Management Analyst, District Support Services,
Nevada Department of Education):

The Distributive School Account (DSA), B/A 101-2610, is the basic support for school districts, charter schools, special education and class-size reduction. Each Legislative Session, the Legislature determines the level of State aid paid to the districts and charter schools through what is known as the "Nevada Plan." A guaranteed amount of basic support per pupil is calculated for each school district and established in law each Session. The State, through the DSA, and school districts using Local School Support Tax, property tax and net proceeds from mining, share the responsibility to provide money needed to fund the guaranteed basic support per-pupil amount.

Page 11 of [Exhibit C](#) shows details on B/A 2610. Local funding is 33.3 percent of property taxes and mining taxes. If budgeted amounts are not collected, the State will fund the difference. If revenues exceed projections, the amount of State General Fund support is reduced.

The Economic Forum projected for the upcoming biennium the local school support tax to fund \$1.4 billion in fiscal year (FY) 2019-2020 and \$1.5 billion in FY 2020-2021. Property taxes were projected at \$254 million in FY 2019-2020 and \$269 million in FY 2020-2021. The State's portion is funded by revenues from the General Fund, marijuana tax and the 2009 Initiative Petition 1 (IP1), the room tax. Medical marijuana revenues are projected at \$20.7 million for FY 2019-2020 and \$20.4.8 million for FY 2020-2021.

In B/A 101-2617, decision unit E-130 extends IP1 revenue transfers, including interest, to the DSA through the 2019-2021 biennium. For FY 2019-2020, \$187.9 million is projected, and \$190 million is projected for FY 2020-2021.

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

E-130 Sustainable and Growing Economy — Page K-12 EDUCATION-36

Another portion of the DSA that is funded to the districts is enrollment. Nevada enrollment trends are increasing, as shown on page 16 of [Exhibit C](#). From 2017 to 2018, the increase from 1.53 percent to 4.85 percent was the result of half-day kindergarten students being funded as fulltime students. Enrollment growth was projected at 1.35 percent in FY 2019-2020 and 1.25 percent in FY 2020-2021, funded at \$44.8 million in FY 2019-2021 and \$81.7 million in FY 2020-2021.

To protect districts during times of declining enrollment, the State enacted *Nevada Revised Statutes* (NRS) 387.1223. It guarantees districts will be funded at the higher of the 2 values when enrollment decreases by 5 percent or more in a quarter. Over the last four years, hold-harmless costs have decreased significantly as a result of the change from using attendance figures to using enrollment figures. Figures are shown on page 19 of [Exhibit C](#).

Decision unit M-101 in B/A 101-2610 reflects the Governor's requested 2 percent increase in salary roll ups for teachers and staff in FY 2019-2020 at \$58.5 million and 2 percent in FY 2020-2021 at \$118.2 million. A cost of living allowance (COLA) increase was recommended additionally for 3 percent in FY 2019-2020 at \$89.4 million and \$91.2 million in FY 2020-2021.

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

The Executive Budget also requests an increase for medical insurance and Public Employees' Retirement System contributions in B/A 101-2610, decision unit M-300, as shown on page 22 of [Exhibit C](#).

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

Page 23 of [Exhibit C](#) shows B/A 101-2610, decision unit E-710, funding of \$60.3 million in each year of the biennium for replacement equipment.

E-710 Equipment Replacement — Page K-12 EDUCATION-20

The State special education funding is in B/A 101-2610, as shown on page 24 of [Exhibit C](#), which is paid at a per-pupil rate. In FY 2018-2019, the rate was roughly \$3,351 per pupil. Total funding will increase, as shown on

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 6

page 25 of [Exhibit C](#). Enrollment increases will require \$7.9 million for the biennium, as requested in B/A 101-2610, decision unit M-200.

M-200 Demographics/Caseload Changes — Page K-12 EDUCATION-18

Class-size reduction funding is in B/A 101-2610. Funding history is shown on page 27 of [Exhibit C](#). The recommended funding is \$163 million for FY 2019-2020 and \$168 million for FY 2020-2021.

Class-size reduction student-to-teacher ratios are shown on page 28 of [Exhibit C](#), and variances are shown on page 29 of [Exhibit C](#).

CHAIR WOODHOUSE:
We have identified three major issues.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
Is there a 10 percent increase for the Nevada Plan over the next biennium? Does that mean our per-pupil rate could be, in FY 2019-2020, at approximately \$8,000, and in FY 2020-2021, at \$8,200?

MS. HANKE:
The estimated per-pupil rates are currently \$6,052 and \$6,116 respectively. This does not include the 66.7 percent portion the local districts would provide. The \$8,000 figure would include that portion.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
What are the operating expenses? I am interested in the complete per-pupil figure.

ASSEMBLYWOMAN CARLTON:
Does it include the categorical figures or the federal money? We would like to see that complete figure. Some say it is \$6,000. What do you think that number actually is?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 7

MS. HANKE:

The \$6,000 figure does not include categoricals nor local and federal money. I will get you a figure. We are at roughly \$80 more per year in just the basic support guaranteed amount.

ASSEMBLYMAN FRIERSON:

I have the same question on categoricals. Methodology used nationally includes more. Not counting federal and local funds, we would have a better idea of what we invest in education as a State, per pupil, if we took the categoricals and put them back into the DSA and still protected those funds as categoricals. It would be a more accurate reflection of spending. It is a kick in the gut to say we are behind Mississippi all the time, when we are not.

How hard would it be to put the information into the DSA to be more accurate?

MS. HANKE:

We can combine the categorical estimates with the basic support. The issue is with federal dollars. We have to make sure we are not supplanting and changing our State funding based on what the federal government provides. We can follow up with numbers for you. Last Session, we were around \$10,000 per pupil in total.

ASSEMBLYMAN FRIERSON:

From a budget standpoint, can you put it in the DSA? Is it possible for us to fund things that way?

MS. HANKE:

It is possible. It is a policy decision. There is a risk when the dollars are part of a larger pot that is more difficult to track. It becomes labor intensive. The dollars are sometimes lost in translation. It becomes more at risk during labor negotiations. Categorical funds help to make sure the funds go directly to the students.

CHAIR WOODHOUSE:

The Governor's recommendation is a 3 percent COLA increase in addition to the 2 percent roll up. Does the 3 percent align with State employees' increases? Are there other increases in kindergarten through Grade-12 funding considered,

such as budgeting for new teachers that would lower the class-size reduction figure?

Ms. HANKE:

Increases in salaries provided for enrollment growth under the class-size reduction are included. The average new hire salary is increased by both amounts.

SENATOR KIECKHEFER:

Regarding the share of local revenue in the DSA, how confident are you in the projections from the shared model that comes from our staff and executive staff? These projections make me nervous.

Ms. HANKE:

The revenue projections are created by the Economic Forum, which is a combined effort between the Legislative Counsel Bureau (LCB) and the Governor's Finance Office (GFO). I rely on those.

SENATOR KIECKHEFER:

Is the property tax portion done outside of the Economic Forum?

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The property tax revenues are forecast on a consensus basis between the LCB Fiscal Analysis Division, the GFO and the Nevada Department of Taxation. The Local School Support Tax is forecast based on what the Economic Forum forecasts for the 2 percent sales tax.

SENATOR KIECKHEFER:

I am concerned we are seeing sizeable growth in local revenue but not a lot of contribution from the State General Fund to grow this. I am uncomfortable with this in the long term. There is some recognition we are entering a slowdown in the economic cycle.

Regarding the 3 percent COLA, how do we make sure increases get to the teachers' paychecks when they are all operating under collective bargaining agreements, and the DSA goes to the districts in a lump sum? Have you

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 9

considered a different mechanism for distributing those funds? Why is the DSA the best way to distribute the funds?

MS. HANKE:

It has been a longstanding procedure to include any teacher salary-related information within the DSA. That is, in part, because that is what builds the basic support, the expense that includes teacher salaries and operating costs. It would be up to the Legislature to be prescriptive in how those dollars reach the districts. The amounts are paid to the local districts, and it is their decision how to distribute funds. It is very difficult for the Department to make sure those dollars make it directly to teachers.

SENATOR SETTELMAYER:

Does the Nevada Legislature have the power or the right to amend a collective bargaining agreement that already exists to make sure there is a 3 percent salary increase? I do not think so.

MR. MOORE:

I cannot speak to the Legislature's legal authority. Given our capacity, and the historical use of DSA funds, it would be difficult for us to track the purposes, given districts are empowered to spend the money in a number of ways. We would look to you to determine a change.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

We have questions about the Nevada School Finance Study. Please provide an overview of the recommendations included in the recent study.

MS. HANKE:

The report presented in October suggested a funding formula that is student-centered and weighted. The authors calculated a base amount that removes any uniqueness. It included a guaranteed environment for students to learn in, an expected number of teachers, class-size ratios and more. There are other weights for special populations. The budget before you does not reflect the study's proposal. It reflects the Nevada Plan.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 10

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I sat on the Interim Education Committee for three terms. This was the first time I sat on the policy side of the Committee. The study presented the gold standard for where education could be in Nevada. It was a very big shift. They recommended a class size of 26 students. Did that report talk about implementation or phases? What was the take away?

MS. HANKE:

Implementation was not part of the study's scope. The Department contracted with WestEd to develop an implementation plan. It recommended an interim committee to further investigate the Comparable Wage Index and potential phase-in plans. That work continues.

ASSEMBLYMAN THOMPSON:

What would it cost to properly fund pupil-to-teacher ratios recommended in the study?

MS. HANKE:

We are still gathering and analyzing that information. It would vary based on populations included in the model. Early estimates indicate much can be done in the current budget, but we could do some small increases and add new revenues to specific groups. We could achieve some of the study's recommendations quickly. Many policy decisions need to be made before we can make better estimates. We could build it and still maintain some categorical.

ASSEMBLYMAN THOMPSON:

Variances are shown on page 29 of [Exhibit C](#). Does the lack of funding contribute to the large amount of variances we are granting? Do you have a breakdown of why schools are requesting variances to class-size reduction?

MS. HANKE:

It is a combination of funding and other variables. Many of the reasons for variances are because the funding is provided at a district level, and variances are requested at the school level. Some schools will be above what is funded at a district level because funding is based on averages. Baseline ratios have not been maintained for the last several years. Class-size reduction funding is

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 11

efficient when both parts are maintained. Funds are calculated based on baseline ratios that require a contribution from nonclass-size reduction-funded sources.

CHAIR WOODHOUSE:

I want to look more at the New Nevada Education Funding Plan in B/A 101-2677.

MR. MOORE:

As established by Senate Bill (S.B.) No. 178 of the 79th Session, B/A 101-2677 funds the at-risk weight for students in the lowest quartile who are not currently served at Zoom or Victory schools. The bill's intent was to better support English learners and students who qualify for free- or reduced-price lunch, scoring in the 25th percentile and not currently receiving special education services. Schools receive \$1,200 per identified student to implement specific evidenced-based interventions as outlined in the bill. In the last biennium, \$72 million was allocated to B/A 101-2677 for the purposes of S.B. No. 178 of the 79th Session. An enhancement to nearly double that is in the Executive Budget.

The enhancement for the next biennium will add \$33.9 million annually to serve more than 28,000 additional students. All students regardless of school star rating within the lowest quartile will be served with the \$1,200 per-pupil "backpack money" as shown on page 33 of [Exhibit C](#).

ASSEMBLYWOMAN CARLTON:

Is there a 90 percent increase? Help me understand that.

PETER ZUTZ (Administrator, Office of Assessment, Data and Accountability Management, Nevada Department of Education):

Late last year, the request from the Nevada Superintendent of Public Education (SPE) was to look at FY 2018-2019 S.B. No. 178 of the 79th Session analysis and provide a projection based on criteria found and prescribed, but without the criteria of school ratings applied to the analysis. We looked at data for the last two years. There was a cap on the total amount of money that would be allocated for this. Funding was \$36 million per fiscal year, and \$1,200 was provided for S.B. No. 178 of the 79th Session in

the analysis. The analysis applied the criteria to one-star, two-star and some three-star schools. This year's estimate to the SPE removed that star rating criteria from the analysis. This is the reason for the increase in students.

ASSEMBLYWOMAN CARLTON:

I understand the idea was to try to put the money in the areas where it would have the most impact. How are we evaluating which students should be getting these dollars by removing the star rating?

MR. ZUTZ:

The eligibility criteria of students is detailed in S.B. No. 178 of the 79th Session. It uses the lowest quartile performance on assessments. It excludes Zoom and Victory schools, and those with an Individualized Education Program. If students need help, and are not receiving other funding, could they get access to the \$1,200 per pupil?

KARL WILSON (Education Programs Supervisor, Nevada Department of Education): One piece of the formula was not mentioned. It is targeted to students who are free- or reduced-price lunch eligible, or English language learners who perform in the bottom quartile.

ASSEMBLYMAN THOMPSON:

Could you explain why the school districts and charter schools that returned funds to the State in FY 2017-2018 were unable to spend their funding allocations and supports for students who were underperforming? When I do my numbers, it shows 123 students who were without that additional support. Why was money left unspent?

MR. WILSON:

Susan Ulrey oversees the unexpended funds and the reallocation process.

SUSAN ULREY (Education Programs Professional, Nevada Department of Education):

One charter school received funds for only one student and expressed the requirements did not match necessitating a plan to have parents' meetings and other requirements. Some districts were not able to hire paraprofessionals

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 13

or staff because of their rural locations. Some leveraged other funds. Clark County returned only \$300.

ASSEMBLYMAN THOMPSON:

Once the Department knows a school is not going to use its money, does the Department work as diligently as possible to make sure the money is spent or reallocated? There is \$150,000 that could have supported 123 students. That is not acceptable.

MS. ULREY:

That money has already been reallocated to the next eligible school, which is in Clark County.

SENATOR DENIS:

I worked on the bill that set this up. It was the precursor to the things we are working on this Session. This fixes one of the big complaints we received during the interim. In the past, if you got better, we took the money away from you. This time, it does not punish a recipient for improving. In the second year, some of the schools, especially in rural areas, go up significantly. What causes that?

MR. ZUTZ:

I do not have the comparison from the first year to the second, so I cannot speak to why the rurals have increased in funding. Student performance is consistent from one year to the next. I will check and report back.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I want to look at the assessment data used to determine funding eligibility. Have you run models to see what this would look like? Do you have a retro analysis to see if this gets you where you want to be in terms of the students you are targeting?

Eligibility criteria in S.B. No. 178 of the 79th Session provides a certain amount of leeway. It mentions the kindergarten through Grade 3 assessments administered for 1 year for the Read by Grade 3 Act. You could also use Smarter Balance Grade 3 results, which was done for the first 2 years. Credit deficiency in high school can also be used as criteria. The numbers we have shown come from last year's analysis without the star-rating filter. For the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 14

FY 2019-2020 analysis, we have had some stakeholder engagement to determine if we should be using information from the current year, because we have it, or other information. There is some flexibility in other grade levels. The stakeholders are helping us decide what is best going forward.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

This is difficult for the school districts because the awards come after the school year has started. Communication with the stakeholders will help reach an understanding.

SENATOR KIECKHEFER:

Are those conversations ongoing?

MR. ZUTZ:

Stakeholder engagements have finished. Internal conversations are ongoing.

SENATOR KIECKHEFER:

When will you make that decision?

MR. ZUTZ:

I do not have a set date. Allocations need to be made by July 1, 2019.

SENATOR KIECKHEFER:

We leave in early June. It would be helpful for us to know what we are approving before we have to vote on it.

CHAIR WOODHOUSE:

Mineral and Pershing County School Districts both received money in the first year. Mineral received additional dollars in the second year. Did you receive the required reports back from either county? Have you been in contact with them? Will you receive them soon? We would like that information for our records.

MS. ULREY:

We are working with the two Districts. As soon as we receive the reports, we can forward them to you.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 15

SENATOR DENIS:

Will we need to make changes in the NRS to change the procedures?
Is anything forthcoming to do that?

MR. ZUTZ:

Some language could be changed.

SENATOR DENIS:

What do we need to do about changing the star-rating system?

MR. ZUTZ:

That policy came to us through the Superintendent. I cannot speak to what higher-level policy might be moving forward, as the position has not yet been appointed.

SENATOR DENIS:

Are you proposing language in a bill to clean that up?

MR. MOORE:

It is my understanding the Department is not proposing a bill to adjust using the star-rating system. We are simply providing technical expertise around the scenario.

SENATOR DENIS:

That could be done in a budget implementation. Keep that in mind as you bring those forward.

ASSEMBLYWOMAN CARLTON:

We heard in the interim that since these dollars follow the students who were in the star-rated schools, if a student changed schools, there was a "cliff" because the money would stop. We want to try to make that a smoother transition, so the money does not just drop right off.

Have there been discussions to change the star system to address such a scenario? The last thing we want to do is have a school stable and doing well, then pull the money because they improved. It is important that this is part of the conversation because we do not want to set up a path to failure.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 16

MR. WILSON:

In feedback regarding S.B. No. 178 of the 79th Session funding, the inconsistency in the funding was a core issue. We started with the lowest-performing schools and moved up. The Governor asked us to work on the "cliff" problem. The law is explicit. The funding mechanism would need to be addressed.

CHAIR WOODHOUSE:

Is there any data regarding a positive impact on academic achievement for students who received S.B. No. 178 of the 79th Session funding?

MR. ZUTZ:

I do not have that information. I do not believe we have run the analysis.

CHAIR WOODHOUSE:

The recommendation is to double the money invested here. We need better data. I assume it helps, because I was an educator, but we need the data.

SENATOR KIECKHEFER:

Is this the second year of allocations?

MR. ZUTZ:

The third fiscal year begins July 1, 2020.

SENATOR KIECKHEFER:

You should have some testing results to compare similarly situated peers. Do you agree?

MR. ZUTZ:

Yes.

SENATOR KIECKHEFER:

Can you put that together quickly?

MR. ZUTZ:

Yes. We will get that information for you.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 17

MS. ULREY:

For school year 2017-2018, an S.B. No. 178 of the 79th Session report contains some district results. It includes some student achievement data. I will review the report. Some improvement is shown. The external evaluator will submit its S.B. No. 178 of the 79th Session report as well. Both reports could help establish information.

CHAIR WOODHOUSE:

Please forward to us any other information you gather on this.

CHRISTY MCGILL (Director of Safe and Respectful Learning, Nevada Department of Education):

The brand new budget, B/A 101-2698, has two components. The first is \$22 million of State funding that has been in place to fund school social workers. The second part is enhancement money, \$54 million over the 2019-2021 biennium, coming from the marijuana 10 percent retail excise tax.

This budget dovetails with S.B. 89, which changes many of the NRS to implement these strategies. The bill is a result of the School Safety Task Force recommendations. The budget has five components to it that are very important to school safety. We want multiple strategies across multiple sectors.

SENATE BILL 89: Makes various changes relating to education. (BDR 34-331)

We want to make schools safe. We also want to create climates where teachers want to work, and students want to learn. We improve safety and the climate for teachers and students.

The five components were a direct result of the recommendations from the task force the Governor convened in summer 2018. Multiple stakeholders served on the task force including school psychologists, counselors and administrators. We also had community members, such as the Las Vegas Metropolitan Police Department and My Brother's Keeper, talking about how we mutually reinforce all the five components into a comprehensive school safety omnibus.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 18

Page 38 of [Exhibit C](#) addresses Safe and Respectful Learning B/A 101-2721 and School Safety B/A 101-2698.

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

The first component to discuss is the behavioral health professionals. We look at existing funding and an enhancement. A block grant provides social workers and other mental health professionals in schools, serving students with the highest need. Established in 2015, base funding is \$22.4 million over the biennium. The enhancement funding is \$6.5 million in B/A 101-2698, decision unit E-240, and a transfer to B/A 101-2698, decision unit E-908 from the school remediation trust in B/A 101-2615, decision unit E-908.

E-240 Efficient and Responsive State Government — Page K-12 EDUCATION-32
E-908 Trans. From Sch. Remediation Trust To School Safety — Page K-12
EDUCATION-34

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

E-908 Transfer To BA 2698 — Page K-12 EDUCATION-30

We asked for an enhancement because we saw that using social workers was working. We need more social workers. This is a direct reflection of the work of the University of Nevada, Reno and the University of Nevada, Las Vegas and our districts to get social workers in Nevada schools then set up internships. Doing so helps workers move up the ladder to increase behavioral health in schools. Nevada has struggled with hiring and retaining behavioral health professionals in the past. We are making progress in the schools.

Allocation of funding is based on need with one clarification. We have learned from districts that if we place a social worker in schools, the worker needs to stay there. If the worker is removed when improvement is shown or funds need to be redirected it threatens relationships created with some of the most

vulnerable populations. Moving the social worker out creates more trauma for students. We recommend continuing with the social workers we have in schools, using the \$22 million, then making the enhancements based on need.

We look at school climate and behavioral data. What are the suspension and expulsion rates? Those match with high teacher turnover rates. We keep our teachers when we get the suspension and expulsion rates down. We look at vulnerable students to see if they have access to behavioral health resources, or do they have to get on a bus or drive three hours away from their community to get help.

If a school cannot hire a social worker because they cannot find one, we try to work with the school. We also look at which schools can hire immediately to use the available funds. We want to transfer those funds into services right away.

Starting social workers who are right out of school via a contract is great, but we want to keep them, especially in Clark County. We need the flexibility to move social workers into salaried positions. This grows the field. Districts need the flexibility to contract or hire, which has strong support at the school and district level. Teachers tell us they feel overwhelmed. Social workers in the schools give teachers a team. Social workers do not just work in homes and with families, they work in classrooms as well. They help figure out ways to support all students in the classroom. The team mentality improves school climate and reduces stress.

We work hard with Nevada Medicaid to bill for behavioral health services provided in the schools. Right now, that is not happening. We are looking at doing so as a "Provider Type 60," where we will bill for Medicaid Tier 3 services; clinical services being done at schools. With this money, we can work with Nevada Medicaid to increase the number of social workers in schools.

The school resource police officers are the second component. This is a partnership with community providers, such as the sheriff in rural locations. It could also represent Washoe and Clark County police departments. Washoe County and Clark County have their own school police. Only a few high

schools have one police officer dedicated for the school. The rest are shared. The Safety Task Force recommended increasing the number of police officers in these schools. They could concentrate on schools that may need more support.

Washoe County School District uses approximately \$5 million of its General Fund monies for the police force. Clark County School District uses \$21.7 million for its police. The enhancement in B/A 101-2698, decision unit E-241, includes \$3 million for FY 2019-2020 and \$7 million for FY 2020-2021 as shown on page 45 and page 46 of [Exhibit C](#). Local sheriffs provided input on the positions and the mean salaries. The positions would be funded based on need and capacity. If they do not have the capacity to hire, we would ask districts to reapply in the second year while we work to improve their capacity.

E-241 Efficient and Responsive State Government — Page K-12 EDUCATION-32

The third component is the school building infrastructure. Some schools do not have fencing. Improvements could be adding cameras or retooling an entrance. Infrastructure improvements would be used in a "guided autonomy" where a team comes through to do a school safety audit, providing input on school design to local authorities. The team would give priority recommendations as to how to make the school safer. There is precedence for this in Nevada. Rural schools, Clark County and Washoe County have done this. Enhancement money in B/A 101-2698, decision unit E-242, would fund the school safety audits, as shown on page 47 of [Exhibit C](#). Funding is larger in the second year of the biennium to give schools time to complete the audits.

E-242 Efficient and Responsive State Government — Page K-12 EDUCATION-32

We looked at social, emotional and academic development as a tool that helps our professionals in the community and school to be successful. Key stakeholders said they felt the benefits tripled the investment. Social and emotional learning (SEL) improves school climate, safety, academics and teacher turnover rates. Nationally, when schools have done this, they saw significant reductions in conduct problems, emotional distress, drug use, a 13-percent increase in academic development and a decrease in likelihood of living in or being on a waitlist for public housing. Nationally, 93 percent of teachers

supported SEL. The Aspen Institute released *"From a Nation at Risk to a Nation at Hope,"* a report that addresses SEL after talking to students and employers. Eight in ten employers say social and emotional skills are the most important and hardest to find qualities in an employee.

The enhancement in B/A 101-2698, decision units E-243, E-244 and E-246 are shown on page 52 of [Exhibit C](#).

E-243 Efficient and Responsive State Government — Page K-12 EDUCATION-33
E-244 Efficient and Responsive State Government — Page K-12 EDUCATION-33
E-246 Efficient and Responsive State Government — Page K-12 EDUCATION-34

Threat assessment for rural districts is included in decision unit E-244. These districts do not have the same capacity as some of our mobile crisis teams, and Washoe County and Clark County School Districts. We would like to see a consortium for those rural crisis teams to be able to come together around the clock. It may not make sense for Mineral or Lyon County School Districts to have their own teams, but it may make sense for them to work with mobile crisis teams that can help meet the needs of rural districts through telehealth and ongoing one-on-one support.

We do not want multiple systems and practices that can make teachers feel overwhelmed. We hope a system called multi-tiered systems of support (MTSS) will be a single delivery system that helps teachers know how to refer students, provides feedback on how the child is doing and allows tiers of support the child and family can go through as their situation changes. The MTSS funding is shown on page 52 of [Exhibit C](#) in B/A 101-2698, decision unit E-243. Districts need more training for MTSS to be successful. Clark County has indicated it wants all of its schools to use MTSS. We want to make sure what we are doing is effective for teachers and students. This kind of system helps provide data we can use to be more effective.

Funds for the Public Broadcasting System (PBS) and datacasting are in decision unit E-246, as shown on page 52 of [Exhibit C](#).

We look at prevention, intervention and recovery holistically. We look at lessons learned from school safety events in other places to see what we could do

better. The intersection of law enforcement, behavioral health and schools, with good communication among them helps build strategies for success and mutual support.

The benefits of having behavioral health professionals on the team are shown on page 55 of [Exhibit C](#) and contribute to the holistic approach to school safety.

ASSEMBLYWOMAN CARLTON:

I support this goal. Tying the funding to something that is not sustainable is a concern. We are basing funding on the 10 percent marijuana retail tax. It is unpredictable. We do not know its prospects yet. Basing a budget on that possible fluctuation could jeopardize funding. We want to fund the programs no matter what that tax generates.

Ms. MCGILL:

We share your concern. We want to talk with you about funding. We have looked at some state models that show significant reimbursement from the federal Medicaid program. We do not do that in Nevada for mental health services. We leave a lot of money on the table. Nevada Medicaid is one of our main partners in this project that can bolster mental health services. We hope to have a pilot project up in the next six months. If we do have fluctuations in funding, our diversified funding sources will be in place. We constantly look for federal money and multiple funding streams.

ASSEMBLYWOMAN CARLTON:

We have some flexibility with money in the DSA account. For other accounts, predictions are unknown. I am concerned about earmarking a tax towards a certain budget. We do not want to make cuts we cannot control because the money did not come in for programs we believe in.

SENATOR SETTELMAYER:

How many resource officers are in the schools? I see them in Washoe County schools at youth events. They are visible and do a great job. In other places, some seem to fill out truancy reports all day long. Someone else should do those reports and allow the officers to walk a beat, police the school and reduce bullying. I would like information on schools and counties that have resource officers.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 23

Ms. MCGILL:

We will provide the numbers for you. We need more. In Clark and Washoe Counties, we have a few resource officers specifically dedicated to high schools. We have some joint use agreements with sheriffs in the rurals, and we will provide information on those as well.

ASSEMBLYMAN THOMPSON:

School building structure is the most expensive investment. We have many trauma-informed students with mental health needs. How will you prioritize? Suppression is a focus, but there are other needs. How can you address these? A healthy environment is a greater gain.

Ms. MCGILL:

I understand the multiple strategy approach because I come from a public health background. The people on the task force looked at all the components. Their conclusion was all components together result in increased safety. You are seeing their recommendations.

ASSEMBLYMAN THOMPSON:

How will the Department prioritize?

Ms. MCGILL:

Prioritization would be a discussion with the districts and stakeholders to look at what is the most important to them. Schools have told us they need a team in the school to help with behavioral health and school climate issues. We will come back to you as a team to share the priorities.

ASSEMBLYWOMAN SPIEGEL:

I do not see Medicaid billings as a source of funding. What are you forecasting in Medicaid billings? How will we know how it is being used? Would the funding come to you, go back to the school districts, or somewhere else?

Ms. MCGILL:

We are still in the pilot stages of Medicaid. In the FY 2020-2021 budget, you will see a dedicated position included. We are working with Medicaid to open up "Provider Type 60," used for special education services, to include behavioral health services. Massachusetts, South Carolina, Ohio and Florida are

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 24

some States that have done this. They have generated revenue in the millions. Doing this in Nevada could help us get to the ratios we desire. Nevada Medicaid is working as a partner.

One thing I am learning is, when you have seen one Medicaid system, you have only seen one Medicaid system. They are not the same. We are trying to understand the barriers and practices.

ASSEMBLYWOMAN SPIEGEL:

Will we see forecasts down the road of potential billing and use of those funds?

Ms. MCGILL:

Yes. It will be complicated, but it can be done.

ASSEMBLYWOMAN SPIEGEL:

Are you looking at the feasibility of billing private insurance?

Ms. MCGILL:

Yes. Schools are becoming the place where families are accessing their behavioral and mental health services. In some states, school use is at 80 percent. With more money, we could increase our school safety workforce.

ASSEMBLYWOMAN CARLTON:

As we designate money for a certain workforce, I want to make sure money cannot be moved. The 10 percent marijuana tax will also fund the Governor Guinn Millennium Scholarship. As the money fluctuates, I want to be sure we are clear on how the programs' funding will be adjusted.

Ms. MCGILL:

That will come from ongoing conversations with school districts and reports to you.

ASSEMBLYWOMAN CARLTON:

I will need more information to reassure me of this funding. Is there a percentage model we are looking at in the split between school safety and the scholarships?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 25

SUSAN BROWN (Director, Governor's Finance Office):
We are drafting bill language in response to the funding split.

ASSEMBLYWOMAN CARLTON:
When would we see that bill draft?

Ms. BROWN:
You should see that by Friday, February 22.

ASSEMBLYWOMAN CARLTON:
What would the State match be on the Medicaid "Provider Type 60" funding?

Ms. MCGILL:
I can get details for you. This is a match of State funds currently being spent on social work. It would bring in additional federal dollars. Greater detail will need to come from the experts at Medicaid.

ASSEMBLYWOMAN CARLTON:
We need to know how it will impact the Medicaid budget. Other than education, Medicaid is one of the biggest parts of the budget. We want to make sure we are not just cost-shifting. We do not want Assemblyman Sprinkle to have a big surprise when his Committee does the Medicaid budget.

SENATOR KIECKHEFER:
This is the second budget we have seen with this streamlined revenue source. I object because it makes funding inflexible. I want to see it in the General Fund. Is there a reason you want to do it this way, rather than putting it in the General Fund?

Ms. BROWN:
We wanted the marijuana tax funds to go directly to education, as directed in the authorizing legislation.

SENATOR KIECKHEFER:
It was the Legislature that approved the excise tax component. We are following the wholesale part exactly as it was approved by voters.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 26

CHAIR WOODHOUSE:

You addressed the issue of retention of behavioral health professionals. How many are employees of the districts versus contracted individuals? If they were employees, would that be a greater incentive to retention?

Ms. MCGILL:

I do not have the numbers with me, but I will send them to you. We recommend flexibility for this choice. We now have more employed social workers because of our contracted clinical internships. Schools are doing a great job of career development in social work. It is definitely an incentive for someone to be paid as an employee because of the health and retirement benefits. We also know some rural districts need to contract with community-based providers. That is important. Some urban areas want the ability to do both to meet needs. Clark County helps social workers become contracted and then become employees.

ASSEMBLYWOMAN CARLTON:

You have budgeted a significant amount to hire school safety officers who are hard to hire. It is specialized recruitment. Would districts control the hiring? Would charter schools qualify? Would school districts be allowed to use these funds to support officers currently employed?

Ms. MCGILL:

These issues were discussed by the task force. Experts indicated hiring was possible, given the academies in place. Districts have to show the need and the ability to hire. They felt strongly these funds would be used to hire additional officers. Charter schools are welcome to apply. Sheriffs in the State are willing to make that happen.

ASSEMBLYWOMAN CARLTON:

Rural districts contract with local law enforcement. These dollars should not supplant those dollars. Would you go out and hire more officers in those schools, but still contract with the sheriff? This could result in supplanting or cost-shifting. If they do that, they can still put the savings back into other school needs. I do not mind that, if they need it.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 27

Ms. MCGILL:

We wanted to empower rural schools that were already in contract. For example, if Lyon County has a contract for two officers, this money would take that contract from two to four. The intent was to allow the contracts to remain in place and add more. The spirit was to bring team players to teachers, with additional resource officers and behavioral health professionals.

CHAIR WOODHOUSE:

I visited PBS in Las Vegas to see what is possible regarding PBS and datacasting.

ASSEMBLYWOMAN CARLTON:

I also toured the facility. Having eyes inside and around the school was very impressive. Should this funding be in the School Safety program or should it be in the Nevada Department of Public Safety, Division of Emergency Management (NDEM)? We support this and want to put funding in the right place.

Ms. MCGILL:

I did talk with NDEM Chief Caleb Cage. We are a proponent of this good work. We support it wherever it makes the most sense. They certainly have the expertise. We partner closely with them.

ASSEMBLYWOMAN CARLTON:

There may be other funding available if it is part of NDEM. We can reach out to see what NDEM recommends. We want a stable funding stream.

CHAIR WOODHOUSE:

Was there a dollar match requirement considered for the PBS program?

Ms. MCGILL:

I am not aware of a dollar match requirement.

CHAIR WOODHOUSE:

We will need to work through these issues going forward. We must fund what is necessary to take care of safety. I will now take comments from the public.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 28

DANNY L. THOMPSON (Public Broadcasting System):

We can broadcast live feeds to emergency responders in the event of a tragedy. In a school incident we can broadcast the school plans to police vehicles and the command, including where students are supposed to be and how to address those with special needs. We can broadcast from the scene using a smartphone. We have already invested millions in equipment. This money would provide for some equipment in the north and retrofit existing equipment. I urge your support. We broadcast site plans of the school and weather updates during a fire emergency at Mount Charleston so crews could set up a command post and track the weather. It is compatible with drones.

This is a critical component others wish had been available to them in emergencies.

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

Our organization has been the voice of Nevada educators for more than 100 years. I will read from the K-12 Education Budget Memo from NSEA in ([Exhibit D](#)), which includes a chart regarding B/A 101-2610 from NDE's presentation given to the Committee before Session.

SARAH ADLER (Charter School Association of Nevada):

We support the new school safety budget you just heard. Charter schools can work successfully on this in partnership with districts and local law enforcement. I will read from my testimony on behalf of the Charter School Association in ([Exhibit E](#)).

AMANDA MORGAN (Legal Director, Educate Nevada Now)

Educate Nevada Now is powered by the Rogers Foundation. We are committed to ensuring all Nevada students have the resources necessary to succeed regardless of their zip code, background or district. As part of the Statewide Fund Our Future Nevada coalition, we have advocated for full and adequate funding that is a formula rooted in supporting the actual costs of educating every Nevada student.

We recommend taking steps towards adequate and stable per-pupil funding that keeps up with inflation and moves toward full needs. We need to begin taking

the necessary steps even though it will take more than one Session. We support beginning the process of ensuring taxes dedicated to education with the intent of growing the pie of funding for schools. The IP1 Room Tax and the marijuana taxes actually supplement and not supplant other DSA funding sources. Consider the impacts of budgeting decisions on all aspects of education. Does adding a resource, raise or other funding element cause the per-pupil funding to drop or impact some other part of the education funding budget?

This process should not pit county against county, student against student, teacher against district. It must be about moving forward. We must acknowledge that in the past, one desperately needed reform came at the cost of another important resource. We should not shuffle scarce and insufficient dollars, but should ensure students have the ability to succeed.

JENN BLACKHURST (President, Hope for Nevada):

I want to reiterate some of the testimony you just heard. I will read from my testimony in ([Exhibit F](#)).

LINDSAY ANDERSON (Director of Government Affairs, Washoe County School District):

Many of you have asked questions about district funding. I will follow up with you to address how districts make choices on spending money. We are talking to our communities about budgets right now. Our tentative budgets are due April 15, 2019. We want to make sure we build the budgets as close to reality as possible. We will get you any information you need to do your job.

WENDY MADSON (Executive Director, Healthy Communities Coalition):

We have been privileged to witness what a strong team can accomplish in a school setting in Lyon County. The team of administrators, teachers, school counselors and multilevel social workers has created a beautiful circular referral system. It responds to basic needs, group sessions, mental health and more. Understanding the challenges of youth and the increasing load placed on teachers allows us to work together to provide crucial support for student success and show value and worth to our students and teachers. Knowing that adults have come together daily on their behalf has created trust and better communication within those schools.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 30

ANDREW FEULING (Chief Financial Officer, Carson City School District):

There was a question earlier regarding per-pupil funding. It would be interesting to look at funding related to the free- and reduced lunches, poverty and English Language Learners versus competitively distributed monies. You have objective measures and subjective measures. I will read from my written testimony in ([Exhibit G](#)).

PHYLLYS DOWD (Director of Business Services, Churchill County School District):

I agree with Mr. Feuling's comments. Churchill County School District is feeling the pinch. We support the model that is based on the needs of our students. We are concerned about how the topic has been introduced to the districts.

My concern is on the hold-harmless aspect often discussed referring to the districts that would not get increases based on the new formulas. What are we held harmless for? The 3-percent raise offered up by the State would impact the base, if current year funding is used. It also would not take into account the Public Employees' Retirement System contribution rate increase and the percentage for step increases for staff.

We have not had a COLA increase for many years. Due to a teacher shortage, our district had to offer a COLA increase over the last few years ourselves, outside of the funding mechanism to compete with other districts. We would have to talk about cutting positions within the Churchill County School District if no increases are given this year.

Charter schools should be involved. The new funding model talks about transportation costs being removed from the DSA funding, which would be a catastrophic problem for the charter school in Fallon. They do not offer transportation and would no longer get the \$480 per pupil they get today.

JIM BERRYMAN-SHAFER:

I am a school counselor at Silver Stage Middle School in Silver Springs, Nevada. It is important you hear from someone who is in a school, who has a community resource person or a school resource officer. It is exciting to see a program that is working. We have therapists who come to the school to meet with our kids. We used to set up appointments where parents would take the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 31

kids, but parents did not take them. We found a room on campus for the therapist.

We share our resource officer with the elementary and high schools. Last Friday, someone said a student had a knife. The officer investigated and confirmed the report. Having that person on campus, meeting with students, makes them feel comfortable enough to go to the officer. In the past, that would not happen. This approach appears to be working for us.

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

I previously worked for Augenblick, Palaich and Associates (APA), which conducted the APA study. I will read from my written testimony, ([Exhibit H](#)).

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

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
February 19, 2019
Page 32

CHAIR WOODHOUSE:

Additional written testimony has been submitted from Shelby Ayson as ([Exhibit I](#)) and from Rebecca Garcia as ([Exhibit J](#)).

Seeing no further public comment, this meeting is adjourned at 10:35 a.m.

RESPECTFULLY SUBMITTED:

Felicia Archer,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	11		Attendance Roster
	C	56	Jonathan Moore/Nevada Department of Education	Nevada Department of Education Presentation
	D	3	Chris Daly/Nevada State Educators Association	K-12 Education Budget Memo
	E	1	Sarah Adler/Charter School Association of Nevada	Written Testimony
	F	2	Jenn Blackhurst/HOPE for Nevada	Written Testimony
	G	2	Andrew Feuling/Carson City School District	Written Testimony
	H	1	Michaela Tonking/Educate Nevada	Written Testimony
	I	1	Shelby Ayson	Written Testimony Education Budget
	J	1	Rebecca Garcia	Written Testimony Education Budget