

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
March 4, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:05 a.m. on Monday, March 4, 2019, in Room 2134 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.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

Senator Kelvin Atkinson (Excused)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Tom Weber, Committee Secretary
Jennifer McEntee, Committee Secretary

OTHERS PRESENT:

Dr. Brian Myli, Director, Leadership Institute of Nevada; Vice President,
Leadership and Innovation, The Public Education Foundation
Judi Steele, President and CEO, The Public Education Foundation
Zhan Okuda-Lim, Director of Policy and Analytical Leadership, The Public
Leadership Foundation; Resident Fellow, Leadership Institute of Nevada

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Katie Decker, Franchise Principal; Walter Bracken, Walter Long and Howard Hollingsworth Elementary Schools
Anna Slighting, Alumni Steering Committee, The Public Education Foundation; Honoring our Public Education (HOPE) Nevada
Lindsay Anderson, Washoe County School District; Nevada Association of School Superintendents
Berna Rhodes-Ford, Chair, Nevada Commission on Minority Affairs, Department of Business and Industry
Susan Brown, Director, Office of Finance, Office of the Governor
Michael Flores, Commissioner, Nevada Commission on Minority Affairs
Paul Johnson, Chief Financial Officer, White Pine County School District
Mary Pierczynski, Nevada Association of School Superintendents
Natha Anderson, President, Washoe Education Association; Nevada State Education Association
Tonya Laney, Administrator, Field Services Division, Nevada Department of Motor Vehicles

VICE CHAIR PARKS:

I will open the hearing on Senate Bill (S.B.) 133.

SENATE BILL 133: Makes an appropriation for educational leadership training programs. (BDR S-107)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I am here to present S.B. 133 which continues funding for a Statewide program of training in educational leadership. We have long known that school leaders play a critical role in the success of Nevada's students. The Wallace Foundation report *How Leadership Influences Student Learning* states "leadership is second only to classroom instruction among all school-related factors that contribute to what students learn at school."

We know that school leaders are invaluable for enhancing instruction, engaging families and creating a school culture where students and educators alike can thrive. Recognizing the value of educational leadership, the 2017 Nevada Legislature made a couple of important strides. First, it created the Nevada Department of Education's (NDE) Advisory Task Force on School Leader Management to meet during the interim. I have been privileged to serve as Chair on this Task Force. We have had many fruitful discussions on how Nevada can better serve students by better preparing our school leaders.

The 2017 Legislature also approved funding for educational leadership training in S.B. No. 155 of the 79th Session. This funding provided for NDE to contract with The Public Education Foundation (PEF), directing the PEF to work with all 17 Nevada school districts as well as other public education foundations and partners to design and implement leadership training programs. Because the appropriation was contingent upon matching funds, the impact of the State funding was effectively multiplied.

The bill before you today again provides funds using this same model for the same important purpose. It appropriates \$2 million over the next biennium, contingent upon matching funds, to be used for program personnel, resources to facilitate in person and virtual instruction, research on the design and impact of a curriculum, communication with educational leaders across Nevada and data systems for reporting participation and results. Two expenditure reports must be submitted to the Interim Finance Committee and any unspent appropriations revert to the General Fund. Senate Bill 133 builds upon our earlier efforts to equip and develop educational leaders with the ultimate goal to serve Nevada students in the best way that we can.

I would like to have the PEF provide details on the work and programming, including the ways that previous funding was used to effectively work toward those goals.

DR. BRIAN MYLI (Director, Leadership Institute of Nevada; Vice President, Leadership and Innovation, The Public Education Foundation):

It is my pleasure to provide an overview of the PEF and its Leadership Institute of Nevada and to provide an update on how the matching funds of S.B. No. 155 of the 79th Session have been utilized. We have also provided a packet of information regarding these items ([Exhibit C](#), [Exhibit D](#), [Exhibit E](#), [Exhibit F](#), [Exhibit G](#), [Exhibit H](#), [Exhibit I](#), [Exhibit J](#) and [Exhibit K](#)).

For 28 years, the PEF has advanced transformational change in teaching, learning and educational leadership in Nevada. This change requires bold and courageous leaders with the skills, knowledge and mindset to develop innovative solutions for Nevada schools. Therefore, the PEF established the Leadership Institute to identify, recruit and retain good-to-great leaders in Nevada and develop their skillsets in community building, creative problem solving, strategic thinking and ethical and courageous leadership. The

Leadership Institute invests in a talent pipeline and fosters a Statewide network of leaders who support each other and deliver improved outcomes for schools.

The Leadership Institute's signature programs are the Regional Leadership Summits, the Executive Leadership Academy, the Teacher Leader Academy and the Empowered Leaders Network. The 2017 Legislature's generous support enabled hundreds of Nevada education, business and government leaders to learn new ideas and best practices in order to advance transformational changes for Nevada schools during the 2017-2019 biennium.

The Regional Leadership Summits stimulate communitywide engagement on Nevada Education Summits topics. The summits are hosted annually in northern and southern Nevada to expose education, business and government leaders to new ideas and best practices in the private and education sectors. Featuring the Nation's premier scholars and practitioners, these summits inspire innovative problem-solving approaches relative to Nevada. Over the biennium, we hosted 4 summits with 900 attendees on topics from the *No Time to Lose* report on building a world-class education system to equity diversity and expanding access to educational resources for all of Nevada's students.

Our Executive Leadership Academy is a 12-month intensive leadership program for a select group of good-to-great education, business and nonprofit leaders. The Executive Academy enables participants to apply strategic approaches regarding the use of time, tools, talent and dollars in public education. Participants also work in groups to complete a capstone project which includes writing an action plan to address pressing Statewide issues as identified by Nevada's school district leaders. We continue to be a partner with the McCourt School of Public Policy at Georgetown University. Over the biennium, 63 leaders participated in the Executive Academy. To date, we have 213 leaders from across our State in our Executive Academy network.

Our Teacher Leader Academy is also a 12-month intensive leadership program designed to empower good-to-great teachers to stay in their classrooms to directly impact Nevada's students. It enables participants to deepen their skills in community building, problem solving, strategic thinking and the practice of ethical and courageous leadership. Participants also work in collaborative teams to complete a capstone project focused on addressing pressing issues in teaching and learning. Over the biennium, 129 teacher leaders participated in

the Teacher Leader Academy. As of today, there are 228 alumni in the network across all grades and subject areas.

The Empowered Leaders Network, which was developed to support Assembly Bill (A.B.) No. 469 of the 79th Session, provided principals, supervisors and central office directors with the opportunity to develop the skills necessary to support high-performing principals in schools. The Leaders Network included topics such as change leadership, continuous improvement, community engagement and improving student outcomes. Over the biennium, 150 school and system leaders completed the program. Since 2017, the Leadership Institute used funds from S.B. No. 155 of the 79th Session to bring Nationally recognized scholars and practitioners to Nevada to teach course modules in the leadership academies and the Leaders Network presenting big ideas during the Regional Leadership Summits. In addition, these funds allowed the PEF to examine survey and focus group data to influence our leadership academies' programming, enabled our program staff to lead and facilitate sessions and supported the Leadership Institute's overall operations.

In 2011, the Legislature invested \$100,000 in seed funding to launch the Leadership Institute. Since then, the Legislature and the State of Nevada have invested an additional \$1.6 million. School districts have invested \$1.3 million, and the private sector has invested \$2.6 million to support hundreds of good-to-great educational leaders throughout our State. These generous partners recognize the importance of investing in bold and courageous leaders with the skills, knowledge and mindset to develop innovative solutions for Nevada's schools. At the PEF, we now stand ready to support thousands of good-to-great educational leaders across our State with the support of S.B. 133. This bill will allow us to not only continue our work but also accelerate and expand Leadership Institute initiatives across our State.

SENATOR DENIS:

Can you discuss the required match for the State funds, especially as it pertains to the last two years?

DR. MYLI:

We are required to match the appropriation by the Legislature. We have done that successfully with \$500,000 coming from PEF's other funding in each year of the biennium.

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SENATOR KIECKHEFER:

The funding expenditure breakdown chart on page 3 of [Exhibit I](#) does not appear to have a commensurate amount of growth and expenses with the public grants from last year. For example, in fiscal year (FY) 2017, it looks like the Executive Academy expended \$572,097. That number actually went down to \$519,949 in the next year, which would have been the first year of public funding to help support the program. Can you tell me how the program was expanded through the use of public resources?

JUDI STEELE (President and CEO, The Public Education Foundation):

We did not expend more dollars, because we are becoming more efficient in how we deliver Leadership Institute programs. For the same amount of money, we are actually touching more people. Senate Bill 133 will allow an expansion of the program to better serve northern Nevada by creating an Executive Academy. We have been able to lower the cost per participant.

SENATOR KIECKHEFER:

When you drew the \$500,000 down from the State, where were the funds spent?

MS. STEELE:

We have various programs that match the State dollars. These include the Teacher Leadership Academy, the Executive Leadership Academy, summits and roundtables. There are several different funding components. The page that you are referring to is only reflecting the Executive Academy expenditures. The Teacher Leadership Academy has expended nearly \$1 million; last biennium we were able to meet the \$500,000 match requirement in each year.

SENATOR KIECKHEFER:

Is all of the funding going directly to the Leadership Institute as part of the PEF, or is it going to other areas within the PEF as well?

MS. STEELE:

The funding is directed only to activities in the Leadership Institute.

SENATOR KIECKHEFER:

On page 1 of [Exhibit I](#), the Leadership Institute of Nevada totals again decrease from the 2015-2017 biennium to the 2017-2019 biennium along with a significant decrease of private funds. It seems like the Leadership Institute

expenditures are fairly static as additional resources were available through the State.

Ms. STEELE:

We are serving more people with less funding, but we are able to receive additional funds from different grants. Private sector funding may increase or decrease. For example, we are involved in an expansion, so we expect to have northern Nevada funds matching in a stronger way.

SENATOR KIECKHEFER:

We can follow up on the funding at a later time. I do recall from last Session that it was to be a Statewide program when we appropriated the funds.

Ms. STEELE:

It is and has been a Statewide program. There has been an annual summit. We actually have participants from the north that participate in our Executive Leadership program. We have had a request to expand it so that it is housed and delivered in northern Nevada in the next two years to create more convenience for northern participants.

ZHAN OKUDA-LIM (Director of Policy and Analytical Leadership; Resident Fellow, Public Leadership Foundation):

Earlier in his testimony, Dr. Myli mentioned the capstone projects in which Leadership Academy participants apply what they learn to Nevada specific contexts and challenges. For a select number of capstones, the Leadership Institute convenes an alumni task force that can collaborate with school districts, NDE and other key decision makers to inform education policy development and implementation. As an example, two teams from the Executive Academy developed recommendations to improve the Nevada Educator Performance Framework (NEPF) in order to bolster trust in the framework and ultimately improve student learning. Last August, the Clark County School District (CCSD) began pursuing a streamlined NEPF tool to eliminate duplication of required evidence in the evaluation of teachers and other educators. The PEF convened an alumni task force that includes alumni from these two teams and the Teacher Leader Academy and has advised CCSD to develop a revised NEPF tool that would save more time for teacher-principal conversations focused on improving educator practice. Last November, the NDE's State Board of Education ratified this tool for use in CCSD with possible future Statewide use. This alumni task force has also provided feedback and

recommendations to the NDE Teachers and Leaders Council and the NDE on how to better implement the NEPF to better serve Nevada's teachers and educators. Last Wednesday, the Teachers and Leaders Council included these recommendations in its meeting as part of its formal proposals for NEPF improvement.

The Leadership Institute has been able to support our State's educational leaders, because of the generous support from the Legislature through S.B. No. 155 of the 79th Session. With your expanded support through S.B. 133 this Session, more good-to-great educators will be empowered to create transformational change for Nevada students. Regarding the Leadership Institute's future direction, we will customize our curriculum to meet individual school districts' needs. For example, we are currently working with the CCSD Superintendent Dr. Jesus Jara on strategic budgeting and finance practices. We are also working with the Washoe County School District (WCSD) Superintendent Traci Davis on topics in educational equity, diversity and inclusion.

We plan to expand the Teacher and Executive Leadership Academies to serve more Nevada educators in northern, rural and southern Nevada. We are grateful for our partnerships with school district superintendents across our State. We will continue collaborating with them and their colleagues to implement leadership training programs for educators that will best serve the needs of their districts, schools and students.

Furthermore, we will explore new leadership opportunities for Nevada's education stakeholders including school organizational team members, families, students, school board members and other elected and government officials. In addition, with support through S.B. 133, we will pursue an external evaluation of the leadership academies that would meet the stronger categories of evidence under the federal Every Student Succeeds Act (ESSA). We appreciate the Legislature's generous support most recently through S.B. No. 155 of the 79th Session. With your expanded support this Session, we will empower thousands of good-to-great Nevada teachers, schools, systems and community leaders to create transformational change for all our State students.

Ms. STEELE:

The work we do through the Leadership Institute could never have happened without the support of the Legislature back in 2011. The initial seed funding of

\$100,000 initiated the subsequent support of many partners. Together we have invested nearly \$6 million to empower Nevada's good-to-great leaders because we all believe that leadership matters.

The impact of \$1 million in matching funds granted last year has just been explained. Now, with your generous support this Session, we would like to accelerate that impact. We are confident the funding from S.B. 133 will enable us to create a critical tipping point across Nevada. Instead of hundreds, we will have thousands of transformational leaders. They will be practicing entrepreneurial thinking and strategic problem solving which will become the norm in all of our schools.

I would like to present two educators that have completed our leadership program to relay their experiences. Katie Decker is an alum of the Executive Academy and a franchise principal of several schools in Clark County. Anna Slighting is an alum of the Teacher Academy and is a teacher at the Nevada Learning Academy in Clark County.

KATIE DECKER (Franchise Principal; Walter Bracken, Walter Long and Howard Hollingsworth Elementary Schools):

I am a proud participant of the Executive Academy. The participation in that academy was transformational for me as a leader. I have been at the Walter Bracken Science Technology Engineering Arts Mathematics (STEAM) Academy for 18 years, one of the highest performing schools within the State and Nation. Many awards have been won by the school. When I participated at the Executive Academy, it was a problem-solving opportunity to figure out how to leverage the success of the STEAM Academy and expand it to others. I was constantly asked why schools were not doing what we are doing.

The best way to demonstrate our methods is to replicate those practices at other schools. I have been able to franchise two neighborhood schools from an idea stemming from participation in the Executive Academy. The other great benefit to franchising is that I have had the ability to train six leaders that will succeed me when I retire. This was a huge opportunity to ensure sustainability of the programs that have been built and the success that has been seen in our schools which serve our at-risk youth. The outlier schools are a result of the push for excellence that the Executive Academy is about—having a cohort of colleagues to problem solve and examine issues from a different viewpoint. I also gained inspiration from National experts like Tom Vander Ark, the

KIPP Academies and others who came and spoke at the Academy. The cohort continued after the Academy, providing a network to follow up with, and this was extremely beneficial and powerful. The round table experiences and the summits added value. I appreciate the support from the PEF and attribute my career success to my participation in the Executive Academy.

ANNA SLIGHTING (Alumni Steering Committee, The Public Education Foundation):
I am an alumna from the Teacher Leader Academy Cohort No. 3B and am pleased to share my experience as a participant. I was able to take my experiences from the classroom and make them more relevant in a space that was important to me outside of the classroom. My particular interests lie in policy, and I was able to meet with others in my Teacher Leader Academy cohort with similar interests. Our "problem of practice" was educating stakeholders about *The Nevada Plan* and how that plan has a trickle-down effect, such as budget impacts, into schools. Other problems of practice that my cohort colleagues tackled were issues such as teacher mentorship, community engagement and social emotional learning. Each group was provided monthly training for various tools to perfect our work towards solutions.

We were given latitude to express our own opinions and a safe space to challenge them. My favorite training was when a collective bargaining attorney from New York taught us negotiating skills. These are definitely not skills provided in college education classrooms, and we were rarely given those opportunities in the classrooms. Instead, we were taught ways to seek out and make those opportunities for ourselves to ensure that our students and education professionals are maximizing potential resources.

Within the work of my own capstone project, my colleagues and I developed a digestible presentation on *The Nevada Plan*. We have since shared it with many school organizational teams, a breakout session at a school finance workshop hosted by CCSD's Board of Trustees and various nonprofit and community events. When I appeared on the Las Vegas Public Broadcast System *Nevada Week*, I shared the graphic that we developed within the work of our capstone project. It has been shared on various media platforms including CCSD's Parent and Teacher's Public Group on Facebook with membership of more than 4,000 engaged parents. Just two weeks ago, I put my Teacher Leadership hat on and set an appointment with a representative from CCSD Government Affairs to begin forming an active student group in policy.

Professional development tends to be classroom centric. However, the Teacher Leadership Academy has pushed me outside of the classroom and allowed me opportunities to scale my experiences throughout the State. I was able to network with National education stakeholders, promote my profession and advocate for student needs. I love how Dr. Myli used the phrase "ethical and courageous leadership," and I feel like I was within that space. I agree with the statement, and it has invigorated me while growing my passion for education and my abilities to share that passion with others.

VICE CHAIR PARKS:

We will next hear those in support of S.B. 133.

LINDSAY ANDERSON (Washoe County School District; Nevada Association of School Superintendents):

I am here in support of S.B. 133. These programs have added value across the State and within the WCSD. We believe that the PEF has been responsive to needs brought forward by our districts. The PEF has assisted WCSD with our emphasis on equity practices and we look forward to participating with PEF in the future.

VICE CHAIR PARKS:

Seeing no one to speak in opposition or neutral to the bill, we will close the hearing on S.B. 133 and Chair Woodhouse will resume the meeting.

CHAIR WOODHOUSE:

We will now hear S.B. 211 which amends provisions relating to the Nevada Department of Business and Industry's Nevada Commission on Minority Affairs.

SENATE BILL 211: Revises provisions relating to the Nevada Commission on Minority Affairs. (BDR 31-587)

BERNA RHODES-FORD (Chair, Nevada Commission on Minority Affairs, Department of Business and Industry):

The Commission's mission is to advocate for and provide a voice to minorities residing in the State of Nevada in matters relating to education, housing, employment, civil rights, health, political empowerment, economic development and others. Senate Bill 211 increases funding for the Commission, and I have submitted written testimony in support of S.B. 211 ([Exhibit L](#)).

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SENATOR KIECKHEFER:

Why does the amendment contained in S.B. 211 set the Commission outside of the Executive Branch in the State Budget Act contained in *Nevada Revised Statutes* (NRS) 353 and lump it in the category with the Legislative Branch, Judicial Branch, the Public Employees' Retirement System and the Tahoe Regional Planning Agency? Why should the Commission be added as a distinct entity?

MS. RHODES-FORD:

I would request that a representative of the Governor's Finance Office (GFO) assist with this question.

SUSAN BROWN (Director, Office of Finance, Office of the Governor):

This bill was recently brought to my attention. I am unaware of the reasoning for the Commission to be exempted from the State Budget Act. The Commission is included in the Executive Budget, budget account 101-4681, and there was an enhancement for additional travel in decision unit E-227 included in the total budget of \$19,988 in each year of the biennium.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I - Business and Industry Administration — Budget Page B & I-12 (Volume II)
Budget Account 101-4681

E-227 Efficient and Responsive State Government — Page B & I-16

SENATOR KIECKHEFER:

Is the appropriation consistent with what is contained in the enhancement request?

MS. BROWN:

It appears this is in addition to the budget request, but I would need to verify that information.

SENATOR KIECKHEFER:

It seems odd to remove this one commission from the provisions of the State Budget Act that require agencies to submit their budgets through the GFO for

submittal to the Legislature through the normal process. One standalone commission added to the other branches of government is inconsistent.

CHAIR WOODHOUSE:

Any individuals wishing to support S.B. 211 may approach the table to give their testimony.

MICHAEL FLORES (Commissioner, Nevada Commission on Minority Affairs, Department of Business and Industry):

I support S.B. 211 and am proud of the Statewide efforts of the Commission. I have specifically been working on higher education and kindergarten through 12th grade (K-12) issues on the Commission to address needs of our minority students throughout the State. I would appreciate your support of this bill.

CHAIR WOODHOUSE:

With no other individuals requesting to testify in support, opposition or neutral to S.B. 211, we will now close the hearing on the bill and open the hearing on S.B. 233 to revise provisions relating to capital improvement funds.

SENATE BILL 233: Revises provisions relating to capital improvement funds.
(BDR 34-152)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

This is a bill requested by the White Pine County School District (WPCSD). We realize that there is no money in the Fund to Assist School Districts in Financing Capital Improvements (FFCI). However, if funds were available, the WPCSD would be unable to access it because of the provision in NRS 387.3335 1 (a). I am not sure that any counties in Nevada would meet that provision, as there must be a declining ad valorem tax. That is not a realistic factor as our State is moving forward.

The bill really speaks to the condition and the needs of the facility—if they have been condemned, are old, health safety hazards, etc. I attended a number of WPCSD schools as a child; I can attest to the conditions. My grade school is standing condemned. Some of these buildings were built in the early 1900s and are still being used by the public. Even the "new" high school gym is inaccessible for disabled individuals, as it is 25 years old. There is no point in lobbying for money in the FFCI, as it is currently inaccessible. There is clearly a need for the county to be able to apply for assistance should funding be

available; outside of section 1 of S.B. 233, the provisions would clearly apply. If this bill is successful, then it is possible that the Director of the Governor's Office of Finance could consider allocating funding in the future and allow not only the WPCSD but other districts to access the fund.

PAUL JOHNSON (Chief Financial Officer, White Pine County School District):
I have served in the Chief Financial Officer capacity since 1997. I moved to the community as a result of some financial irregularities that had occurred in the school district. This position did not previously exist. It was created as a condition of financial emergency that was related to bond issues to build schools at that time. The voters approved building a middle school and a high school; they were able to issue bonds sufficient to build most of the high school. That high school facility, White Pine High School, is in use and we have spent the last 15 years scraping money together to complete it. However, the rest of the bond issue expired without being used, as there was not sufficient revenue to support the remainder. Voters have expressed the desire to have a new school, but due to tax limitations and a stagnant economy, there is not sufficient revenue in a small community, especially with per capita taxes, to issue a large enough bond for school construction.

What we did years ago was lobby the Legislature for financial means at a State level to help us. This bill was crafted as explained in my written testimony ([Exhibit M](#)) and sought to provide assistance only when assistance was needed. We did not want to open "Pandora's Box" on school construction, because it is a huge financial obligation. We did not want the State to be obligated for all of the school construction. That is why it was confined to specific emergency conditions. We did a great job of limiting it, but it may be too far. Even with financial need, there may not be approval available. Our construction needs have not changed. Our financial situation has improved but not enough to issue bonds of approximately \$20 million to build a new school. Even though we have increased assessed values and increased revenues, NRS 387.3335 1 (a) would still prevent us from qualifying for financial assistance if there was assistance necessary.

School construction has been a topic of discussion since the 1950s. The Shurz School was one of the first schools ever built with State funding. Since that time, the State has had numerous studies as shown on page 1 of [Exhibit M](#) indicating at least limited State involvement in school construction. The studies

produced numerous attempts as explained on pages 2 and 3 with the latest 1999 creation of the FFCI which is there in name but not with funding.

Details of crafting the legislation are on page 1 of [Exhibit M](#). We were a recipient of those funds and sincerely appreciate the assistance. There was a school built in Panaca, the Lincoln County High School. We were able to build a K-12 facility in Lund that was completed in 2001.

Significant improvements to the White Pine Middle School, which was originally constructed in 1913, were also accomplished. However, at the time, the State did not know if it made sense to invest \$12 to \$15 million to renovate a 100-year-old school; they were looking at the return on investment. They did the improvements and also provided funding to commission a study to design a new school. Those designs have been shelved since that time as we try to figure out how to get funding. The other school needing assistance was built in 1909. With the funding criteria in the law and the tax base, we do not have a local ability to raise enough funding to build or replace those schools. Unless something changes or funding is provided, it is conceivable that there will never be another school built as long as it is dependent solely on the local revenue. This is not just a White Pine bill; any district of our size or smaller has difficulty raising revenue.

I am submitting letters of support. One letter is from Steven Nielsen of P3-Partners ([Exhibit N](#)) whom we have worked with on public-private funding. We had a contract with Core Construction to do some facility improvements. At that time, we were trying to find creative ways to find funding sources to solve our needs without reaching outside the community. The conclusion was that we need some source of revenue to pay for a bond; that source of revenue exceeds our local ability unless we have an exorbitant increase in taxes.

We also have a letter from Lombard Conrad Architects ([Exhibit O](#)) which discusses facility needs at White Pine Middle School and David E. Norman Elementary School. Some of the more significant items are addressed in the letter such as structural issues at the middle school, including the gymnasium. The gymnasium, host to the State basketball champs of 1952 where they played Reno High School, is still there. It is in very much the same condition, but we did add new bleachers. The gym used to have one dead spot (a location on a sports floor where the ball rebound is significantly less than the remaining

area). Now, you have to look around to find the live spots, because the structure underneath is failing.

Recently, our engineers examined the substructure and confirmed that it is crumbling and failing. They have recommended that we do not have any assemblies or other events, such as graduations, at that facility because of a fear of failure of the floor. That is a significant amount of money. It would take more than a few years of saved annual revenue based on our current revenue stream in order to accomplish that—and that would be the only thing we could get accomplished. We have other facilities and other capital needs for our other schools. Those are some of the hurdles.

We also have handicapped accessibility issues. In 1913, those were not even considerations. The federal Individuals with Disabilities Education Act passed in 1975. We have one entrance on the gymnasium side of the facility and the office. The building is three stories; there is no elevator. We have approximately 300 stairs in the facility. Handicapped students requiring services on the upper floors actually have to be hand carried up the stairs. We try to provide services as much as possible on the bottom floor, but there are occasional instances where that cannot be accomplished.

The other significant issue is the interior air quality for all of the schools constructed before air conditioning was really a concern. Currently, conditions in classrooms can rise to above 80 degrees in the spring; the only cooling solution is to open a window. If there is not a breeze, there is not much relief. It is not an environment conducive to learning. We do have air conditioning units to provide some relief, but the square footage of the classroom exceeds the volume that the air conditioning units cover. We have pictures of vinyl flooring, covered by rubber flooring, which is actually warped from the heat from the windows in some of the classrooms.

There are some structural issues with respect to both of the facilities. We were recently able to issue bonds to assist with school improvements. The maximum we could secure was \$7 million. A new school would range anywhere from \$15 to \$25 million, depending on size and other factors. We would need to request that the voters add another \$.75 to \$1.00 to accomplish the school construction on our own with local sources. Currently, that availability is not allowed through statute. Our goal is to have a mechanism to limit the State's liability for school construction, make it a little easier to qualify, and

collaboratively discuss ways to share local and State responsibility to fund improvements to the schools.

With the \$7 million, we were able to add air conditioning to all of the schools. The McGill Elementary School and David E. Norman Elementary School have air conditioning systems rather than window units. There are volumes more of information and pictures that I could share.

CHAIR WOODHOUSE:

When you were talking about air quality, do you also have asbestos issues in some of those buildings?

MR. JOHNSON:

We have asbestos in all of the facilities. I am not a facility professional by trade, but I became the facility manager when another individual retired and there was no one else hired. My training and knowledge tells me that the 8" x 8" floor tiles contain asbestos. All three floors of the White Pine Middle School contain the asbestos tile flooring and that flooring is failing. It is cracking. The tiles need to be replaced. Any time that they crack, chip or become dislodged, we must have an individual certified in hazardous material remove the tile. If the asbestos exceeds a certain amount, then a certified hazmat team must be procured to abate the area. In addition to the floor tiles, the plasterboard in the 1913 and 1909 facilities is all asbestos material not sheetrock like is used today. Any time that we have to make improvements or drill into the wall, there are hazardous material concerns. The maintenance personnel must have spray bottles to keep the powder from the drill from being friable. The plumbing wrap behind the ceilings also contains asbestos. We have looked at abatement, but the cost of the abatement is more than what we have available. Some of the options we looked at included installing rubber flooring throughout the facilities, but that has been cost prohibitive. We could do the one project, but that would account for the entire year of revenue. That is also the case for the David E. Norman Elementary school.

SENATOR KIECKHEFER:

The White Pine County property tax rate is at \$3.66 per \$100 of assessed value. Are all of the other counties in rural Nevada at the same rate? Or which counties would be eligible?

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MR. JOHNSON:

I do not know the answer specifically, but there are quite a few that are at that cap.

SENATOR GOICOECHEA:

I know that White Pine County is actually over the \$3.64 per \$100 of assessed value cap set by NRS 361.453. They are at \$3.66 per \$100 of assessed value which is the highest in the State.

SENATOR KIECKHEFER:

Does the Board of Examiners have discretion as to whether or not they would approve the request originated from the letters of affirmation of the building conditions?

SENATOR GOICOECHEA:

I do not know the answer, but I would assume that there would be.

SENATOR KIECKHEFER:

I would hope so.

CHAIR WOODHOUSE:

We certainly have a big issue here. We want our students and our staff members to be safe in those buildings. Are there individuals here to speak in support of S.B. 233?

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

We are in support of this bill and as pointed out earlier, there is no sense trying to lobby for money for the Fund if there are barriers. I would be happy to conduct a survey of the rural communities to answer Senator Kieckhefer's question.

CHAIR WOODHOUSE:

The survey would be very helpful and is appreciated.

NATHA ANDERSON (President, Washoe Education Association; Nevada State Education Association):

We are in support of S.B. 233. I initially was not going to approach the table. However, listening to the prior gentleman, all I could think of was Washoe County Question No. 1 initiative that was passed two elections ago

and the barriers that we encountered before we could even consider the idea. Removing the barriers would be so helpful for so many of your schools. We request your support of the bill.

ANNA SLIGHTING (Honoring our Public Education (HOPE) Nevada):

I am speaking on behalf of HOPE. We are a grassroots organization that represents more than 1,000 families in Nevada. Although our current platform focuses mainly on increased General Fund appropriations, our genesis was actually capital funding in the 2015 Session. We began following legislative sessions through S.B. No. 119 of the 78th Session and the rollover of capital funding. Members of HOPE have been able to visit White Pine County and experience some of the items discussed by Mr. Johnson. We are here to absolutely show our support for S.B. 233. We believe that every student in every county matters and we would like to see them have the necessary capital for improvements in their buildings.

SENATOR GOICOECHEA:

There are some issues in White Pine County that we clearly need to deal with, and I would appreciate your support. This is one small step moving forward to allow us to access any funding if it is available.

CHAIR WOODHOUSE:

With no individuals to testify in opposition or neutral to the bill, the hearing for S.B. 233 is now closed. Senate Bill 65 makes an appropriation to the Department of Motor Vehicles (DMV) for creation and maintenance of branch offices in the City of West Wendover and the City of Caliente and is our next order of business.

SENATE BILL 65: Makes an appropriation to the Department of Motor Vehicles for the creation and maintenance of branch offices in the City of West Wendover and the City of Caliente. (BDR S-444)

SENATOR GOICOECHEA:

The DMV did not reach out to me about this particular bill, but I have discussed it with Mayor Daniel Corona of West Wendover. It does seem reasonable to me and I do see that an amendment is being offered on the bill. A city-run field office in each of these cities is reasonable given the distance which can be 110 or 120 miles to go to Elko from West Wendover. Caliente has a field office in Pioche which is approximately 35 miles away. In looking at the amendment

proposed by DMV, they have a work in progress. I am here to testify that there is a need. As they bring the DMV travel teams forward, I would hope that all of the old existing field offices like Eureka are visited. Therefore, DMV identification licenses and driver's licenses would be available to those smaller rural field offices. An individual should not have to drive to Ely or Las Vegas to receive services; it places additional loads on those DMV offices.

TONYA LANEY (Administrator, Field Services Division, Nevada Department of Motor Vehicles):

The DMV has been working successfully with the Mayor of West Wendover to agree on a friendly amendment to S.B. 65. Written testimony ([Exhibit P](#)) is provided with the details. The cities' staff will complete registration transactions similar to assessor offices like the one in Pioche.

CHAIR WOODHOUSE:

Will you be requiring additional staff for the travel teams that you would be putting together?

MS. LANEY:

At this point in time, we would utilize existing staff from the Las Vegas DMV on Sahara Avenue and from the Elko DMV office locations. We see minimal travel at this point in time to cover those two areas. If we did realize significant travel after the implementation, then we would approach the Legislature to request additional staff.

SENATOR SETTELMAYER:

With the mobile devices, will you be able to complete transactions such as actually handing a driver's license to an individual?

MS. LANEY:

The mobile device can go to off-site locations and then it has to be brought back to the home location and docked. The driver's license would be mailed from the card production vendor in the same fashion as if someone came to a DMV field services office.

SENATOR DENIS:

Are they going to be able to provide all services or just the driver's licenses?

MS. LANEY:

The travel teams would be just the driver's license side. We would be able to administer the driver's test and written test as well as issue the identification card and driver's license in terms of completing the paperwork for ultimate mailing from the card production vendor. The local city hall would be set up to complete registration transactions, similar to the Pioche Assessor's Office. We would cover both of those business units through two different solutions.

SENATOR DENIS:

Is it for all types of driver's licenses?

MS. LANEY:

Yes. Any of the current driver's license or identification products that we offer would be handled by the travel teams.

SENATOR GOICOECHEA:

For those existing assessor field offices in Eureka and Battle Mountain, will your driver's license travel teams be going to those offices as well?

MS. LANEY:

At this point in time, we would only be addressing the West Wendover and Caliente locations consistent with the bill. However, we will be working on a plan. With these two offices receiving services, we anticipate receiving requests for locations where we once had traveling teams.

SENATOR GOICOECHEA:

The two travel teams proposed will only go to West Wendover and Caliente?

MS. LANEY:

At this point in time, that is correct.

CHAIR WOODHOUSE:

Seeing no additional individuals wishing to testify for, against or neutral, the hearing for S.B. 65 is closed. Next, we will consider three bill draft requests (BDRs). These include two submittals by the Director of the GFO for supplemental appropriations that were not included in the Governor's initial budget transmittal on January 16, 2019. The NDE Literacy Program is requesting an appropriation of \$11,344 for the Literacy Programs Budget for a projected shortfall in personnel services expenditures in FY 2019 ([Exhibit Q](#)).

EDUCATION

K-12 EDUCATION

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

SENATOR KIECKHEFER MOVED TO INITIATE A BDR PROVIDING A GENERAL FUND APPROPRIATION OF \$11,344 FOR THE LITERACY PROGRAMS BUDGET FOR A PROJECTED SHORTFALL IN PERSONNEL SERVICES EXPENDITURES IN FY 2019.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

The Public Employees' Benefits Program, Non-State Retiree Mitigation budget account 101-1369, seeks a General Fund appropriation of \$127,819 for a projected shortfall related to payment of supplemental subsidies of the 2017-2019 biennium ([Exhibit R](#)).

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES' BENEFITS PROGRAM

PEBP - Non-State Retiree Rate Mitigation — Budget Page PEBP-16 (Volume III)
Budget Account 101-1369

SENATOR PARKS MOVED TO INITIATE A BDR PROVIDING A GENERAL FUND APPROPRIATION OF \$127,819 FOR THE NON-STATE RETIREE MITIGATION BUDGET WITHIN THE PUBLIC EMPLOYEES' BENEFITS PROGRAM FOR A PROJECTED SHORTFALL RELATED TO THE PAYMENT OF SUPPLEMENTAL SUBSIDIES OVER THE 2017-2019 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

The last request for a BDR is from the Chief Justice, the Honorable Mark Gibbons, of the Nevada Supreme Court ([Exhibit S](#)). We have been notified of a projected shortfall in the Judicial Selection Budget Account 101-1498 due to costs associated with filling four judicial vacancies.

LEGISLATIVE/JUDICIAL

JUDICIAL BRANCH

Court of Appeals — Budget Page JUDICIAL-22 (Volume I)
Budget Account 101-1489

The Supreme Court is requesting a supplemental appropriation from the General Fund of \$10,500 in FY 2019. This supplemental appropriation request was not included in the January 16, 2019, Governor's initial budget transmittal.

SENATOR DENIS MOVED TO INITIATE A BDR PROVIDING A GENERAL FUND APPROPRIATION OF \$10,500 FOR A PROJECTED SHORTFALL IN THE JUDICIAL SELECTION BUDGET.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Committee on Finance
March 4, 2019
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CHAIR WOODHOUSE:

Seeing no one for public comment, this meeting is adjourned at 9:27 a.m.

RESPECTFULLY SUBMITTED:

Tom Weber,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	6		Attendance Roster
S.B. 133	C	1	Brian Myli / The Public Education Foundation	Vision Mission and Core Values
S.B. 133	D	1	Brian Myli / The Public Education Foundation	Leadership Institute of Nevada
S.B. 133	E	5	Brian Myli / The Public Education Foundation	Leadership Institute of Nevada Executive Summary
S.B. 133	F	3	Brian Myli / The Public Education Foundation	Leadership Institution Outcomes
S.B. 133	G	3	Brian Myli / The Public Education Foundation	Executive Leadership Academy Capstone Project List
S.B. 133	H	4	Brian Myli / The Public Education Foundation	Alumni Survey
S.B. 133	I	3	Brian Myli / The Public Education Foundation	Funding Summary for the State of NV 01-31-19
S.B. 133	J	2	Brian Myli / The Public Education Foundation	Teacher Leader Academy Demographics
S.B. 133	K	2	Brian Myli / The Public Education Foundation	Executive Leadership Academy Demographics
S.B. 211	L	1	Berna Rhodes-Ford / Commission on Minority Affairs	Written Testimony
S.B. 233	M	25	Paul Johnson / White Pine County School District	Written Testimony
S.B. 233	N	1	Paul Johnson / White Pine County School District	Letter of Support from P3 Partners
S.B. 233	O	6	Paul Johnson / White Pine County School District	Letter of Support from Byron Smith of Lombard Conrad Architects

S.B. 65	P	1	Tonya Laney / Field Services Division / Department of Motor Vehicles	Written Testimony
	Q	1	Senator Joyce Woodhouse	Request to Initiate Bill Draft Request from Nevada Department of Education for Literacy Programs Budget
	R	1	Senator Joyce Woodhouse	Request to Initiate Bill Draft Request from Public Employees' Benefits Program for the Non-State Retiree Mitigation Budget
	S	2	Senator Joyce Woodhouse	Request to Initiate Bill Draft Request from Nevada Supreme Court for the Judicial Selection Budget