

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

**Eighty-First Session
May 5, 2021**

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Maggie Carlton at 8:14 a.m. on Wednesday, May 5, 2021, Online and in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Sandra Jauregui
Assemblyman Glen Leavitt
Assemblywoman Brittney Miller
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Robin L. Titus
Assemblywoman Jill Tolles
Assemblyman Howard Watts

SENATE COMMITTEE MEMBERS PRESENT:

Senator Chris Brooks, Chair
Senator Moises Denis, Vice Chair
Senator Nicole J. Cannizzaro
Senator Marilyn Dondero Loop
Senator Heidi Seevers Gansert
Senator Pete Goicoechea
Senator Scott Hammond
Senator Ben Kieckhefer
Senator Julia Ratti



COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Wayne Thorley, Senate Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Stephanie Day, Senior Program Analyst
Adam Drost, Senior Program Analyst
Jaimarie Mangoba, Program Analyst
Nancy Morris, Program Analyst
Madison Ryan, Program Analyst
Mary O'Hair, Committee Manager
Carmen Neveau, Committee Secretary
Bet Torres, Committee Assistant

OTHERS PRESENT:

Jhone Ebert, Superintendent of Public Instruction, Office of the Superintendent,
Nevada Department of Education
Heidi Haartz, Deputy Superintendent of Business and Support Services, Office of the
Superintendent, Nevada Department of Education
Chris Daly, representing the Nevada State Education Association

Chair Carlton:

[Roll was taken, and Committee rules and protocol were reviewed.] We are here today for a budget closing for budget account (BA) 1301, Office of Finance, Office of the Governor, Special Appropriations, and to hear reports from several subcommittees. With that, we will begin with the budget closing for BA 1301.

ELECTED OFFICIALS
OFFICE OF THE GOVERNOR
GOVERNOR'S OFC OF FINANCE - SPECIAL APPROPRIATIONS (101-1301)
BUDGET PAGE ELECTED-79

Alex Haartz, Principal Deputy Fiscal Analyst:

I am presenting the Office of Finance, Office of the Governor, Special Appropriations budget. The budget begins on page 3 of the closing document titled "Closing List #10" dated May 5, 2021 [\[Exhibit C\]](#). This budget was heard on February 22, 2021, and there is one Major Closing Issue. In The Executive Budget, the Governor recommended the addition of approximately \$4.3 million in fiscal year (FY) 2022 in addition to the approximately \$4.3 million that is in the base budget. This brings the total amount of funding over the biennium to approximately \$8.5 million. This funding is proposed for new and expanded existing Graduate Medical Education (GME) programs, which are referred to as slots for graduate medical education residency and fellowship training locations in Nevada. There is information on page 4 [\[Exhibit C\]](#) provided by the agency in response to questions raised in the budget hearing on February 22, 2021. This information shows that there are 194 total residency and fellowships slots for FY 2020 in Nevada, with 139 slots in southern Nevada and 54 in northern Nevada. There is a significant difference in the price range depending on the type of residency or fellowship which affects the total number of slots approved and added to the program.

Page 5 provides information from the Office of the Governor, Office of Science, Innovation, and Technology (OSIT) that reports where sponsors of GME residencies and fellowships are located and the types of residency programs. The Governor recommends the addition of back language in the Appropriations Act to allow unspent funding to be balanced forward from FY 2022 to FY 2023 given that it takes time to develop and fund new residency and fellowship slots. This flexibility has not been previously recommended by the Office of the Governor, and it has not been considered by the money committees, but it does not appear unreasonable given how the residency and fellowship slots are developed and funded.

Do the Committees wish to approve the Governor's recommendation of \$4,265,000 in new State General Fund appropriations in FY 2022 to fund the development of new GME residency and fellowship slots in Nevada? If the Committees approve the funding, do the Committees wish to direct Fiscal Analysis Division staff to include language in the 2021-2023 biennium Appropriations Act such that the full \$8,530,000 in appropriations for the GME program are available to be expended in both years of the biennium and that any unspent balance on June 30, 2023, reverts to the State General Fund?

Chair Carlton:

I remember the session where former Assemblyman Andrew Mark Eisen would lecture me almost every day on GMEs. I hope he is happy to see this because this is a matter that will make a difference in access to health care in the state. Are there any questions from Committee members? [There were none.] I will accept a motion.

SENATOR BROOKS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION OF \$4,265,000 IN NEW STATE GENERAL FUND APPROPRIATIONS IN FY 2022 TO FUND THE DEVELOPMENT OF NEW GME RESIDENCY AND FELLOWSHIP SLOTS IN NEVADA, AND DIRECT FISCAL ANALYSIS DIVISION STAFF TO INCLUDE LANGUAGE IN THE 2021-2023 BIENNIUM APPROPRIATIONS ACT SUCH THAT THE FULL \$8,530,000 IN APPROPRIATIONS FOR THE GME PROGRAM ARE AVAILABLE TO BE EXPENDED IN BOTH YEARS OF THE BIENNIUM AND THAT ANY UNSPENT BALANCE ON JUNE 30, 2023, REVERTS TO THE STATE GENERAL FUND.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments on the motion from Committee members? [There were none.]

THE MOTION CARRIED.

Alex Haartz:

There are four Other Closing Items shown on page 6 [\[Exhibit C\]](#) that appear to be reasonable to Fiscal Analysis Division staff because the items continue funding that was previously recommended by the Governor and approved by the Committees. Fiscal staff would note that on Other Closing Item 3, the Governor recommends language be added to the 2021-2023 biennium Appropriations Act establishing that appropriations are available in both FY 2022 and FY 2023 and any unspent balance in the appropriation revert on or before September 15, 2023. Fiscal staff would note that both the 2017 Legislature and the 2019 Legislature approved similar back language for the Civil Air Patrol. Fiscal staff recommends that Other Closing Items 1 through 4 be closed as recommended by the Governor inclusive of the recommended 2021-2023 biennium Appropriations Act language for the Civil Air Patrol and with authority to make technical adjustments, as necessary.

Chair Carlton:

Are there any questions from Committee members? [There were none.] I will accept a motion on the other closing items.

SENATOR BROOKS MOVED TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 4 AS RECOMMENDED BY THE GOVERNOR INCLUSIVE OF THE RECOMMENDED 2021-2023 BIENNIUM APPROPRIATIONS ACT LANGUAGE FOR THE CIVIL AIR PATROL AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS, AS NECESSARY.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments on the motion from Committee members? [There were none.]

THE MOTION CARRIED.

Chair Carlton:

Hopefully, in the future when we see this budget, the list might be a little longer so we can do more work in the state. We will now move to the presentation of subcommittee reports, the first of which is the Nevada Department of Education.

EDUCATION

DEPARTMENT OF EDUCATION

NDE - EDUCATIONAL TRUST ACCOUNT (101-2614)

BUDGET PAGE K-12 EDUCATION-58

EDUCATION

DEPARTMENT OF EDUCATION

NDE - OFFICE OF THE SUPERINTENDENT (101-2673)

BUDGET PAGE K-12 EDUCATION-64

Jaimarie Mangoba, Program Analyst:

I am here, along with Adam Drost, Senior Program Analyst, to present the Joint Subcommittee on K-12/Higher Education/CIP Closing Report for the Department of Education. The Joint Subcommittee on K-12/Higher Education/CIP has completed its review of the Department of Education budget recommendations in The Executive Budget for the 2021-2023 biennium. The closing recommendations of the Senate members of the Subcommittee resulted in an increase in State General Fund appropriations of \$286,394 in fiscal year (FY) 2022 and \$392,100 in FY 2023 when compared to the Governor's recommended budget. This does not include the departmentwide Indirect Cost Allocation adjustments. The closing recommendations of the Assembly members of the Subcommittee resulted in an increase in State General Fund appropriations of \$245,639 in FY 2022 and \$378,145 in FY 2023 when compared to the Governor's recommended budget, which also does not include the departmentwide Indirect Cost Allocation adjustments. The Subcommittee recommended approval of the following closing actions:

- Educational Trust Account (101-2614) K-12 EDUCATION-58: The Subcommittee recommended approval of expenditures totaling \$14,870 in FY 2022 and \$24,870 in FY 2023 to support the State Teacher of the Year program, the Interstate Commission for Military Children, and the Parental Involvement Summit, as recommended by the Governor in the base budget. However, the Subcommittee recommended transferring the expenditures associated with the State Teacher of the Year program to the Department's

Professional Development Programs budget and the Interstate Commission for Military Children and the Parental Involvement Summit expenditures to the Department's Parental Involvement and Family Engagement budget. The Subcommittee also recommended these expenditures be funded with State General Fund appropriations totaling \$14,870 in FY 2022 and \$24,870 in FY 2023 in those Department budgets.

The Subcommittee recommended not approving the Governor's recommendation for expenditures of \$105,119 in each year of the 2021-2023 biennium to continue the Educator in Residence/Graduate Assistant/Fellowship program.

The Subcommittee also recommended legislation to require the year-end transfers of the unredeemed or uncharged value of expired or abandoned gift certificates held by the Abandoned Property Trust Account be transferred to the new State Education Funding Account to support the Pupil-Centered Funding Plan beginning in FY 2022. The Subcommittee also recommended the elimination of the Educational Trust Account at the end of FY 2021, with any remaining funding transferred to the State Education Funding Account.

- Office of the Superintendent (101-2673) K-12 EDUCATION-64: The Subcommittee recommended approval of the Governor's recommendation to continue funding for both an administrative services officer position and a management analyst position, as recommended by the Governor, funded with State General Fund appropriations of \$493,121 over the 2021-2023 biennium.

The Office of the Superintendent budget had a closing difference related to the Governor's recommendation for State General Fund appropriations of \$30,000 in each year of the 2021-2023 biennium for two-day monthly in-person meetings for the Commission on School Funding. The Senate members of the Subcommittee recommended approval of funding of \$30,000 in FY 2022 and \$7,500 in FY 2023 that would allow two-day monthly in-person meetings from July 1, 2021, through September 30, 2022, for the Commission on School Funding, while the Assembly members of the Subcommittee recommended not approving the Governor's recommendation for State General Fund appropriations of \$30,000 in each year of the 2021-2023 biennium for in-state travel expenditures for two-day monthly in-person meetings for the Commission on School Funding.

The Commission on School Funding has been conducting its meetings virtually since April 2020 due to the COVID-19 pandemic. During the March 9, 2021 budget hearing, the department indicated the Commission on School Funding struggled to have meetings virtually and expressed concerns that members of the public may not be provided the opportunity to participate in virtual meetings.

During the closing of this budget before the Subcommittee on April 27, 2021, the Senate members of the Subcommittee approved funding that would allow two-day monthly

in-person meetings from July 1, 2021, through September 30, 2022, to align the Commission on School Funding meetings with interim committees, which only meet during the interim period between legislative sessions.

During the budget closing, members of the Subcommittee requested additional information regarding conducting a combination of in-person and virtual meetings for the Commission on School Funding since the Commission has been able to conduct its meetings virtually since April 2020. Accordingly, the Money Committees could consider an option to reduce funding by one-half to provide for in-person meetings only every other month in FY 2022 and two in-person meetings through September 2022 in FY 2023. Fiscal staff estimates this option would reflect in-state travel funding for the Commission on School Funding of \$15,000 in FY 2022 and \$5,000 in FY 2023.

There are four options for the Committees' consideration:

- A. Approve funding of \$30,000 in each year of the 2021-2023 biennium for two-day monthly in-person meetings for the Commission on School Funding, as recommended by the Governor.
- B. Approve funding of \$30,000 in FY 2022 and \$7,500 in FY 2023 for two-day monthly in-person meetings from July 1, 2021, through September 30, 2022, for the Commission on School Funding.
- C. Not approve the Governor's recommendation to increase General Fund appropriations by \$30,000 in each year of the 2021-2023 biennium for in-state travel expenditures for two-day monthly in-person meetings for the Commission on School Funding.
- D. Approve funding of \$15,000 in FY 2022 and \$5,000 in FY 2023, which would provide two-day in-person meetings every other month in FY 2022 and two, two-day in-person meetings through September 2022 in FY 2023 for the Commission on School Funding.

Chair Carlton:

I believe it is appropriate to stop here so Committee members can ask questions. There was conversation in the Subcommittee about this item, and the Assembly Subcommittee did close differently than the Senate Subcommittee. Assemblywoman Benitez-Thompson had questions about funding and meeting management, and the Senate was comfortable with the recommendation from Fiscal staff, so we will continue the conversation so the full Committee has the benefit of the Subcommittee discussions. Are there any questions from Committee members?

Assemblywoman Benitez-Thompson:

The option that resonates the most with me is option D, not because of the monetary amount, but because the Interim Finance Committee (IFC) only meets approximately one day every other month to conduct the state's business. It seems to me that meeting once every other month is more reasonable and I am not sure why the Commission on School Funding members would need to meet more often. Commission members are from other school districts and would have to give up two days a month to participate. Two days every other month seems reasonable.

Chair Carlton:

We do know that there will be much work that needs to be done as the model is implemented. There will be many discussion points that will occur over the next two years, and we recognize the value of this, but at what level.

Senator Brooks:

I think that as we move forward and implement a new funding formula, we are in one of the most uncertain economic times that the state has ever faced. We have a massive influx of federal funds that will go directly to school districts, and there is much work to be done. I am supportive of in-person monthly meetings through September 30, 2022 in conjunction with our Legislative schedule. On this Commission, we have chief financial officers (CFO) for rural school districts who need to weigh in and provide input on how to proceed. The next two years will be critical in how we implement a new funding formula with consideration for the federal funds that will go directly to school districts and to the State General Fund. I support the more robust and in-person meeting schedule through the next two years. After that time, the schedule should be reconsidered.

Senator Dondero Loop:

I think in-person meetings are important especially for the CFOs to be able to get together. I recognize that many meetings have been held virtually over the last year, but I think in-person meetings are beneficial, and I would like to provide the opportunity to meet in-person and to move the Commission and the new funding formula forward. More in-person meetings while we are not in session would be beneficial for the Commission.

Senator Denis:

I would like to weigh in on this matter, as I was the one responsible for creating the Commission. When we looked at the creation of the new funding formula, one of the things that was critical was that in the past, discussion about school funding only occurred every two years in the Legislature. We did not have a mechanism that allowed expert input into the discussions. In the past, we would conduct expensive studies to see adjustments. This Commission brings CFOs and technical experts together with appropriate expertise. Assemblywoman Benitez-Thompson mentioned two-day meetings, but this is what CFOs and technical experts do for a living, and if you look at the work product from the past two years, these people have done a great job, and I agree that there is much that needs to happen to implement this model. I support in-person meetings to complete the work that needs to be done, which will save us time when this topic returns to the Legislature. We will have good data and good information from the Commission.

Assemblywoman Monroe-Moreno:

I do not see anything that would prevent this Commission from meeting virtually. From the COVID-19 pandemic, we have learned is that we can complete large amounts of work virtually. Asking people to take two days off every month to participate on a commission is excessive. Educators, for example, may not get paid for those days that they travel to participate. These educators may be able to participate virtually from classrooms or offices.

The CFOs from rural communities would be better able to participate without travel expenses. We have seen during the Legislative session that more members of the public were able to participate from their homes and offices, and not just in Nevada, but nationwide. I would agree with Assemblywoman Benitez-Thompson that two days in-person every other month would be my option, but I do not see anything in that option that would prevent more frequent virtual meetings, if needed.

Chair Carlton:

It seems we have a difference of opinion, so my intent is take a motion for the Assembly, knowing how the Senate will vote, and then the Chair of Senate Finance will take a motion for the Senate. We will close differently and move to further discussions. Are there any other questions?

Senator Seevers Gansert:

Perhaps members of the Commission should consider one-day meetings instead of two-day meetings by analyzing how the Commission approaches the work they are doing. A more expeditious approach would affect our decision.

Chair Carlton:

Any ideas or options from Committee members should be put on the table for discussion.

Senator Dondero Loop:

I believe the Commission was hoping for in-person meetings because members felt in-person meetings would be more productive. All members of the Commission are CFOs and community businesspeople, and not necessarily educators. My decision is based on the request from Commission members who do the work.

Chair Carlton:

With that I would accept a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT COMMITTEE MEMBERS APPROVE OPTION D, FUNDING OF \$15,000 IN FY 2022 AND \$5,000 IN FY 2023, WHICH WOULD PROVIDE TWO-DAY IN-PERSON MEETINGS EVERY OTHER MONTH IN FY 2022 AND TWO, TWO-DAY IN-PERSON MEETINGS THROUGH SEPTEMBER 2022 IN FY 2023 FOR THE COMMISSION ON SCHOOL FUNDING.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Committee members on the motion?

Assemblyman Frierson:

For the public's edification, I would like to be clear on the options. These options all include in-person meetings. We are not talking about in-person meetings versus virtual meetings. We understand and agree that there is a need for in-person meetings, but the issue is the frequency of in-person meetings. The other discussion is whether there is an option for virtual meetings in between in-person meetings, if needed.

Chair Carlton:

We want members of the public to participate in these meetings. With all our interim IFC meetings and our hearings from the 81st Session, we have found that members of the public will figure out how to participate in our meetings. I believe we have had more public participation for this session than we expected. I will now call for a vote.

THE MOTION CARRIED IN THE ASSEMBLY AND FAILED IN THE SENATE. (ASSEMBLYWOMAN TITUS, AND SENATORS BROOKS, CANNIZZARO, DENIS, DONDERO LOOP, SEEVERS GANSERT, GOICOECHEA, HAMMOND, KIECKHEFER, AND RATTI VOTED NO.)

Senator Brooks will now request a motion.

Senator Brooks:

I will now accept a motion for the same Commission meeting options.

SENATOR DENIS MOVED THAT COMMITTEE MEMBERS APPROVE OPTION B, FUNDING OF \$30,000 IN FY 2022 AND \$7,500 IN FY 2023, WHICH WOULD PROVIDE FOR TWO-DAY MONTHLY IN-PERSON MEETINGS FROM JULY 1, 2021 THROUGH SEPTEMBER 30, 2022, FOR THE COMMISSION ON SCHOOL FUNDING.

SENATOR KIECKHEFER SECONDED THE MOTION.

Is there any discussion on this motion? [There was none.] I will now call for a vote.

THE MOTION CARRIED IN THE SENATE AND FAILED IN THE ASSEMBLY. (ASSEMBLYMEN BENITEZ-THOMPSON, CARLTON, FRIERSON, GORELOW, HAFEN, JAUREGUI, LEAVITT, MILLER, MONROE-MORENO, PETERS, ROBERTS, TOLLES, AND WATTS VOTED NO.)

Chair Carlton:

With that, we will move on.

Jaimarie Mangoba:

As shown on the bottom of page 4 [\[Exhibit D\]](#), the Office of the Superintendent budget had another closing difference related to the Governor's recommendation to increase State General Fund appropriations by \$10,755 in each year of the 2021-2023 biennium for operating and travel expenditures for Department staff providing administrative support for the Commission on School Funding, which includes \$6,020 in each year for two Department staff to attend seven Commission on School Funding in-person meetings in Las Vegas.

The Senate members of the Subcommittee recommended approval of funding of \$10,755 in FY 2022 and \$6,455 in FY 2023 for operating expenditures and for Department staff to attend seven Commission on School Funding in-person meetings in FY 2022 and two in-person meetings in FY 2023 in Las Vegas, while the Assembly members of the Subcommittee recommended not approving the Governor's recommendation to increase State General Fund appropriations by \$10,755 in each year of the 2021-2023 biennium for operating and travel expenditures for Department staff to attend seven Commission on School Funding in-person meetings.

As previously noted, during the budget closing, members of the Subcommittees requested additional information regarding conducting a combination of in-person and virtual meetings for the Commission on School Funding. Accordingly, the money committees could consider an option to reduce funding by one-half to provide for in-person meetings during those times the Commission on School Funding meets in-person in Las Vegas in FY 2022 and one in-person meeting through September 2022 in FY 2023 for the Department staff providing support for the Commission on School Funding. Fiscal staff estimates this option would require expenditures of \$7,745 in FY 2022 and \$5,595 in FY 2023.

There are four options for the Committees' consideration:

- A. Approve funding of \$10,755 in each year of the 2021-2023 biennium for operating and travel expenditures for department staff to attend seven Commission on School Funding in-person meetings, as recommended by the Governor.
- B. Approve funding of \$10,755 in FY 2022 and \$6,455 in FY 2023 for operating expenditures and for Department staff to attend seven Commission on School Funding in-person meetings in FY 2022 and two in-person meetings in FY 2023 in Las Vegas.
- C. Not approve the Governor's recommendation to increase General Fund appropriations by \$10,755 in each year of the 2021-2023 biennium for operating and in-state travel expenditures for Department staff to attend seven Commission on School Funding in-person meetings in Las Vegas.
- D. Approve funding of \$7,745 in FY 2022 and \$5,595 in FY 2023, which would provide funding for Department staff to attend meetings in-person during those times the Commission on School Funding meets in Las Vegas in FY 2022 and one in-person meeting in Las Vegas in FY 2023 for the period beginning July 1 through September 30, 2022.

Chair Carlton:

There are many options here. The option the Assembly just approved, option D, does not indicate the number of meetings, and I want to be sure the Assembly is consistent with its previous action. My question to you, Ms. Mangoba, is because the Assembly approved option D, two-day in-person meetings every other month, and two in-person meetings through September, is that the seven meetings that are not specifically delineated but are referenced in these options? Are these options for staff to attend those meetings? We want to ensure we are consistent. I want to ensure our motions are not contradictory.

Jaimarie Mangoba:

Option D, as shown on page 6 [[Exhibit D](#)], would allow Department staff to meet in-person in Las Vegas approximately three to four times in FY 2022, and one in-person meeting in Las Vegas in FY 2023. The option that the Assembly Committee chose for the Commission on School Funding from page 4 would allow for six in-person meetings in FY 2022 and two in-person meetings in FY 2023. The six in-person meetings can all be held in Las Vegas, but at this time, Fiscal Analysis Division staff is not sure whether the Commission would opt to utilize funding for Las Vegas meetings or in-person meetings held in Carson City.

Chair Carlton:

The number of meetings was not delineated in either of the option lists, and knowing that the number of meetings would lead to future discussion, I wanted to ensure the Assembly took appropriate action and correspond to our previous action. That action was to support in-person meetings, but not as many meetings as proposed. This funding is for Commission staff to attend meetings, but we do not know how many meetings will be held in Las Vegas. I believe the Assembly will want to consider option D. We do not want to eliminate travel dollars, and I believe option D would be consistent with our previous action.

Are there any questions from Committee members?

Senator Brooks:

I have similar questions, and the Senate's decision was to support monthly in-person meetings, option B in the previous decision. Would option B in this decision provide for staff support of those meetings, including meetings held in southern Nevada, where most of the children and teachers are located?

Jaimarie Mangoba:

That is correct, Senator. Option B in this decision would align with the Senate decision from the previous decision for the Commission on School Funding.

Chair Carlton:

This is a perfect example of the Senate and the Assembly not agreeing, but still being agreeable and moving forward. We want to have our actions clear for the record. I will accept a motion from the Assembly.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT COMMITTEE MEMBERS APPROVE OPTION D, FUNDING OF \$7,745 IN FY 2022 AND \$5,595 IN FY 2023, WHICH WOULD PROVIDE FUNDING FOR DEPARTMENT STAFF TO ATTEND MEETINGS IN-PERSON DURING THOSE TIMES THE COMMISSION ON SCHOOL FUNDING MEETS IN LAS VEGAS IN FY 2022 AND ONE IN-PERSON MEETING IN LAS VEGAS IN FY 2023 FOR THE PERIOD BEGINNING JULY 1 THROUGH SEPTEMBER 30, 2022.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Committee members on the motion? [There were none.] I will now call for a vote.

THE MOTION CARRIED IN THE ASSEMBLY AND FAILED IN THE SENATE. (ASSEMBLYWOMAN TITUS, AND SENATORS BROOKS, CANNIZZARO, DENIS, DONDERO LOOP, SEEVERS GANSERT, GOICOECHEA, HAMMOND, KIECKHEFER, AND RATTI VOTED NO.)

Senator Brooks will now request a motion.

Senator Brooks:

I will now accept a motion for the travel and expenses for staff.

SENATOR DENIS MOVED THAT COMMITTEE MEMBERS APPROVE OPTION B, FUNDING OF \$10,755 IN FY 2022 AND \$6,455 IN FY 2023 FOR OPERATING EXPENSES AND FOR DEPARTMENT STAFF TO ATTEND SEVEN COMMISSION ON SCHOOL FUNDING IN-PERSON MEETINGS IN FY 2022 AND TWO IN-PERSON MEETINGS IN FY 2023 IN LAS VEGAS.

SENATOR KIECKHEFER SECONDED THE MOTION.

Is there any discussion on this motion? [There was none.] I will now call for a vote.

THE MOTION CARRIED IN THE SENATE AND FAILED IN THE ASSEMBLY. (ASSEMBLYMEN BENITEZ-THOMPSON, CARLTON, FRIERSON, GORELOW, HAFEN, JAUREGUI, LEAVITT, MILLER, MONROE-MORENO, PETERS, ROBERTS, TOLLES, AND WATTS VOTED NO.)

We will now proceed to the Assessments and Accountability budget account.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - ASSESSMENTS AND ACCOUNTABILITY (101-2697)
BUDGET PAGE K-12 EDUCATION-82

EDUCATION
DEPARTMENT OF EDUCATION
NDE - DATA SYSTEMS MANAGEMENT (101-2716)
BUDGET PAGE K-12 EDUCATION-87

Jaimarie Mangoba, Program Analyst:

Continuing on page 6 [[Exhibit D](#)], for the Assessments and Accountability budget, the Subcommittees recommended approval of the Governor's recommendation to continue the administration of the Measures of Academic Progress reading assessments, funded with State General Fund appropriations of \$1.0 million in each year of the 2021-2023 biennium. The Subcommittees also recommended approval of the Governor's recommendation to eliminate funding for End-of-Course exams that are typically administered to students once they complete certain high school-level math and English Language Arts courses, contingent upon passage of Senate Bill 76 or other enabling legislation. The Subcommittees recommended this budget also retain the ability to transfer State General Fund appropriations between fiscal years in the 2021-2023 biennium with Interim Finance Committee (IFC) approval and enabling language will be included in the 2021 Appropriations Act.

The next budget is Data Systems Management. The Governor's recommended base budget for the 2021-2023 biennium includes State General Fund appropriations of \$40,000 in fiscal year (FY) 2022 for system costs associated with virtual auditing of hospitals or other licensed facilities that receive reimbursement for educational services pursuant to *Nevada Revised Statutes* (NRS) 387.1225. After the Data Systems Management budget was closed by the Subcommittees on April 21, 2021, the Office of Finance, Office of the Governor requested the Department be provided with the ability to balance forward any remaining State General Fund appropriations from this expenditure in FY 2022 into FY 2023 with IFC approval with enabling language included in the 2021 Appropriations Act.

Do the Committees wish to provide authority in the Appropriations Act for the department to balance forward any remaining State General Fund appropriations related to virtual auditing of hospital or other licensed facilities in FY 2022 into FY 2023 for the Data Systems Management account?

Chair Carlton:

Are there any questions from Committee members? This is a request to balance forward and use those dollars in the future. They are not requesting permission to pull money from the second year into the first year. We are talking about rolling unexpended dollars from the first year to the second year.

Jaimarie Mangoba:

That is correct. This will provide the ability to move any unexpended dollars from FY 2022 to FY 2023.

Chair Carlton:

I know with auditing functions; work can be completed at difference paces, so I would be comfortable with this. Are there any questions from Committee members?

Assemblywoman Miller:

Under the Data Systems Management budget account, when reference is made to associated costs with virtual auditing of hospitals and other licensed facilities, are we accessing all of the TANF [Temporary Assistance for Needy Families] funds and other funds available for this work? Or is this something that is drawn down from the budget account? Can you provide an example of one of the "auditing of hospitals" costs?

Chair Carlton:

Yes, please elaborate on the program. It is my understanding that we are not auditing hospitals. We are auditing the educational functions in the hospitals. This will help Committee members who were not on the Subcommittees to better understand the program.

Jaimarie Mangoba:

I will defer to Adam Drost, Senior Program Analyst.

Adam Drost, Senior Program Analyst:

For background information, this budget reflects the Department's costs associated with various systems, including Infinite Campus. *Nevada Revised Statutes* (NRS) 387.1225 authorizes certain hospitals and other facilities that provide residential treatment to children, and that also operate educational programs, to request reimbursement from the Department of Education for the cost of providing those educational services. That includes reimbursement for the education of pupils with disabilities. These virtual audits ensure that children placed in these facilities are receiving proper education and services and are eligible for reimbursement from the Department. The remote audits share information electronically, review records, and verify documentation. These audits may lead to follow-up or in-person audits. This work began in the 2019-2021 biennium, and the Governor has recommended the continuation of these monitoring systems for the 2021-2023 biennium. The continuation of these efforts includes a hospital portal, attendance reporting, and the uploading of student records, as well as a parent portal.

Chair Carlton:

Are there any questions from Committee members? [There were none.] I will accept a motion.

SENATOR BROOKS MOVED TO PROVIDE AUTHORITY IN THE
APPROPRIATIONS ACT FOR THE DEPARTMENT TO BALANCE

FORWARD ANY REMAINING STATE GENERAL FUND APPROPRIATIONS RELATED TO VIRTUAL AUDITING OF HOSPITAL OR OTHER LICENSED FACILITIES IN FY 2022 INTO FY 2023 FOR THE DATA SYSTEMS MANAGEMENT ACCOUNT.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Are there any questions or comments on the motion? [There were none.]

THE MOTION CARRIED. (SENATOR CANNIZZARO WAS ABSENT FOR THE VOTE.)

We will move to the next budget accounts, the first of which is Educator Licensure.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - EDUCATOR LICENSURE (101-2705)
BUDGET PAGE K-12 EDUCATION-92

EDUCATION
DEPARTMENT OF EDUCATION
NDE - EDUCATOR EFFECTIVENESS (101-2612)
BUDGET PAGE K-12 EDUCATION-98

Jaimarie Mangoba, Program Analyst:

The next item is the Educator Licensure budget [page 7, [Exhibit D](#)]. The Subcommittees on K-12/Higher Education/CIP recommended approval of the Governor's recommendation to reclassify one program officer position to a chief compliance investigator position and one administrative assistant position to a compliance investigator position, funded with reserve reductions of \$8,839 over the 2021-2023 biennium.

The next budget is Educator Effectiveness. The Subcommittees recommended approval of the Governor's recommendation to transfer one education programs professional position from the Educator Effectiveness budget to the Educator Licensure budget and fund the position with educator license fee reserves totaling \$195,384 over the 2021-2023 biennium in the Educator Licensure budget.

The Governor's recommended base budget includes State General Fund appropriations of \$21,500 in fiscal year (FY) 2022 to administer and monitor programs related to financial literacy. After the Educator Effectiveness budget was closed by the Subcommittees on April 21, 2021, the Office of Finance, Office of the Governor requested the Department be provided with the ability to balance forward any remaining State General Fund appropriations from these expenditures in FY 2022 into FY 2023 with Interim Finance Committee (IFC) approval with enabling language included in the 2021 Appropriations Act.

Do the Committees wish to provide authority in the Appropriations Act for the Department to balance forward any remaining State General Fund appropriations related to administering and monitoring financial literacy programs in FY 2022 into FY 2023 for the Educator Effectiveness account?

Chair Carlton:

Are there any questions from Committee members? [There were none.] This is the same conversation we just had for monitoring and allowing dollars to go from the first year into the second year. I will accept a motion.

SENATOR BROOKS MOVED TO PROVIDE AUTHORITY IN THE APPROPRIATIONS ACT FOR THE DEPARTMENT TO BALANCE FORWARD ANY REMAINING STATE GENERAL FUND APPROPRIATIONS RELATED TO ADMINISTERING AND MONITORING FINANCIAL LITERACY PROGRAMS IN FY 2022 INTO FY 2023 FOR THE EDUCATOR EFFECTIVENESS ACCOUNT.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Are there any questions or comments on the motion? [There were none.] I will call for a vote.

THE MOTION CARRIED. (SENATOR CANNIZZARO WAS ABSENT FOR THE VOTE.)

What I like best about that decision is that IFC approval is required. That gives us a level of comfort in being able to move forward. We will now move to the next budget accounts, the first of which is the Office of Early Learning and Development.

EDUCATION

DEPARTMENT OF EDUCATION

NDE - OFFICE OF EARLY LEARNING AND DEVELOPMENT (101-2709)

BUDGET PAGE K-12 EDUCATION-113

EDUCATION

DEPARTMENT OF EDUCATION

NDE - STUDENT AND SCHOOL SUPPORT (101-2712)

BUDGET PAGE K-12 EDUCATION-126

EDUCATION

DEPARTMENT OF EDUCATION

NDE - LITERACY PROGRAMS (101-2713)

BUDGET PAGE K-12 EDUCATION-135

EDUCATION

DEPARTMENT OF EDUCATION

NDE – COVID-19 FUNDING (101-2710)

BUDGET AMENDMENT A215852710, A215862710, AND A216302710

Jaimarie Mangoba, Program Analyst:

Continuing to page 9 [[Exhibit D](#)], is the Office of Early Learning and Development budget account. The Subcommittees recommended approval of the Governor's recommendation to restore State General Fund appropriations of \$6.2 million in each year of the 2021-2023 biennium for the State Pre-K program and change the funding methodology using a standard per seat cost of \$8,410 that would fund approximately 2,349 full-day pre-K seats. The Subcommittees also recommended the issuance of a letter of intent directing the Department to provide an update to the Interim Finance Committee (IFC) on its work to examine equity adjustments for various pre-K programs and any future changes recommended for the standard per seat cost for the State Pre-K program. The Subcommittees further recommended approval of the Governor's recommendation to change the funding of two existing positions from 100 percent federal funds to 50 percent State General Funds and 50 percent federal funds.

Next is the Student and School Support budget account. The Subcommittees recommended approval of the Governor's recommendation to add one new education programs professional position, funded with Title IV Part A grant funds of \$38,608 and reductions in expenditures for a contract position totaling \$170,716 over the 2021-2023 biennium.

The Subcommittees further recommended approval of the Governor's recommendation to restore the funding for external evaluations, funded with a State General Fund appropriation of \$165,000 in FY 2023 in addition to the \$100,000 provided in the base budget, and recommended that the money committees issue a letter of intent requiring the Department to provide copies of the external evaluation reports conducted on state-funded programs to the Interim Finance Committee (IFC) no later than January 1, 2023.

Finally, the Subcommittees recommended approval of the Governor's recommendation to restore the funding for the Nevada Commission on Mentoring, funded with State General Fund appropriations of \$25,000 in each year of the 2021-2023 biennium.

Next is the Literacy Programs budget account. The Subcommittees recommended approval of the Governor's recommendation to continue the Literacy Programs budget, including three full-time positions, contingent upon approval of the Governor's recommendation to restore the funding for the Read by Grade Three program in the Other State Education Programs account.

Chair Carlton:

I would like to interrupt you to allow for questions from Committee members on the State Pre-K program.

Assemblywoman Jauregui:

Was there a waitlist for the State Pre-K program, or are the 2,349 seats full?

Jaimarie Mangoba:

Fiscal Analysis Division staff are not aware of a waiting list. I believe the Department of Education staff can better answer that question.

Jhone Ebert, Superintendent of Public Instruction, Office of the Superintendent, Nevada Department of Education:

Prior to the pandemic, we had a waitlist across the state of Nevada for pre-K seats. During the pandemic, the seat count dropped so we expect an increase with expanded in-person pre-K classes.

Assemblywoman Jauregui:

Do you know what the number of children waiting to enter the program was, prior to the pandemic?

Jhone Ebert:

I do not have that number with me, but I will provide the number of waitlisted children to the Committees.

Chair Carlton:

Please send that information to Fiscal Analysis Division staff. Ms. Mangoba, please proceed with the COVID-19 Funding budget account.

Jaimarie Mangoba:

Next is the COVID-19 Funding budget account. The Subcommittees recommended approval of Budget Amendment A215852710, Budget Amendment A215862710, and Budget Amendment A216302710 that recommended establishing this budget with total federal funding of \$1.3 billion provided to address pre-K-12 issues related to the COVID-19 pandemic. Based on the Subcommittees' recommendation, this budget would be included in the 2021 Authorizations Act, which would, within the limitations of *Nevada Revised Statutes* (NRS) 353.220 and 353.335, subject certain changes within this new budget to review and approval by the Interim Finance Committee (IFC).

The Subcommittees recommended placing American Rescue Plan Act Elementary and Secondary School Emergency Relief funding of \$56.8 million in reserve, which is related to items not yet identified for expenditure, as well as funding for the Incentives for High School Students Program and the Youth Career Pathways Platform in this budget's reserve. By placing the funding in reserve, the Department would need to approach the IFC, present additional details for these planned expenditures, and request approval before expending that funding.

As recommended in Budget Amendment A215862710, the Subcommittees recommended approval of expenditures of \$8.0 million for the DonorsChoose project, which is a website where teachers can post classroom project requests and donors can choose the projects they wish to support. The Department plans to fund approximately 10,000 projects for an average cost of \$800 per project using \$8.0 million in American Rescue Plan Act Elementary and Secondary School Emergency Relief funding. Although recommended for approval by the Subcommittees, members requested additional information regarding the fees that would be charged to the state by DonorsChoose. Typically, DonorsChoose charges the following for each funded project: a 15 percent partnership cost to support the organization's mission, a 1.5 percent third-party payment processing fee, a flat \$30 fee to cover the cost of fulfilling the project, and state sales tax. The Department indicates it met with DonorsChoose on April 23, 2021, and all fees would be charged for the state-funded projects; however, DonorsChoose agreed to reduce the 15 percent partnership cost to 10 percent for the state-funded projects.

The Subcommittees also recommended the Department distribute the planned Governor's Emergency Education Relief funding of \$3.2 million for pre-K seats based on the final distribution methodology approved by the 2021 Legislature for the state Pre-K Program. Finally, the Subcommittees recommended various technical adjustments to these budget amendments and provided Fiscal staff with authority to make other technical adjustments, as necessary.

Chair Carlton:

I believe there were questions and concerns from Subcommittee members on the Incentives for High School Students Program and the Youth Career Pathways Platform. Are there any questions from Committee members?

Senator Kieckhefer:

As I recall, the recommendation from the Subcommittees was to place that funding in reserves. That would then have to come before the IFC for final approval, is that correct?

Adam Drost, Senior Program Analyst:

Yes, that is correct. Funding for the Incentives for High School Students Program and the Youth Career Pathways Platform was placed in reserve which requires the Department to request approval from the IFC before using the funds.

Senator Kieckhefer:

I will continue to have questions about that initiative but placing the funding in reserves provides a level of comfort for me.

Chair Carlton:

I know it was a surprise to members of the Subcommittees because we did not realize the incentive was a payment to students when we originally discussed this. That issue was raised in the Subcommittees' hearing. Has this been addressed and is the plan to provide an

incentive payment to students who complete high school, or are we looking at alternate incentives?

Jhone Ebert:

We appreciate the time that we have been given to work with guidance counselors as well as directly with students. The consideration for student incentives is still on the table, but I would say that through conversations with principals, students, and counselors, there is additional work that we could do to make this the best project for those students that are not able to graduate on time.

Chair Carlton:

Thank you for putting that on the record, as well as the philosophy of putting funding in reserves. We can continue to have discussions as we know there are many moving pieces in education. We can incentivize students without setting the state up to fail in the future. Putting funding in reserves is a prudent choice. I know Committee members had concerns about Budget Amendment A215862710 for DonorsChoose. With DonorsChoose, it is a 15 percent partnership cost, which the Department has negotiated down to 10 percent. There is also a 1.5 percent third-party payment processing fee and a flat fee of \$30. Are those amounts in addition to the 10 percent partnership cost, or are those amounts included in the 10 percent?

Adam Drost:

Those amounts are in addition to the 10 percent partnership cost. Upon reflection this morning, I would like to clarify that the 1.5 percent is related to credit card processing. The Department should confirm this, because the state may not need to fund credit card processing fees since it does not make payment by credit card.

Chair Carlton:

Can you expand on whether the 1.5 percent is a credit card processing fee and whether this is an actual cash payment to DonorsChoose?

Heidi Haartz, Deputy Superintendent of Business and Support Services, Office of the Superintendent, Nevada Department of Education:

The information we have for DonorsChoose, which we have shared with Fiscal Analysis Division staff, included a slide that broke down the administrative costs to support the acquisition of needed components for project requests for each teacher. The 1.5 percent credit card processing fee is a fee incurred by DonorsChoose as purchases are made for each project request. These fees are for projects that have been selected for funding and put forward by teachers.

Chair Carlton:

If I understand correctly, the state will be matching a purchase and will be charged the 1.5 percent fee that will be included in the \$8 million. Is that correct?

Heidi Haartz:

That is correct. When we enter a contractual agreement with DonorsChoose for \$8 million, that \$8 million will be used to fund the projects identified by teachers, to cover the 10 percent fee charged by DonorsChoose for processing those requests, the \$30 per project for shipping materials, and the 1.5 percent processing fee for DonorsChoose transactions as orders are placed.

Chair Carlton:

I have several questions, but first I will ask Committee members for their questions.

Assemblywoman Benitez-Thompson:

The \$8 million budget covers \$800 per project, and then the other costs are also on a per project basis. Are the 10 percent and 1.5 percent calculations, and the \$30 per project fee applied to the \$8 million dollar amount, or are the calculations performed on a per project basis of \$800?

Adam Drost:

As the Department indicated, a slide show documenting the costs was provided. To break the \$8 million distribution down, \$6.8 million would be the material costs for the price of the project, \$97,500 would be for the third-party payment processing fee, \$300,000 would be for project fulfillment labor and materials at \$30 per project, and \$800,000 would be used for the 10 percent partnership fee.

Assemblywoman Benitez-Thompson:

For an \$800 project, a teacher could expect to receive \$680. Is that correct?

Adam Drost:

If the material costs are \$6.8 million, and that number is divided by the planned 10,000 projects, that would be correct.

Assemblywoman Benitez-Thompson:

I struggle with sending state education dollars to nonprofit organizations. I know that most nonprofit organizations perform worthwhile work, and I support nonprofit organizations. But I believe that before we funnel education dollars to nonprofit organizations, we need to ensure sufficient funds go directly in the education system, so we meet educational goals. This is similar to the discussions we have for categoricals. I do not see the difference between providing funds to a nonprofit organization and setting funds aside in a categorical. This represents a dollar that is taken from the education funding plan for a specific purpose. Philosophically, I do not understand why we would put this in that fund. At the subcommittee level, when I looked at the projects available in my area, northern Nevada, I noted one Title 1 school had a request for a vacuum. This is heartbreaking. Other schools in my area which are not Title 1 schools, and which had requested large amounts, were schools that do well with fundraising. This makes me question the equity of the process. We planned for equity in project amounts, but affluent and sophisticated schools know how to

use the system to funnel money as a tax deduction, while Title 1 schools are asking for basic necessary items, such as a vacuum.

Chair Carlton:

That was a statement, not a question. Are there any other questions from Committee members?

Assemblywoman Titus:

I have not heard of DonorsChoose, and I am not familiar with this concept. Is DonorsChoose a nonprofit agency that then directs funds into school programs?

Adam Drost:

Yes, DonorsChoose is a website where teachers can create classroom projects that need funding. Examples might include school garden supplies, adjustable seating, or anything needed for educational purposes. Individuals can then donate to support that project on the DonorsChoose website.

Assemblywoman Titus:

Does the school not have the capacity to conduct this effort, and that is why a third-party organization will handle project funding requests? I am worried that we are putting funds somewhere other than directly in the program. When a school applies for funding now, the school may need \$800 and the school ends up with \$600. I am concerned about the money that will be used for "off-the-top" costs.

Jhone Ebert:

These projects that are constructed by classroom educators vary because the projects are specific to each classroom teacher's need. In the existing school process, if funds are available at the school level, teachers would prepare a request to the school banker, the school banker creates a requisition, and then the order is placed. This new process eliminates the existing process in a school building, and the process is conducted at a higher level. The benefit that Nevada has had with DonorsChoose over the years is that over \$13 million worth of projects have been funded in Nevada, and thousands of teachers have participated. We hope to have closer to ten thousand teachers participate in the future. This alleviates all the components of putting a project together, including for example, finding cotton balls, boxes, or even butterflies for a science project. The teacher will not be the one attempting to find unusual project items, so the teacher can focus on designing the project. DonorsChoose will do the other work for the teacher and mail project supplies to the teacher.

Assemblywoman Titus:

I am disappointed that I was not aware of the DonorsChoose website.

Chair Carlton:

This is also the first time I have heard about the DonorsChoose program. I have more questions, but first I will ask Committee members for any other questions.

Assemblyman Frierson:

I was aware of DonorsChoose, but not because a school district or department told me about it. Do we know how many other states use DonorsChoose as a mechanism to fund school projects instead of relying on the state's own word of mouth or advertising for individuals to donate toward project costs?

Jhone Ebert:

We would be the first state to do this statewide. There are district superintendents that have funded projects through DonorsChoose, but Nevada would be the first state.

Assemblyman Roberts:

I am familiar with DonorsChoose, and I have used the platform to donate. As a donor using the platform, I get to look at the projects and choose the one that I want to fund. In this manner, we are taking a lot off the top, but there is no choice about where the money is going. If there are 10,000 grants for \$800 each, or \$680 after the fees are subtracted, who will choose which teacher gets awarded the funding? Is it the platform, is it first come, first served?

Jhone Ebert:

In this instance when there are a maximum of 10,000 potential projects, we would be working with school districts, teachers, and stakeholders to ensure there is an awareness of the availability of projects, and we will work with DonorsChoose on those parameters for approval. When the funds are fully expended, the program would end.

Assemblyman Roberts:

Your office will be expending manpower to facilitate the effort, in addition to the overhead costs given to DonorsChoose. Is that correct? Will you be involved in selecting which projects are funded and which are not funded?

Jhone Ebert:

We would not be involved directly in project selection, on a specific one to one, but we would set the parameters statewide for the type of projects that are fundable. These are federal funds, by the way, and in addition to our existing workload, we will ensure that there is an alignment with allowable expenditures under the federal American Rescue Plan Act.

Assemblyman Roberts:

It seems that we are expending a lot of effort and resources, but we are still losing over \$1 million of funds to use the DonorsChoose platform. With a little more effort, we would be able to get more money into classrooms instead of giving money to DonorsChoose. I do like DonorsChoose, and it would be acceptable if we were considering a matching ratio; if we could match donations made by individuals, we would leverage our funds to get more funds into classrooms. To me, this is a little troubling.

Assemblyman Frierson:

Currently, a donor can pick not only the school, but the teacher and the project. Do we lose that choice and the funds go into a pot at DonorsChoose, and the school or school district would decide which projects to fund?

Chair Carlton:

It is my understanding that the state will fund the projects, and the state will decide on which projects to fund.

Jhone Ebert:

We would be setting the rubric and the parameters for the allocation of funds. We would not be examining each of the 10,000 projects, but we will set the structure, auditing, and the approval of those funds.

Chair Carlton:

It is not an individual approval, but you will be setting the parameters for which the dollars will be used based on projects requested by teachers through the DonorsChoose portal. Are there any other questions from Committee members?

Senator Kieckhefer:

I think this is a good platform for an individual or business that wants to help a teacher or help a school. I worry about the scope, particularly for providing a gross amount of funding because administrative costs will add up. DonorsChoose will make purchases and pay sales tax on purchases that school districts would not have to pay because school districts are tax exempt. With the various fees and percentages, we will be at 20 percent overhead quickly. I think that is steep for what the mission should be, and there might be a better way to get resources into classrooms.

Senator Dondero Loop:

If you go to the DonorsChoose website, under the financial link, there is good information, including a breakdown of project costs. If, for example, a teacher wants 12 chairs because the existing chairs are wobbly, there is a breakdown of the money. I hear the Committee members angst with this, and I understand it. I also know that if I was a classroom teacher, and other second grade teachers were working together to get science supplies, this is a way I can get \$800 worth of science supplies for more than just one teacher. I understand the vacuum analogy, but sometimes teachers want different things for different reasons. Perhaps the vacuum was for an art teacher. I see the arguments on both sides of this discussion.

Chair Carlton:

I do not think the concerns arise from supporting teachers and projects that a teacher would like to do. I think concerns are based on the process and the fees and how protocols will work. Not that I know about DonorsChoose, I will probably be using it more in the future. Our concerns are about how we get there and ensuring dollars get to teachers and to projects. Are there any other questions from Committee members?

Senator Seevers Gansert:

When I was looking at the DonorsChoose website, I noticed that going through the process, there were matches. Google.org, Lakeshore Learning, and Sonic are different types of matches. I think when you are doing one-off projects it makes sense because while you must spend money for overhead, you are potentially receiving matching funds. The way we do this now, there is no possibility for matching funds. I also know that when we have classroom dollars available, and if our overhead was between 15 percent and 20 percent, it may be worth investing in having staff from the Department of Education who can organize this effort instead of going to an outside organization. When you have outside people deciding on what to fund on behalf of a teacher or a classroom, this process is very transparent and provides information that will help the teachers get the funding they need, when funding is not available through the districts. Since we have a situation here where we have funding, we may want to consider rolling the funds out in a sleeker, less expensive way using our own staff to administer the process.

Assemblywoman Tolles:

If the Nevada Department of Education is not the one to decide, on a case-by-case basis, which projects to fund, who will make that decision?

Chair Carlton:

I believe that the Nevada Department of Education will set up a rubric, and DonorsChoose determines how the monies are applied to different accounts by following the guidelines.

Assemblywoman Tolles:

It is not the organization DonorsChoose that makes the final decision, it is the donors giving money to DonorsChoose.

Jhone Ebert:

This amplifies the ability for everyone to donate to our classroom teachers. With that being said, in this instance, the state would be the one allocating these funds, so if you were to draw a comparison, the state would be the donor instead of an individual or philanthropist.

Assemblywoman Tolles:

Who determines whether a project is approved for funding or not?

Jhone Ebert:

The Nevada Department of Education will be setting up the rubric for approval of projects. We would not be approving each one of the ten thousand projects that would be funded under this proposal.

Senator Ratti:

To clarify for the record, this discussion only applies to projects funded under our contract with DonorsChoose. If I, or any other Nevadan, choose to go to the DonorsChoose website

and fund a project, nothing we are discussing today would affect those donations. Those donations are my own decision to donate to my school project of choice. Is that correct?

Chair Carlton:

That is correct. This discussion does not pertain to projects outside of this program. Our discussions pertain to the state's contribution to this program. It will not eliminate the option for citizens of Nevada to choose to use this portal to support teachers and students in the classroom.

Senator Ratti:

I think we have been unclear on that in a few of our questions, and I want to be clear that this does not change the decision-making power of any donor or the costs associated with those donations. The DonorsChoose website provides a page with a transparent breakdown of what a project costs and how your fees and taxes are handled for each individual project.

Assemblyman Hafen:

I use the DonorsChoose website frequently, and because this is Teacher Appreciation Week, yesterday I received an email that Sonic Drive-In was providing a 50 percent match in my area. Did we consider a match, similar to what other organizations do, and why are we headed in this direction?

Heidi Haartz:

The request that we put forward on behalf of the Nevada Department of Education is for \$8 million in federal funds that we recommend designating specifically for this purpose. We did not envision adding a match requirement to these projects. We hoped this would be a quick way to make classroom investments to specific teachers who have projects which need additional funding as quickly as possible. The goal is that these projects would be funded for our teachers prior to the start of a school year. We also hope that the citizens of Nevada, as well as people worldwide, would see the work done in Nevada and contribute to these projects or to other projects that lack sufficient funding.

Chair Carlton:

Are there other questions from Committee members?

Assemblywoman Miller:

Given the discussions about education funding needs and shortfalls, I wonder how this option came to be, and if we fund this option, what will we not fund? We have a responsibility to Nevadans, including students, parents, and educators, as well as everything else that relies on education. Is this something all members of the public support? Will funding these projects get us to our education goal, or are we wiser to invest in other needed direct instructional and socialization opportunities? That \$8 million is a large amount of money.

Jhone Ebert:

As noted, this is the opportunity where teachers have the power to determine projects and direct funding as they are instructing and are closest to the classroom. There are many projects that have been considered and are still in consideration. As we look at these funds that have been made available, we need to remember that these are one-time funds that will not be available in the future. This body has approved additional funding for our social workers, and social and emotional learning. When I compare those funds that have been approved to these funds, you have the direction of the state and the body for those positions which we know are greatly needed, and then DonorsChoose where teachers have asked for social and emotional supports, books, and projects. This is bridging those components as you have outlined, as well as remembering that these are one-shot funds. We do not want to end up on a fiscal cliff at the end of this work.

Chair Carlton:

I am hearing concerns from Committee members as well as questions on the direction we should take. The Subcommittees accepted this budget amendment, knowing there were concerns and wanting to bring the discussion to the full Committees. I would like to hear from Ms. Coffman about an option that is available to us.

Sarah Coffman, Assembly Fiscal Analyst:

With these three budget amendments, there is a total of \$1.3 billion in COVID-19 funds that are being provided to Nevada. There was \$56.8 million established in a reserve. I would also note that the Subcommittees decided to add \$2 million to that reserve in each year of the 2021-2023 biennium. The \$2 million in each year was identified as incentives for high school students and \$150,000 was identified for the Youth Career Path Platform. An option the Committees could consider is to add that \$8 million to the reserve that was established, and then have the Nevada Department of Education come to the Interim Finance Committee (IFC) with alternative solutions on how to use the remaining reserves that were established with COVID-19 funding.

Chair Carlton:

By putting these dollars in the reserve, it is my understanding that we are not committing the funds to any particular alternative, but are leaving our options open so we can look at discussion items we have had today as well as any other future items that may arise. The Committees will have the flexibility to address any ideas for the use of these federal dollars, although we do want to use the funds for a one-shot idea. We do not want to roll these funds into a base budget.

Are there any other questions or comments from Committee members? [There were none.] I want to be sure all Committee members understand what we are doing, and there seems to be a lot of heads nodding yes. I will accept a motion.

SENATOR BROOKS MOVED TO APPROVE THE PLACEMENT OF \$8 MILLION FROM BUDGET AMENDMENT A215862710 INTO RESERVES FOR FURTHER DISCUSSION OF THE INTERIM FINANCE COMMITTEE ABOUT HOW THOSE FUNDS WILL BE HANDLED.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

Are there any questions or comments on the motion from Committee members? [There were none.] I will call for a vote.

THE MOTION CARRIED. (SENATOR HAMMOND WAS ABSENT FOR THE VOTE.)

If there are no questions from Committee members, we will proceed with the items on page 12 [[Exhibit D](#)] before I accept a final motion to accept the report in total, with changes.

Senator Brooks:

Returning to the entirety of the COVID-19 funding, we have \$1.3 billion of federal funding for our K-12 grades in Nevada to address problems resulting from the COVID-19 pandemic. In addition to that funding, there is other funding that has been or will be approved for K-12 grades. I would like to see the source of funds that total to \$1.3 billion.

Adam Drost:

That funding includes \$714.7 million from the American Rescue Plan Act funding, as well \$30.6 million from the Governor's Emergency Education Relief Funding, and \$69 million and \$455.9 million from Elementary and Secondary Schools Emergency Relief (ESSER) funding provided by the federal Coronavirus Aid, Recover, and Economic Security Act and the Coronavirus Response and Relief Supplemental Appropriations Act..

Senator Brooks:

That \$1.3 billion is a significant amount of money, in addition to other funding that will go to K-12 in Nevada.

Chair Carlton:

With that clarification, we can go to final statements for the remaining budgets.

EDUCATION

DEPARTMENT OF EDUCATION

NDE - DISTRICT SUPPORT SERVICES (101-2719)

BUDGET PAGE K-12 EDUCATION-69

EDUCATION
DEPARTMENT OF EDUCATION
NDE - DEPARTMENT SUPPORT SERVICES (101-2720)
BUDGET PAGE K-12 EDUCATION-73

EDUCATION
DEPARTMENT OF EDUCATION
NDE - STANDARDS AND INSTRUCTIONAL SUPPORT (101-2675)
BUDGET PAGE K-12 EDUCATION-78

EDUCATION
DEPARTMENT OF EDUCATION
NDE - GEAR UP (101-2678)
BUDGET PAGE K-12 EDUCATION-104

EDUCATION
DEPARTMENT OF EDUCATION
NDE - PARENTAL INVOLVEMENT AND FAMILY ENGAGEMENT (101-2706)
BUDGET PAGE K-12 EDUCATION-108

EDUCATION
DEPARTMENT OF EDUCATION
NDE - SAFE AND RESPECTFUL LEARNING (101-2721)
BUDGET PAGE K-12 EDUCATION-118

EDUCATION
DEPARTMENT OF EDUCATION
NDE - CAREER AND TECHNICAL EDUCATION (101-2676)
BUDGET PAGE K-12 EDUCATION-140

EDUCATION
DEPARTMENT OF EDUCATION
NDE - CONTINUING EDUCATION (101-2680)
BUDGET PAGE K-12 EDUCATION-145

EDUCATION
DEPARTMENT OF EDUCATION
NDE - INDIVIDUALS WITH DISABILITIES EDUCATION ACT (101-2715)
BUDGET PAGE K-12 EDUCATION-149

EDUCATION
DEPARTMENT OF EDUCATION
NDE - ACCOUNT FOR ALTERNATIVE SCHOOLS (101-2672)
BUDGET PAGE K-12 EDUCATION-156

Jaimarie Mangoba: Program Analyst:

On page 12 [[Exhibit D](#)], the Subcommittees recommended closing the following department budgets as recommended by the Governor, or as recommended by the Governor with minor or technical adjustments:

- District Support Services (101-2719) K-12 EDUCATION-69.
- Department Support Services (101-2720) K-12 EDUCATION-73.
- Standards and Instructional Support (101-2675) K-12 EDUCATION-78.
- GEAR UP (101-2678) K-12 EDUCATION-104.
- Parental Involvement and Family Engagement (101-2706) K-12 EDUCATION-108.
- Safe and Respectful Learning (101-2721) K-12 EDUCATION-118.
- Career and Technical Education (101-2676) K-12 EDUCATION-140.
- Continuing Education (101-2680) K-12 EDUCATION-145.
- Individuals with Disabilities Education Act (101-2715) K-12 EDUCATION-149.
- Account for Alternative Schools (101-2672) K-12 EDUCATION-156.

That concludes the Subcommittees' closing report for the Nevada Department of Education.

Chair Carlton:

I would accept a motion to accept the report with noted changes.

SENATOR BROOKS MOVED TO ACCEPT THE JOINT SUBCOMMITTEES' ON K-12/HIGHER EDUCATION/CIP CLOSING REPORT ON THE NEVADA DEPARTMENT OF EDUCATION WITH NOTED ADJUSTMENTS AND DECISIONS.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

Are there any questions or comments on the motion? [There were none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND ROBERTS WERE ABSENT FOR THE VOTE.)

We will now move on to the Subcommittee report for the Department of Business and Industry.

Madison Ryan, Program Analyst:

I will be reviewing the "Joint Subcommittee on General Government, Closing Report, Department of Business and Industry," [[Exhibit E](#)]. The Joint Subcommittee on General Government has completed its review of the budgets for the Department of Business and Industry for the 2021-2023 biennium. When compared to the Governor's recommended

budget, the Subcommittees' closing recommendations resulted in no change in State General Fund appropriations for the 2021-2023 biennium budget; however, the Subcommittees' closing recommendations resulted in a decrease in State Highway Fund appropriations of \$2,804 in fiscal year (FY) 2022 and \$12,278 in FY 2023. The following comments describe the more significant recommendations of the Subcommittees.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - BUSINESS AND INDUSTRY ADMINISTRATION (101-4681)
BUDGET PAGE B & I-15

Madison Ryan, Program Analyst:

The first budget is the Business and Industry Administration Budget. As recommended by the Governor, the Subcommittees recommended approval of State General Fund appropriations totaling \$685,432 in FY 2022 and \$701,038 in FY 2023 for the support of 6.60 full-time equivalent positions and associated costs to continue the Consumer Affairs Unit, contingent upon passage and approval of Bill Draft Request (BDR) 18-1094 (later introduced as Senate Bill 447), or other enabling legislation extending or removing the prospective sunset date for the unit.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - DIVISION OF INDUSTRIAL RELATIONS (210-4680)
BUDGET PAGE B & I-65

Madison Ryan, Program Analyst:

The next budget is the Division of Industrial Relations. The Subcommittees recommended approval of the Governor's recommendation for an allocation from the Workers' Compensation and Safety Fund of \$114,115 in each year of the 2021-2023 biennium to offset the elimination of fee revenue related to the oversight of employee leasing companies, which is recommended to transfer to a different agency within the Department of Business and Industry contingent upon the passage and approval of Senate Bill 55, or other enabling legislation.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - HOUSING DIVISION (503-3841)
BUDGET PAGE B & I-91

Madison Ryan, Program Analyst:

The next budget is the Housing Division. The Subcommittees recommended approval of the transfer of the federal HOME Investment Partnerships program from this budget to the Account for Low-Income Housing budget, including total funding of \$3.9 million in FY 2022 and \$4.7 million in FY 2023 and two grants and project analyst positions.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - HOUSING INSPECTION & COMPLIANCE (101-3845)
BUDGET PAGE B & I -113

Madison Ryan, Program Analyst:

The next budget is Housing Inspection & Compliance. The Subcommittees recommended approval of the transfer of one chief housing assistant position, three administrative assistant positions and one information technology professional position with associated personnel and operating costs totaling \$401,802 in FY 2022 and \$409,801 in FY 2023 from this budget to the Housing Division budget, as recommended by the Governor. In addition, the Subcommittees recommended approval of the transfer of one unclassified Affordable Housing Advocate position with personnel and operating costs of \$103,823 in FY 2022 and \$104,135 in FY 2023 from this budget to the Housing Division budget, as recommended by the Governor.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - REAL ESTATE EDUCATION AND RESEARCH (216-3826)
BUDGET PAGE B & I-139

Madison Ryan, Program Analyst:

The next budget is Real Estate Education and Research. The Subcommittees did not recommend approval of the Governor's recommendation to eliminate two administrative assistant positions for cost savings and corresponding increases in reserves of \$113,027 in FY 2022 and \$117,669 in FY 2023, but rather recommended the restoration of one administrative assistant 2 position to address increased workload and the elimination of one administrative assistant 1 position resulting in cost savings and corresponding increases in reserves totaling \$54,643 in FY 2022 and \$56,891 in FY 2023. In addition, the Subcommittees recommended approval of a new integrated software system to streamline education-related business functions, funded with reserve reductions of \$24,999 in each year of the 2021-2023 biennium, as recommended by the Governor.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - TAXICAB AUTHORITY (245-4130)
BUDGET PAGE B & I-157

Madison Ryan, Program Analyst:

The next budget is Taxicab Authority. The Subcommittees recommended approval of the Governor's recommendation to eliminate two vacant positions, one public safety dispatcher 3 position and one taxicab vehicle inspector 1 position, that are no longer justified given current industry output, resulting in cost savings and corresponding increases in reserves of \$151,140 in FY 2022 and \$157,905 in FY 2023. Additionally, the Subcommittees

recommended approval of the Governor's recommendation to transfer one vacant information technology professional position and associated costs to the Business and Industry's Director's Office budget resulting in cost savings and corresponding increases in technology reserves of \$90,428 in FY 2022 and \$94,766 in FY 2023 for the Taxicab Authority. Finally, the Subcommittees also recommended issuing a letter of intent, similar to the letter that was issued by the 2019 Legislature that instructs the agency to submit to the Interim Finance Committee (IFC) a credible, long-term solvency plan to align this budget's revenues and expenditures, using existing revenue sources by the June 2022 meeting of the IFC.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - LABOR COMMISSIONER (101-3900)
BUDGET PAGE B & I-181

Madison Ryan, Program Analyst:

The next budget is Labor Commissioner. The Subcommittees recommended approval of State General Fund appropriations of \$3,973 in FY 2022 and \$22,141 in FY 2023 to fund the reclassification of an administrative assistant 2 position to a compliance audit investigator 2 position to address increased workload within the Office of the Labor Commissioner, with the intent that State General Fund appropriations should revert back to the State General Fund if the Division of Human Resource Management does not recommend the reclassification. In addition, the Subcommittees recommended approval of State General Fund appropriations of \$18,350 in FY 2022 and \$6,950 in FY 2023, as recommended by the Governor, to fund the implementation of a Labor Certified Payroll Tracker Compliance and Workforce Manager software system to reduce manual processes and increase efficiency.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - DIVISION OF FINANCIAL INSTITUTIONS (101-3835)
BUDGET PAGE B & I-200

Madison Ryan, Program Analyst:

The next budget is Division of Financial Institutions. The Subcommittees recommended approval of the addition of three new full-time financial institutions examiner positions and associated operating costs to increase staffing levels to examine the steadily growing number of depository and fiduciary institutions under the Financial Institutions Division purview, resulting in reserve reductions of \$232,100 in FY 2022 and \$295,007 in FY 2023. The Subcommittees also recommended approving an accelerated start date of the three new positions from October 1 to July 1, resulting in an additional cost of \$69,368 in FY 2022 funded by reserve reductions. Additionally, the Subcommittees recommended approval of the migration from the current legacy licensing system to the Nationwide Multi-State Licensing System, which would provide up-to-date functionality as well as a streamlined process for

licensees and applicants, funded with reserve reductions of \$41,500 in FY 2022, contingent on the passage of Bill Draft Request 55-1095 or other enabling legislation.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - DIVISION OF MORTGAGE LENDING (101-3910)
BUDGET PAGE B & I-218

Madison Ryan, Program Analyst:

The next budget is Division of Mortgage Lending. The Subcommittees expressed continued concern over the Division's projected reserve level, which is equivalent to approximately 4.2 years' worth of recommended expenditures in FY 2023. As such, the Subcommittees recommended the issuance of a letter of intent instructing the Division of Mortgage Lending to provide the IFC with a report prior to the commencement of the 2023 Legislative Session on how the agency intends to reduce its reserve to a reasonable level.

The Subcommittees recommended approval of all Other Closing Items within the Department of Business and Industry's budgets, as recommended by the Governor with technical adjustments noted by Fiscal Analysis Division staff, and authorized Fiscal staff to make technical adjustments as necessary.

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - OFFICE OF BUSINESS AND PLANNING (101-4677)
BUDGET PAGE B & I-9

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NEW MARKETS PERFORMANCE GUARANTEE (101-4678)
BUDGET PAGE B & I-13

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - PRIVATE ACTIVITY BONDS (101-4683)
BUDGET PAGE B & I-23

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE REGULATION (504-3813)
BUDGET PAGE B & I-37

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - CAPTIVE INSURERS (504-3818)
BUDGET PAGE B & I-43**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE RECOVERY (504-3821)
BUDGET PAGE B & I-47**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - SELF INSURED - WORKERS COMPENSATION (210-4684)
BUDGET PAGE B & I-49**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - OCCUPATIONAL SAFETY & HEALTH ENFORCEMENT (210-4682)
BUDGET PAGE B & I-70**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - SAFETY CONSULTATION AND TRAINING (210-4685)
BUDGET PAGE B & I-76**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - MINE SAFETY & TRAINING (210-4686)
BUDGET PAGE B & I-81**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - ACCOUNT FOR LOW-INCOME HOUSING (101-3838)
BUDGET PAGE B & I-99**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - SPECIAL HOUSING ASSISTANCE (101-3839)
BUDGET PAGE B & I-106**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - WEATHERIZATION (101-4865)
BUDGET PAGE B & I-108**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - EMPLOYEE MANAGEMENT RELATIONS BOARD (101-1374)
BUDGET PAGE B & I-123**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - REAL ESTATE ADMINISTRATION (101-3823)
BUDGET PAGE B & I-133**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - REAL ESTATE RECOVERY ACCOUNT (216-3827)
BUDGET PAGE B & I-144**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - COMMON INTEREST COMMUNITIES (101-3820)
BUDGET PAGE B & I-146**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NEVADA TRANSPORTATION AUTHORITY (101-3922)
BUDGET PAGE B & I-169**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - TRANSPORTATION AUTHORITY ADMIN FINES (101-3923)
BUDGET PAGE B & I-175**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NV ATTORNEY FOR INJURED WORKERS (101-1013)
BUDGET PAGE B & I-190**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - FINANCIAL INSTITUTIONS INVESTIGATIONS (101-3805)
BUDGET PAGE B & I-207**

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - FINANCIAL INSTITUTIONS AUDIT (101-3882)
BUDGET PAGE B & I-210**

Madison Ryan, Program Analyst:

The Subcommittee recommended closing the following Department of Business and Industry budgets as recommended by the Governor, with or without minor technical adjustments:

- Office of Business Planning (101-4677) B&I-9.
- New Markets Performance Guarantee (101-4678) B&I-13.
- Private Activity Bonds (101-4683) B&I-23.
- Insurance Regulation (504-3813) B&I-37.
- Captive Insurers (504-3818) B&I-43.
- Insurance Recovery (504-3821) B&I-47.
- Self-Insured – Workers Compensation (210-4684) B&I-49.
- Occupational Safety & Health Enforcement (210-4682) B&I-70.
- Safety Consultation and Training (210-4685) B&I-76.
- Mine Safety & Training (210-4686) B&I-81.
- Account for Low-Income Housing (101-3838) B&I-99.
- Special Housing Assistance (101-3839) B&I-106.
- Weatherization (101-4865) B&I-108.
- Employee Management Relations Board (101-1374) B&I-123.
- Real Estate Administration (101-3823) B&I-133.
- Real Estate Recovery Account (216-3827) B&I-144.
- Common Interest Communities (101-3820) B&I-146.
- Nevada Transportation Authority (101-3922) B&I-169.
- Transportation Authority Admin Fines (101-3923) B&I-175.
- Nevada Attorney for Injured Workers (101-1013) B&I-190.
- Financial Institutions Investigations (101-3805) B&I-207.
- Financial Institutions Audit (101-3882) B&I-210.

This completes the report for Department of Business and Industry.

Chair Carlton:

Are there any questions from Committee members? [There were none.] I will accept a motion.

SENATOR BROOKS MOVED TO APPROVE THE JOINT
SUBCOMMITTEE ON GENERAL GOVERNMENT'S CLOSING REPORT
ON THE DEPARTMENT OF BUSINESS AND INDUSTRY.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Are there any questions or comments on the motion? [There were none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN TITUS AND SENATOR CANNIZZARO WERE ABSENT FOR THE VOTE.)

Next, we will hear the closing report for the Department of Tourism and Cultural Affairs.

Nancy Morris, Program Analyst:

I will be presenting the "Joint Subcommittee on General Government, Closing Report, Department of Tourism and Cultural Affairs," [[Exhibit F](#)]. The Joint Subcommittee on General Government has completed its review of the budgets for the Department of Tourism and Cultural Affairs. The closing recommendations of the Subcommittee have resulted in an increase in State General Fund appropriations of \$40,923 in fiscal year (FY) 2022 and \$40,991 in FY 2023 when compared to the Governor's recommended budget. The following comments describe the recommendations of the Joint Subcommittee.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - TOURISM DEVELOPMENT FUND (225-1522)
BUDGET PAGE TOURISM-16**

Nancy Morris, Program Analyst:

For the Tourism Development Fund, the Subcommittees recommended approving the agency's updated room tax revenue projections of \$38.8 million over the 2021-2023 biennium, which is a decrease of \$1.6 million when compared to revenues of \$40.4 million recommended by the Governor. Due to a decrease in room tax revenues, the Subcommittees recommended approval of reducing transfers of room tax revenue to other budgets in the Department of Tourism and Cultural Affairs and the State Parks budget by \$696,122 in fiscal year (FY) 2022, and expenditure reductions of \$2.7 million in FY 2022 and \$99,117 in FY 2023 in this budget, as recommended by the Governor. Finally, the Subcommittees recommended transferring an existing lease for the Division of Tourism's Las Vegas office to the Nevada Arts Council for an expenditure reduction of \$169,854 over the 2021-2023 biennium.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - TOURISM DEVELOPMENT (225-1523)
BUDGET PAGE TOURISM-24**

Nancy Morris, Program Analyst:

The next budget is Tourism Development. The Subcommittees recommended approval of a \$50,000 reduction in room tax revenue transfers from the Tourism Development Fund in fiscal year (FY) 2022, as recommended by the Governor. The Subcommittees did not recommend approval of reducing Tourism Development Grants by \$50,000 as recommended by the Governor, and instead recommended utilizing \$50,000 in reserves to restore available grant funding to \$97,652 in FY 2022.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - NEVADA MAGAZINE (530-1530)
BUDGET PAGE TOURISM-26**

Nancy Morris, Program Analyst:

The next budget is Nevada Magazine. The Subcommittees recommended issuing a letter of intent directing the agency to report its efforts and progress toward financial stability for the Nevada Magazine budget on a semiannual basis to the Interim Finance Committee (IFC) throughout the 2021-2023 biennium.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - NEVADA HUMANITIES (101-2894)
BUDGET PAGE TOURISM-31**

Nancy Morris, Program Analyst:

Next, for Nevada Humanities, the Subcommittees recommended approval of the Governor's recommendation to reduce payments in support of Nevada Humanities by \$25,000 per year, for State General Fund savings totaling \$50,000 over the biennium.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HISTORY (101-2941)
BUDGET PAGE TOURISM-43**

Nancy Morris, Program Analyst:

Next is Museums & History. The Subcommittees recommended approval of Budget Amendment A214762941 to restore State General Fund appropriations of \$81,914, room tax transfers of \$100,117, and \$182,031 in the Commemorative License Plate expenditure category over the 2021-2023 biennium.

The Subcommittees recommended approval of all Other Closing Items within the Department of Tourism and Cultural Affairs budgets, as recommended by the Governor with technical adjustments noted by Fiscal Analysis Division staff, and authorized Fiscal staff to make technical adjustments as necessary.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - STEWART INDIAN SCHOOL LIVING LEGACY (101-2601)
BUDGET PAGE TOURISM-11**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - INDIAN COMMISSION (101-2600)
BUDGET PAGE TOURISM-33**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST - LOST CITY MUSEUM (101-1350)
BUDGET PAGE TOURISM-47**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST-NEVADA HISTORICAL SOCIETY (101-2870)
BUDGET PAGE TOURISM-52**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, CC (101-2940)
BUDGET PAGE TOURISM-56**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, LV (101-2943)
BUDGET PAGE TOURISM-60**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST-NV STATE RAILROAD MUSEUMS (101-4216)
BUDGET PAGE TOURISM-64**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - NEVADA ARTS COUNCIL (101-2979)
BUDGET PAGE TOURISM-72**

The Subcommittees recommended closing the following Department of Tourism and Cultural Affairs budgets as recommended in The Executive Budget, with or without minor or technical adjustments:

- Stewart Indian School Living Legacy (101-2601) TOURISM-11.
- Indian Commission (101-2600) TOURISM-33.
- Lost City Museum (101-1350) TOURISM-47.
- Nevada Historical Society (101-2870) TOURISM-52.
- Nevada State Museum, CC (101-2940) TOURISM-56.

- Nevada State Museum, LV (101-2943) TOURISM-60.
- Nevada State Railroad Museums (101-4216) TOURISM-64.
- Nevada Arts Council (101-2979) TOURISM-72.

This concludes the report on the Department of Tourism and Cultural Affairs budgets.

Chair Carlton:

Committee members are passionate about these issues. This is part of our culture, and I know conversations about cuts were tough, similar to the Health and Human Services Subcommittees. Are there any questions or comments from Committee members?

Senator Kieckhefer:

I recognize this is room tax money that has been moved around; I know that room tax money has been reprojected, and I would not want to vote against the recommendation of the Subcommittees based on the knowledge Subcommittee members had at the time, but there may be opportunities for restorations in the future. These are important programs for the culture of Nevada, especially for the rural areas of Nevada. It would be on my list to restore some of these cuts before session ends if we have an opportunity to do so.

Chair Carlton:

I think there would be an agreement from all Committee members on that, but decisions had to be made at a certain point in time. Time has changed, and we can look forward to those discussions in the future. Are there any other questions from Committee members?

Senator Brooks:

I echo Senator Kieckhefer's comments, and I look forward to looking at room tax revenue projections for further discussion before session ends.

Chair Carlton:

Are there any other questions from Committee members? [There were none.] I will accept a motion.

SENATOR BROOKS MOVED TO APPROVE THE SUBCOMMITTEE ON
GENERAL GOVERNMENT'S CLOSING REPORT ON BUDGETS OF
THE DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Are there any questions or comments from Committee members on the motion? [There were none.] I will call for a vote.

THE MOTION CARRIED. (SENATOR CANNIZZARO WAS ABSENT
FOR THE VOTE.)

Our last item this morning is the Department of Veteran Services.

Stephanie Day, Senior Program Analyst:

I will be presenting the "Joint Subcommittee on Public Safety, Natural Resources and Transportation, Closing Report, Department of Veterans Services," [\[Exhibit G\]](#). The Joint Subcommittee on Public Safety, Natural Resources and Transportation has completed its review of the Department of Veterans Services budgets for the 2021-2023 biennium. Fiscal Analysis Division staff will describe the more significant recommendations of the Joint Subcommittee.

SPECIAL PURPOSE AGENCIES

VETERANS SERVICES

NDVS - SOUTHERN NEVADA VETERANS HOME ACCOUNT (101-2561)

BUDGET PAGE VETERANS-13

Stephanie Day, Senior Program Analyst:

The first budget is the Southern Nevada Veterans Home Account. The Subcommittees did not recommend approval of reductions to reserve of \$1.5 million in fiscal year (FY) 2022 to add a chiller replacement project at the Southern Nevada Veterans Home as recommended by the Governor since the replacement of the chiller system was approved by the Interim Finance Committee (IFC) on January 27, 2021, to expedite the project.

SPECIAL PURPOSE AGENCIES

VETERANS SERVICES

NDVS - OFFICE OF VETERANS SERVICES (101-2560)

BUDGET PAGE VETERANS-7

SPECIAL PURPOSE AGENCIES

VETERANS SERVICES

NDVS - NORTHERN NEVADA VETERANS HOME ACCOUNT (101-2569)

BUDGET PAGE VETERANS-19

Stephanie Day, Senior Program Analyst:

The Subcommittees recommend closing the following Department of Veterans Services budgets as included in The Executive Budget, with technical or no adjustments:

- Office of Veterans Services (101-2560) VETERANS-7.
- Northern Nevada Veterans Home Account (101-2569) VETERANS-19.

That completes the Subcommittees' report for the Department of Veterans Services.

Chair Carlton:

Are there any questions from Committee members? [There were none.] I will accept a motion.

SENATOR BROOKS MOVED TO APPROVE THE SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION'S CLOSING REPORT ON THE DEPARTMENT OF VETERAN SERVICES.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Are there any questions or comments from Committee members on the motion? [There were none.] I would like to thank Kat Miller, Director, Nevada Department of Veterans' Services for her hard work and the work of her staff. We cannot imagine what the last year and a half has been like, trying to keep everyone safe and well, and we appreciate the long days and sleepless nights that all staff had to put in. Also, having your staff reach out to Legislators on a regular basis for updates on the conditions at two veterans' homes was appreciated. I will call for a vote.

THE MOTION CARRIED. (SENATOR CANNIZZARO WAS ABSENT FOR THE VOTE.)

That concludes our scheduled subcommittee budget closings for the morning. I will open the meeting for public comment.

Chris Daly, representing the Nevada State Education Association:

Yesterday's meeting of the Economic Forum brought significant good news for Nevada's budget, a total of \$900 million more and better than projected state revenue for fiscal year (FY) 2021 and the 2021-2023 biennium. The Nevada State Education Association (NSEA) hopes you will be able to backfill proposed cuts to K-12 education and other important state services including \$156 million to class size reduction and \$32 million in early literacy supports related to the Read by Grade 3 program. While the Economic Forum confirmed an improving economic picture, economic recovery alone will not fix the problem with chronic underfunding of public education, and the influx of federal funds, while significant, are only one-time.

We mentioned yesterday in the K-12 budget subcommittee hearing that in lieu of new funding, Senate Bill 543 of the 80th Session created the Commission on School Funding charged with recommending funding targets and identifying revenues to fully fund the associated costs. The Commission recently published preliminary recommendations, and we hope that decision makers become familiar with this document. The Commission proposed reaching adequate funding by increasing education investment by \$2 billion over the next ten years, or approximately \$400 million in enhancements to education funding in each biennium, starting with this session. In their revenue plan, the funding commission focused on property tax and expanding the base of sales tax. As a key education stakeholder, NSEA has participated in every meeting of the Commission on School Funding, both in-person and by submitting comments remotely.

We have heightened attention on the chronic underfunding of public education including organizing four rallies in the last two years in Carson City. The NSEA has supported every serious revenue proposal that was discussed at Legislature for as long as we can remember, leading on several major revenue campaigns like Initiative Petition (I.P.) 1. On the other hand, S.B. 543 of the 80th Session was developed behind closed doors and was not introduced until the 99th day of the 80th Session. The bill had a single public hearing and passed moments before Sine Die. This bill created the Commission on School Funding, which includes no active educator voice but the process put in motion with passage of S.B. 543 of the 80th Session recommends funding targets and a revenue plan to meet these targets over the course of ten years. It is now up to you. Economic growth is not enough. Without efforts to pass new revenue to meet funding targets would indicate forces behind S.B. 543 of the 80th Session never intended to deliver a funding plan to benefit all Nevada students. While wrestling with this ongoing issue of education underfunding, NSEA continues to call on you to fix our other policy concerns with S.B. 543 of the 80th Session in three simple steps. First, grandfather existing Zoom and Victory schools, second, ensure hold harmless provisions actually do no harm to school districts, and third, eliminate the anti-union ending fund balance language in the bill. Thank you.

Chair Carlton:

Is there anyone else wishing to make public comment this morning? [There was no one.]
We are adjourned [at 10:28 a.m.]

RESPECTFULLY SUBMITTED:

Carmen M. Neveau
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Chris Brooks, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a closing document titled "Closing List #10" dated May 5, 2021, prepared by Fiscal Analysis Division staff and presented by Alex Haartz, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit D](#) is a closing document titled "Joint Subcommittee on K-12/Higher Education/CIP, Closing Report, Department of Education," prepared by Fiscal Analysis Division Staff and presented by Jaimarie Mangoba, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit E](#) is a closing document titled "Joint Subcommittee on General Government, Closing Report, Department of Business and Industry," prepared by Fiscal Analysis Division Staff and presented by Madison Ryan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit F](#) is a closing document titled "Joint Subcommittee on General Government, Closing Report, Department of Tourism and Cultural Affairs," prepared by Fiscal Analysis Division Staff and presented by Nancy Morris, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit G](#) is a closing document titled "Joint Subcommittee on Public Safety, Natural Resources and Transportation, Closing Report, Department of Veterans Services," prepared by Fiscal Analysis Division Staff and presented by Stephanie Day, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.