

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

**Eighty-First Session  
May 18, 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 7:25 p.m. on Tuesday, May 18, 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](http://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 Pete Goicoechea  
Senator Scott Hammond  
Senator Ben Kieckhefer  
Senator Julia Ratti  
Senator Heidi Seevers Gansert



**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  
Julie Waller, Senior Program Analyst  
Jaimarie Mangoba, Program Analyst  
Mary O'Hair, Committee Manager  
Anne Bowen, Committee Secretary  
Bet Torres, Committee Assistant

**OTHERS PRESENT:**

Jhone Ebert, Superintendent of Public Instruction, Department of Education  
Hawah Ahmad, representing Clark County Education Association, Las Vegas,  
Nevada  
Brian Rippet, President, Nevada State Education Association  
Andrea K. DeMichieli, School Counselor, Procter R. Hug High School, Washoe  
County School District, Reno, Nevada, and Secretary/Treasurer of the Nevada  
State Education Association  
Selena La Rue Hatch, Private Citizen, Reno, Nevada  
Christopher Daly, representing Nevada State Education Association  
Sarah Adler, representing Charter School Association of Nevada  
Terri Shuman, Private Citizen, Clark County, Nevada

**Chair Carlton:**

Good evening, everyone. Here we are. Welcome to Assembly Ways and Means and Senate Finance at dusk. [Roll was taken and Committee rules and protocol were reviewed.]

This evening we have one item on our agenda, which is the joint Subcommittee closing report on K-12/Higher Education/CIP. Just so that everyone is on the same page, we will be going through the document this evening, and this is not the last conversation about education that we are going to have. Senator Brooks and I plan on scheduling another joint meeting tomorrow morning at 8 a.m. to have further conversation, but we need to have this conversation this evening, which allows us to get the data points together to have a future

conversation tomorrow morning. With that, Assembly Ways and Means and Senate Finance will come together then. This is the time of session where we just have to roll with the punches.

With that, I will ask Fiscal Analysis Division staff to go ahead and share the document. It is a large document, but it is the first 20 pages that we will be discussing. All of the pages in the back of the document are backup information. I am asking Fiscal staff to share the document. We will take a brief moment, not a recess, just a pause, for those who are working remotely to print the document. But as I said, it is the first 20 pages you need, so do not worry about that 185 pages coming at you.

Let me check with staff from the Department of Education who are working remotely. Have you been able to access the closing report? We want to make sure that you have everything you need.

**Jhone Ebert, Superintendent of Public Instruction, Department of Education:**

Thank you, Madam Chair, for checking. We do not have access to the document quite yet.

**Chair Carlton:**

If there is a problem, let us know. We will give another moment for it to show up.

**Jhone Ebert:**

Thank you, Madam Chair, we have the first 20 pages.

**Chair Carlton:**

I think that will get you where you need to go. With that, Committee members, I believe we can begin.

**Jaimarie Mangoba, Program Analyst:**

With me tonight is Julie Waller and we will be presenting the Joint Subcommittee on K-12/Higher Education/CIP Closing Report for K-12 Education [[Exhibit C](#)].

The Joint Subcommittee on K-12/Higher Education/CIP has completed its review of certain budgets for K-12 education, which include the State Education Funding Account, New Nevada Education Funding Plan, Instruction in Financial Literacy, Distributive School Account, Other State Education Programs, Professional Development Programs, School Remediation Trust Fund, School Safety, State Supplemental School Support Account, Teach Nevada Scholarship Program, Incentives for Licensed Education Personnel, Contingency Account for Special Education Services, and Bullying Prevention Account. The Subcommittees' recommendations result in a decrease of General Fund appropriations totaling \$781,637 in each year of the 2021-2023 biennium. The following highlights the more significant closing recommendations of the Subcommittees.

For the State Education Funding Account (budget 101-2609 budget page K-12 EDUCATION-13), the Subcommittee recommended approval of the full implementation of the Pupil-Centered Funding Plan in the 2021-2023 biennium, which would provide state as well as certain local revenue earmarked for K-12 education through the plan. The Subcommittees also approved the updated projections for the non-General Fund revenue sources for the State Education Fund, reflecting all revenue revisions directly in the fund, revising *Nevada Revised Statutes* (NRS) 387.1212 to only allow interest to be earned on non-General Fund revenue in the fund, and legislation that would require boat registration revenue to be deposited in the fund beginning in fiscal year (FY) 2022.

*Nevada Revised Statutes* 387.121 indicates the legislative intent that no school district receives less money under the Pupil-Centered Funding Plan than the school district received in FY 2020. The Subcommittees recommended to expand the hold harmless provision to include charter schools and university schools for profoundly gifted pupils, but not applying inflationary increases to the hold harmless amounts. The Subcommittees also recommended applying the hold harmless amount on a per-pupil basis based on the amount of FY 2020 revenue received/awarded to each school district and charter school, which would account for changes in enrollment over the 2021-2023 biennium.

The Subcommittees also directed Fiscal staff to calculate the additional General Fund appropriations needed in FY 2022 to bring the funding level up to the FY 2020 funding level for the Pupil-Centered Funding Plan based on the final recommendations of the Subcommittees. Fiscal staff estimates the total FY 2020 funding level would be \$67.2 million greater than the total projected revenue in FY 2022 needed to balance the Pupil-Centered Funding Plan. However, Fiscal staff estimates no additional General Fund appropriations would be necessary to meet the FY 2020 funding level amount in FY 2023 based on the projected revenue. These amounts include the Governor's recommendation to transfer the Instruction in Financial Literacy program funding to the State Education Funding Account, which is discussed later in this closing document.

Do the money committees wish to appropriate General Funds of \$67.2 million in FY 2022 to bring the funding level up to the FY 2020 funding level for the Pupil-Centered Funding Plan?

**Chair Carlton:**

Thank you, Ms. Mangoba. There are a number of decision points here so we are going to stop at each one and make sure that those members that were not on the Education Subcommittees have an opportunity to make sure that they understand the conversation points the Subcommittees went through numerous times.

With that, I will open it up to any questions or comments from any Committee members at this time.

**Assemblywoman Miller:**

My question is not necessarily on the actual decision point—as it is on some of the language before that. It is my understanding the \$67.2 million will bring the districts up to where they were so that no district is receiving less than they did in the 2020 school year. But when the closing report says there is no need in the 2023 year to balance, is that because a different formula will be used, or different projections? Is it saying that the districts should expect less in 2023?

**Jaimarie Mangoba:**

The reason why FY 2023 is not projected to require additional funding is because the projected revenues in FY 2023 came in higher than the FY 2020 funding level.

**Chair Carlton:**

Assemblywoman Miller, it goes back to the fact that in FY 2022 we do not have a lot of money, but in 2023 the projections are much higher. It is up to us to make up that difference in the first year of the biennium, but we know what those projections are for the second year of the biennium. There would not be an impact to the General Fund in that second year. I am glad you asked that question and we were able to get it on the record.

Are there any other questions from Committee members at this time? [There were none.]

Committee members, the decision point before us is to appropriate General Funds of \$67.2 million to bring the funding level up to the FY 2020 funding level for the Pupil-Centered Funding Plan. It was never, I believe, anyone's intent to have anyone go backwards through this whole process.

**Senator Brooks:**

I am prepared to make a motion, but I want to make sure it is crystal clear that the \$67.2 million in FY 2022 is to create the baseline for the per-pupil base, based upon the FY 2020 levels that were agreed upon in the 2019 Legislature. This \$67.2 million is not all the money that will be added. This is what is necessary to create the baseline to get the Pupil-Centered Funding Plan at the FY 2020 hold harmless level by which we will make all other decisions.

**Chair Carlton:**

Thank you, Senator. This is the first domino that needs to fall for all the other dominos to follow so that we can get to the end.

Are there any other questions or comments? [There were none.]

SENATOR BROOKS MOVED TO APPROPRIATE GENERAL FUNDS OF \$67.2 MILLION IN FISCAL YEAR 2022 TO BRING THE FUNDING LEVEL UP TO THE FISCAL YEAR 2020 FUNDING LEVEL FOR THE PUPIL-CENTERED FUNDING PLAN.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

**Chair Carlton:**

Ms. Mangoba, if you would like to proceed, please.

**Jaimarie Mangoba:**

The Subcommittees recommended budgeting for transportation and food services costs, or auxiliary services, in the Pupil-Centered Funding Plan based on the four-year average of actual expenditures, providing this funding to school districts on a monthly basis based on the annual budgeted amount, and not applying an inflationary increase to the annual budgeted cost for transportation.

The Subcommittees recommended approval of the Department of Education's calculation of the average statewide base per-pupil amount of \$6,954 in FY 2022 and \$7,090 in FY 2023, which would be used to establish the Pupil-Centered Funding Plan for the 2021-2023 biennium.

The Subcommittees deferred making recommendations on the following items related to the Pupil-Centered Funding Plan:

- The revised Nevada Cost of Education Index that reflects updated Regional Price Parities Index data and the distribution based on the funding that would be provided through the Pupil-Centered Funding Plan.
- The utilization of a floor of 1.0 for the Nevada Cost of Education Index for those counties with an index below 1.0 in the 2021-23 biennium.
- The attendance area size adjustment developed by the subject matter experts and recommended by the Commission on School Funding and the Governor, that would be used instead of the small district and necessarily small schools adjustments.

When deferring recommendations on these items, the Subcommittees requested Fiscal staff provide funding model results that reflect the following two scenarios, which can be found as attachments in the closing packet on pages 21 through 25 [[Exhibit C](#)]:

- A. Reflecting the updated Nevada Cost of Education Index utilizing a floor of 1.0 for those counties with an index below 1.0 in the 2021-23 biennium.

- B. Reflecting a Nevada Cost of Education Index of 1.0 for all counties, which would effectively eliminate the use of the index as a cost adjustment factor.

I would note that on page 25 you will see the summary that compares the change in total funding, as well as the average per-pupil funding on a per-pupil basis between these two scenarios.

Do the money committees wish to approve the attendance area size adjustment developed by the subject matter experts and recommended by the Commission on School Funding and the Governor, that would be used instead of both the small district and necessarily small school adjustments; and the revised Nevada Cost of Education Index that reflects updated Regional Price Parities Index data and the distribution based on the funding that would be provided through the Pupil-Centered Funding Plan? If so, the money committees will need to consider the following options for the application of the index:

- A. Utilize a floor of 1.0 for the updated Nevada Cost of Education Index for those counties with an index below 1.0 for the 2021-2023 biennium, as recommended by the Commission on School Funding and the Governor; or
- B. Reflect a Nevada Cost of Education Index of 1.0 for all counties, which would effectively eliminate the use of the index as a cost adjustment factor for the 2021-2023 biennium.

**Chair Carlton:**

Let us go ahead and go to the first decision point. I am trying to make sure we address this as far as it impacts the charter schools. If you could elaborate on that for us, please?

**Julie Waller, Senior Program Analyst:**

As you may recall, Senate Bill 543 of the 80th Session did not include the charter schools in the small schools equity adjustment. Charter schools were included in the Nevada Cost of Education Index. However, as we have learned through the model and have listened to feedback from stakeholders, it appears that in order to treat every public school the same, the Committees might wish to consider adding the charter schools to be included in the computation of the small area attendance adjustment. And in particular, I would note that there are some charter schools located in rural school districts, such as Elko, Ely, Fallon, and Carson City, and they would receive a different adjusted base per-pupil amount because they are not receiving that attendance-area adjustment. They would be receiving the Nevada Cost of Education Index adjustment; however, that would create a disparity in the per-pupil amount between a student that attended a school district school in Ely versus a student that attended a charter school in Ely. In order to align that and create parity between the charter schools in the rural school districts, along with the school districts in the rural school districts that receive consideration of the equity adjustment factor, the Committees may wish to consider whether or not to include those charter schools in the adjustment factor as well as the already existing adjustment factor in the Nevada Cost of Education Index (NCEI).

**Chair Carlton:**

Thank you very much, Ms. Waller. With that, I would like to open it up for conversation from the Committees on that particular point, as far as including the charters. Oh, that is another issue—so, I am on the first issue.

**Senator Seevers Gansert:**

I do not know what the calculation is between—in my mind there are a couple of scenarios—one is if you have a charter school in Clark County, you make sure they match up to the dollars including the small area enrollment dollar for that county. Or it sounds like you are suggesting you have created a district out of all the charters consolidated, so it does not really matter where they are located, they would have their own small-district enrollment area. Is that what you are suggesting?

**Julie Waller:**

The idea for that is allowing the charter schools to be included in the attendance area adjustment factor for the equity adjustment factor. It is based on location. If you have a school that is located in Ely, or White Pine County, they would receive the same equity adjustment as a school district school located in White Pine County and, likewise, for Clark or Washoe Counties.

**Senator Seevers Gansert:**

Thank you. That is what I had in my head. The last example that I remember, I think, Clark County was \$67 per student, so if you were a charter school in Clark County, the adjustment would be \$67 per student?

**Julie Waller:**

It depends on the attendance area. The attendance area is based on centralization of a school and the distance apart from schools, so in certain areas of Las Vegas, there is no attendance area adjustment because they are centralized, so there is no official cost for them to operate their schools in that close vicinity. However, there are several attendance areas in the Clark County region—Laughlin and such. Those areas might receive some equity adjustment for their attendance areas because of their distance from the urbanization. It is not necessarily because you are in Clark County you are automatically giving them an attendance area adjustment; it depends on your particular attendance area within Clark County.

**Senator Seevers Gansert:**

I asked for the spreadsheets, and those were sent to me, and I did see how not all the schools had enrollment area adjustments, but basically you had the small enrollment area for particular schools within a school district. But then they were summed up and divided by the denominator of all the students in Clark County. So, when we put money into that small area enrollment, in the case of school districts, is the check written to the entire school district, not to those schools? In the case of charters, would the schools, if they were a part of a small school enrollment area, get funds directly, or would that money potentially be distributed again? For Clark County, did the dollars go to the schools that were identified, or does that

check get written to the entire school district and then it is up to the school district to decide whether to send that money to those schools?

**Julie Waller:**

Yes, you are correct, Senator Seevers Gansert. In the spreadsheet that you are referencing, they do sum up all of the various attendance areas within Clark County and provide an average attendance area adjustment for all of those areas. It is a weighted factor that gets calculated into the base per-pupil adjustment for Clark County School District. They will receive that for the number of students in all of those various attendance areas. I believe that Senate Bill 543 of the 80th Session does not contemplate that the school district would provide additional funding to those outlying attendance areas.

As far as the charter schools, depending on where they are located—so if you have a charter school located within the Las Vegas attendance area—they would get that specific dollar amount identified for that attendance area. In Las Vegas itself, because that is the urban core in a centralized area doing business, there is no small district attendance area adjustment. Basically, what we would do to move forward is look at where all the charters are located, and they would get the same attendance area adjustment within those counties and those would be distributed in their per-pupil amounts to those individual charter schools.

**Chair Carlton:**

Thank you very much. Senator Goicoechea.

**Senator Goicoechea:**

I think I got a lot of that. I was concerned about my schools, like in Sandy Valley and Moapa. They definitely cost more in a rural area to educate them. Sandy Valley is especially isolated, and I just wanted to make sure they were going to get the money. They cannot get it directly; it would have to come through the school district, and I am just trying to figure out which of these formulas would be best. I am struggling with it—a lot of information quickly—but I think a lot of that got answered.

**Chair Carlton:**

Thank you, Senator Goicoechea. One of the conversation points in the multiple different iterations that we have had was as we started looking at how those dominos fell and how they impacted charters, what was the best way to be able to make sure that charters were included because it was all over the board. So by actually grouping them all together and treating them like a small district, that would allow them to aggregate it out and smooth it across all charters, so that there are no roller coasters, big hills, and big valleys, because of the way they have been funded differently across the formulas. This would allow that smoothing effect to actually happen. I am no fiscal person, but that is how I put it in my brain, so I would understand how we could mitigate some of the adverse impacts that could possibly happen depending upon which toggle on that model you pulled.

**Assemblywoman Tolles:**

I appreciate that we are definitely considering the geographical impact on these smaller charter schools in the smaller areas, and I do support that we need to adjust that. I am curious though, because charter schools operate a little differently than the school districts. For example, we have a charter school that is a Washoe County charter school, then we have Nevada charter schools, and we have different management companies behind them. So, how does that functionally work?

**Chair Carlton:**

Ms. Waller, it is phone a friend time.

**Julie Waller:**

If I understand the question correctly, you are referring to how it would work if the attendance area adjustment were available to the charter schools. Again, it is by individual charter school. The model would look at where that charter school is located and then if they are eligible for that attendance area adjustment, they would get the attendance area adjustment for that county in which that particular charter school is located. That adds into their adjusted base per-pupil dollar amount that, based on their enrollment, would then be distributed to that individual charter school wherever they are located.

**Assemblywoman Tolles:**

If I can clarify what I heard. There is a little confusion between this lumping together versus each individual charter school. Maybe I am jumping ahead, looking on page 10 [[Exhibit C](#)] where it talks about that model. I can hold off, but what I am hearing you say is that a charter school in a county in a smaller geographical population area would get an adjustment for that specific charter school that is equitable to a similar public school that would receive an adjustment in that county in that same geographical area. So, there is equity implied in there.

**Julie Waller:**

That is correct.

**Assemblywoman Miller:**

Going off of what my fellow Assemblywoman was asking, I think what will clarify it for me even further is when we are saying charter school, are we speaking of that physical individual building, or are we referring to the management company or the group of charter schools under one umbrella? We may have one management company that manages four or five charter schools throughout the county—that is what we see often in Clark County—there may be one management company and those buildings are spread throughout the county. Is that counting as one individual charter school, or are we talking about each physical building?

**Jaimarie Mangoba:**

It is going to be based on their charter contract, not by charter campuses. Although they have five campuses within that one charter contract, it will be based on the charter contract.

**Senator Hammond:**

Now I have a question, because the way I understood it, you were talking about individual schools just a second ago, and there are some management companies that have different charter schools located in different attendance zones—one, for example, down in Las Vegas and one up here in Washoe County. The way I thought you were explaining it at first was that it would be separated by school, depending upon the attendance zone, completely agnostic to who the Local Education Agency (LEA) was because in some cases, and I think this might have been mentioned earlier by Assemblywoman Tolles, that for some schools located in Las Vegas, their LEA is the charter authority and for some schools located in Las Vegas, the Clark County School District is their LEA. Maybe I need to understand that a little bit better, because I thought it was individual schools, no matter how many schools might be in a management company.

**Julie Waller:**

In our model, we have every single charter school identified irrespective of who their management company might be. We do know who their sponsor is, which is a school district or the State Public Charter School Authority. Charter schools are only separated out by the State Public Charter School Authority. Any charter school that is sponsored by the school district receives their funds from the school district. If they are located in an area of Clark County, they would receive whatever the per-pupil funding is. In terms of the payment of the per-pupil funding to a charter school in northern Nevada or southern Nevada or in a rural school district, the payment is made to the individual charter school. Again, we are not privy to who their educational management organization is, but those funds would be directed to that school. We are not considering five schools that are managed by one company as just one company. Each school, wherever they are located, is going to receive an adjustment if there is an eligible adjustment to be received. Some attendance areas do not receive adjustments if they are located in an urban setting.

**Chair Carlton:**

Thank you, Ms. Waller. With that, are there any other questions on this particular item from any Committee members? Not seeing any, the next discussion point is the Nevada Cost of Education Index (NCEI) and how that would affect the Pupil-Centered Funding Plan. The Committees have two options before them. I believe Assemblywoman Benitez-Thompson wanted to make some comments on that, and then we will have further conversation on how we will approach the Nevada Cost of Education Index.

**Assemblywoman Benitez-Thompson:**

Throughout the course of the conversations on this, the indexing and the data used to go into that indexing was a hot topic of conversation, especially as the data and the numbers landed. I do not think there has been a moment where, much to my Committee members' dismay, I have not talked about this.

I would say that I would not be supportive of option B. I asked for option B to be developed because we were trying to see if moving certain data points in the model made a difference, and it did not. In our Subcommittee hearings, the data that we looked at was reflected from 2017. The data that is being used for closing is from 2019. I had a good conversation with different people about the Nevada Cost of Education Index, and there are two big pieces to it. There are costs of goods and services and then there are wages. Each one of those has a balancing percentage and composites. Really, what it came down to in the work that we know has to continue at the Commission is the search for more Nevada-specific data, and they are going to begin that conversation this summer. It will be a continued conversation to make sure we collect and reflect better data in Nevada and reflected in Nevada. It will, I think, look more like what we experience at the street level.

That was my big hang-up living in Washoe County—how can you tell me that the cost of services and indexes are only a 0.01 difference from some of the rural counties. We looked at adjusting the rent index within that, thinking that would move it, but because it was 2017 levels and not 2021 levels, it did not make much of a difference, but it did reflect more of what we saw in 2017. There is always a lag in these types of data.

I would recommend option A, because it is the best fit for where we need to be with this. I hope no one thinks that we did not look at this 100 different ways, because we really did, and option A is where we ought to land.

**Chair Carlton:**

Thank you, Assemblywoman. Thank you for asking the question in the Subcommittees. It is always good to be able to have those comparisons to see how this actually works. I know we had a number of concerns about it, so being able to have that analysis and have it come back at the full Committees' closing so we could make the decision based on that data point is very helpful.

Senator Kieckhefer, did you have a comment?

**Senator Kieckhefer:**

I have a question, Madam Chair, and perhaps Assemblywoman Benitez-Thompson answered it. The way the data was presented in the Subcommittees showed significantly greater deviation from application of the cost index versus what I think I was probably expecting, if we applied a 1.0 floor to everybody, so effectively making everybody equally applied. I think she said it was updated data—is that what is driving the difference?

**Assemblywoman Benítez-Thompson:**

A piece of it was updated data. Looking at the time the Commission was working, the most relevant data was from 2017. We are looking at, and Fiscal staff can correct me if I am wrong, but I think 2019 is reflected here. But knowing that these are regional indexes that they are using—kind of larger West Coast regional indexes—and knowing that the Commission, starting in the summer, is going to start looking at data that is better generated within Nevada that might better reflect our unique nature in the state of having very rural areas and very urban areas. I think we are going to get to a better spot in this conversation, and also acknowledge the time lag, where we are living on the streets looking at 2021 housing prices, for example, but the data has a two-year lag. Also, the data, as first presented, reflected a four-year lag. If we look back through it, it is more reflective than what I think we feel right now, but we just have to wait for that to catch up, because we do not have data that is reflective of the point in time right now.

**Senator Kieckhefer:**

I appreciate that, thank you.

**Chair Carlton:**

Are there any other questions? [There were none.]

I believe Assemblywoman Benitez-Thompson is guiding the Committees toward a conversation around option A, which I concur with. I believe that was where the Subcommittees were originally headed until we decided we needed some more information.

SENATOR BROOKS MOVED TO APPROVE THE ATTENDANCE AREA SIZE ADJUSTMENT DEVELOPED BY THE SUBJECT MATTER EXPERTS AND RECOMMENDED BY THE COMMISSION ON SCHOOL FUNDING AND THE GOVERNOR, THAT WOULD BE USED INSTEAD OF BOTH THE SMALL DISTRICT AND NECESSARILY SMALL SCHOOLS ADJUSTMENTS AND THE NEVADA COST OF EDUCATION INDEX THAT REFLECTS UPDATED REGIONAL PRICE PARITIES INDEX DATA AND THE DISTRIBUTION BASED ON THE FUNDING THAT WOULD BE PROVIDED THROUGH THE PUPIL-CENTERED FUNDING PLAN AND FURTHER, UTILIZE A FLOOR OF 1.0 FOR THE UPDATED NEVADA COST OF EDUCATION INDEX FOR THOSE COUNTIES WITH AN INDEX BELOW 1.0 FOR THE 2021-2023 BIENNIUM, AS RECOMMENDED BY THE COMMISSION ON SCHOOL FUNDING AND THE GOVERNOR.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

**Jaimarie Mangoba:**

Continuing on page 5 [[Exhibit C](#)] regarding enrollment and pupil counts, the Subcommittees recommended approval of:

- The Governor's recommended enrollment projections for FY 2022 and FY 2023.
- The inclusion of back language in the K-12 Education Funding Bill to temporarily revise the provisions of NRS 387.1223 for FY 2022 to allow school districts and charter schools to base the enrollment comparison on a two-year period.
- The use of audited October 1 enrollment counts to determine the weighted funding that would be allocated to pupils in the following fiscal year.
- The use of eligibility for free or reduced-priced lunch to identify at-risk students in the 2021-2023 biennium.
- The use of a 0.12 weight for the Gifted and Talented Education program, as recommended in The Executive Budget.

*Nevada Revised Statutes* 387.1213 establishes the Education Stabilization Account that would provide funding to the Department of Education for distribution to school districts and charter schools when the Interim Finance Committee determines the State Education Fund will receive 97 percent or less of its projected revenue in a fiscal year. Since this account would not have any funding when the Pupil-Centered Funding Plan is initially implemented, the Subcommittees recommended providing the Education Stabilization Account with a loan of \$50 million from the General Fund. This loan would be repaid from the Education Stabilization Account in annual installments equal to future amounts that are transferred into the account. However, the Subcommittees deferred making a recommendation regarding the effective date of this General Fund appropriation to the Education Stabilization Account.

Do the money committees wish to appropriate General Funds of \$50 million as a loan to the Education Stabilization Account in FY 2021 or FY 2022? In addition, do the money committees wish to recommend language be included in the K-12 Education Funding Bill that would provide this General Fund appropriation to the Education Stabilization Account, which would be repaid in annual installments equal to future amounts that are transferred into the account?

Madam Chair, we will be happy to answer any questions you may have.

**Chair Carlton:**

Thank you very much, Ms. Mangoba. This was a discussion point in the Subcommittees. We were not quite sure about the year. We did come to consensus on the amount and that it would be a loan and that it would be repaid as money is received in the Stabilization

Account. It would always stay at \$50 million and anything extra that would go in would come back to repay the loan. Once the loan was paid off, the money would constantly trickle into the Stabilization Account, along the lines of the same theory as our Rainy Day Fund. But the discussion point was, would it need to be 2021 or 2022, and I believe after the analysis that has been done, I am comfortable with booking it in 2021. We do not want to push it out too far. We do not want to put the school districts in an awkward position in the second year, so we want to make sure the resources are there for this to be able to succeed, so booking the \$50 million in FY 2021 seems to be the most reasonable choice at this time.

Committee members, are there any questions or comments on this particular item?

**Assemblywoman Tolles:**

Thank you so much, Chair, and forgive me because I am not on the Subcommittee. It may be because of this loan repayment that this answers my question, but I see that we are taking \$50 million from the General Fund and I wondered whether the Subcommittees had any discussions about all this federal money?

**Chair Carlton:**

Oh, we have talked about it.

**Assemblywoman Tolles:**

I figured you must have. I wondered whether you could enlighten us, just for our benefit, on where that conversation went. Thank you.

**Chair Carlton:**

There is a little bit of a difference of opinion, but the Chair is concerned on spending money that I do not have in my hand yet. Senator Brooks will tell you the other side of the opinion.

**Senator Brooks:**

I am really concerned about funding K-12 education with whatever monies we can possibly get our hands on. But the Stabilization Account is like a rainy day account in that it does not necessarily have an end date when those dollars will be spent. They could theoretically, if all goes well, never get spent. Just like our Rainy Day Fund for our state General Fund, the guidance does not allow the American Rescue Plan Act of 2021 (ARPA) monies to be used in that fashion. It has to go toward something where the dollars will be spent, and they will be spent in a certain way. The Rainy Day Fund and the Stabilization Account, which is in essence a rainy day fund for the Pupil-Centered Funding Plan, are not allowable expenses.

**Chair Carlton:**

There is also a time frame consideration that the funds would need to be spent by a certain time. Thank you for asking the question.

**Senator Denis:**

Just so I am clear: The decision point is to put the money in for 2021—so immediately—because this is when we really need it?

**Chair Carlton:**

Yes, that is the decision point. The Subcommittees wanted a way to make sure that we had a full understanding of each year and where we needed to be before we made that decision.

Are there any other questions or comments? [There were none.]

SENATOR BROOKS MOVED TO APPROVE THE APPROPRIATION OF STATE GENERAL FUNDS OF \$50 MILLION AS A LOAN TO THE EDUCATION STABILIZATION ACCOUNT IN FISCAL YEAR 2021 AND RECOMMEND LANGUAGE BE INCLUDED IN THE K-12 EDUCATION FUNDING BILL THAT WOULD PROVIDE THIS GENERAL FUND APPROPRIATION TO THE EDUCATION STABILIZATION ACCOUNT, WHICH WOULD BE REPAID IN ANNUAL INSTALLMENTS EQUAL TO FUTURE AMOUNTS THAT ARE TRANSFERRED INTO THE ACCOUNT.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

**Chair Carlton:**

Ms. Mangoba, proceed please.

**Jaimarie Mangoba:**

The Subcommittees recommended the issuance of a letter of intent to the Department of Education requiring the Department and the Commission on School Funding to study various topics over the 2021-2022 Interim, including:

- Review the Nevada Cost of Education Index, including a plan and timeline to eliminate the floor of 1.0 for the Nevada Cost of Education Index so the index may function as intended by redistributing funding, contingent upon the money committees' action for the Nevada Cost of Education Index.
- A review and comparison of students identified as at-risk based on eligibility for free or reduced-priced lunch and the revised methodology using data from the Infinite Campus system. This comparison should also consider the effect this change would have on the unduplicated counts for these students who may also belong to another weighted category.

- A review of high school dual enrollment programs and any recommendations for the funding provided to the school districts and charters with students who participate in those programs.
- A review of online schools operated by school districts to determine if the funding provided to full-time students at those schools should align with the funding provided to online charter schools, which only receive the statewide base per-pupil funding amount.
- A review of the funding provided for transportation and food services and any recommendations for revisions to how this funding is budgeted and allocated.

The Department would provide a report detailing its findings to the Interim Finance Committee no later than August 31, 2022.

Regarding the post-closing update and new information, we are going to provide both closing updates and new information for the money committees.

After the Subcommittees closed the State Education Funding Account on May 11, 2021, Fiscal staff received new information regarding potential equity concerns with including the local funding used by the school districts, charter schools, and university schools for profoundly gifted pupils for special education in the statewide base per-pupil funding. The total local funding utilized by these entities for special education in FY 2020 was \$445.1 million. To address the potential equity concerns, the money committees may wish to place this funding as a separate tier in the Pupil-Centered Funding Plan. Similar to the auxiliary services funding, local special education funding could be provided through a separate tier to school districts, charter schools, and university schools for profoundly gifted pupils on a monthly basis based on the annual budgeted amount.

It should be noted that providing this local special education funding through a tier would reduce the statewide base per-pupil amount previously approved by the Subcommittees of \$6,954 in FY 2022 to \$6,627, inclusive of the additional funding of \$67.2 million that is needed to meet the FY 2020 funding levels, and \$7,090 in FY 2023 to \$6,651. However, the final numbers would be identified for approval in the K-12 Education Funding Bill based on all final legislative action regarding K-12 education.

Fiscal staff would note that the statewide base for the per-pupil amount does not include the cost adjustment factors, such as the NCEI and attendance area adjustment, as well as auxiliary and weight. It is the starting point, but it does include the consumer price index, inflation and projected enrollment growth.

Do the money committees wish to include the local funding utilized by school districts, charter schools, and university schools for profoundly gifted pupils for special education as a separate tier in the Pupil-Centered Funding Plan, which would reduce the statewide base per-pupil funding in each year of the 2021-2023 biennium, and allocate this funding back to

each school district, charter school, and university schools for profoundly gifted pupils on a monthly basis based on the annual budgeted amount?

Madam Chair, we will be happy to answer any questions you may have.

**Chair Carlton:**

Thank you. This did come up after the Subcommittees' closing, so it is a new item, and I want to make sure everyone is comfortable with it. As I walk myself through it, we had always had a conversation about special education being in its own place. Now, we have another component where special education at the district level is also involved in the conversation. Those dollars were originally included in the base as the per-pupil, but now knowing that they are special education dollars, the color of those dollars has changed, and the maintenance of effort that is required to go along with those dollars needs to be separated out so that they can legally be distributed in the appropriate way. We would not want to spend special education dollars through the base funding that would not be going to special education students, so we are going to separate that out. It will lower the base, but those dollars are just being moved and then sent back to the students that those dollars would have originally supported.

Do I have that pretty close, Ms. Mangoba?

**Jaimarie Mangoba:**

Madam Chair, that is correct. There is vast variation between school districts and charter schools on the amount of funding they provide for special education. This would maintain that equity and will not be diluted by placing those funds in a statewide base per-pupil amount.

**Chair Carlton:**

I want to make sure with Ms. Mangoba—so, the money that is going to special education students will go to special education students. I think that needs to be very clear and on the record.

**Jaimarie Mangoba:**

That is correct, Madam Chair.

**Chair Carlton:**

Thank you very much, Ms. Mangoba. Ms. Waller.

**Julie Waller:**

I just want to provide additional information. Again, you are absolutely correct that these dollars have been identified as dollars the school districts and charter schools transferred out of their general funds to support their local contribution for special education services. By allowing that funding to be pulled apart and identified as local funding for special education services—those dollars will be returned to the school districts and charter schools. They will

receive those dollars in their general funds and would then transfer those to their special education fund to support the local contribution for the special education services.

In addition, what we do not see in this Pupil-Centered Funding model is the state contribution for special education services. It is in a separate budget account and that is to identify the state's maintenance of effort. The decision regarding the local maintenance of effort is a local decision in terms of services that they need to provide. We will return those dollars that have been identified as supporting special education students, and the districts will continue to use those for those students. One of the main concerns about leaving those in the base and running it through the model is that they would then be processed through the equity adjustments and, again, with the wide variations of local dollars that are spent on special education, that could result in winners and losers in terms of the equity adjustments that are run through the base per-pupil.

**Chair Carlton:**

Thank you, Ms. Waller. Senator Brooks.

**Senator Brooks:**

I just want to clarify that while we are redirecting the way this goes, mainly for the purposes of transparency and accountability, it is the same amount of money. We are not talking about less money; we are just redirecting it so that there is more clarity and transparency when you look at it. I will refer to page 21 [[Exhibit C](#)] of our attachment—and please correct me if I am wrong—this is the money that is on the table, special education, local funding. This is the amount we are talking about that we are discussing in this decision right here. Is that correct? That is the \$438.2 million?

**Jaimarie Mangoba:**

That is correct, Senator. That is the total funding that will be provided for the local portion of the special education services.

**Senator Brooks:**

So, that is part of the \$8,667 per-pupil in total education spending using the 2020 model. Is that correct as well?

**Julie Waller:**

Yes, that is correct in terms of what is being funded out of the State Education Fund. There are additional K-12 dollars that will be distributed out of different budget accounts, such as the state special education funding as well as other categorical grants, that will add to this average spending per-pupil that will be reflected in the K-12 funding bill.

**Senator Brooks:**

Thank you for that clarification.

**Chair Carlton:**

Senator Hammond, did you have a question?

**Senator Hammond:**

I am grateful for the line of questioning that we got from Senator Brooks. I think I understand that we are talking about taking out \$438.2 million and I get the per-pupil is \$8,667 after you take that out. What I do not know is, what is the difference if you left it in? I do not know whether we really need to know that—I think it is more of a curiosity thing to kind of see where we would have been. Again, I understand that the money goes back into education. It goes back into the schools. We are not losing those dollars. I wanted to see what it looks like. We are concentrating so much on what the per-pupil look is, I just wanted to see what the difference is between leaving it all in there and what the per-pupil funding would be and once you take it out, what it looks like. Does that make sense?

**Chair Carlton:**

Senator Hammond, if you are asking for another computation with the way this model works, we will be here until next week.

**Senator Hammond:**

Well, I do not want to be here until next week, so I guess I do not want to know that. I just wanted to know if there was—if somebody could say it is a difference of \$300 per-pupil or something similar.

**Chair Carlton:**

I think at top of page 9, you get an idea of what those dollars would have looked like before. I will hand it back over to Ms. Waller, but I think the ultimate conversation point is these are special education dollars, and we need to make sure those special education dollars get to special education students. If you put them in the base, they will be diluted and spread across all students rather than going back to those particular students. I think that is the major conversation point. What happened after the Subcommittees closed was there were not only state special education dollars, but there are local special education dollars which we needed to corral off, as you would to make sure those dollars were well accounted for. They come in and they go back out right where they need to be. Yes, in essence, it has the perception of lowering the base because those dollars were originally in the conversations. We did not know we had to cordon off those particular dollars from the locals. They were not identified as special education dollars. Once they were identified as special education dollars, we had a responsibility to set them off to the side to make sure they got to the right students. Therefore, you see the change in the base.

**Senator Hammond:**

Thank you, Madam Chair. I think that helps out. If you are right and it is the top of page 9, I think that answers my questions. Sometimes, belaboring the point is actually good in this case, because that is the focus of so many people on how much we spend per pupil. This lets them know the money is still there and it is being spent where it is supposed to be spent: in

special education. It is still going to those students who need it most. I think you just answered the question, if those numbers at the top of page 9—I think you are talking about the difference between the \$6,954 and \$6,627?

**Chair Carlton:**

And there is the next set of numbers on line 3. Also, keep in mind that the actual K-12 funding bill, that first page delineates every single thing in a line, and then there is that total number at the bottom that shows all dollars that are going to every single student in the state. It is broken down by components there, so we have to make sure we account for each one of those lines. When we do get to the K-12 funding bill, a lot of this will translate over to that, and that will be on that first page. It makes very clear to everyone what the state investment in education is.

Senator Kieckhefer, did you still have a question?

**Senator Kieckhefer:**

Ms. Mangoba, are the dollar figures associated with each district out of their *Nevada Revised Statutes* (NRS) Chapter 387 reports, or where did we land on those numbers?

**Jaimarie Mangoba:**

Senator, these are numbers from the NRS Chapter 387 report made on the actual expenditures for FY 2020.

**Senator Kieckhefer:**

There are some districts that are at their 13 percent cap for state support for special education, and if they are already there and they get more students, some of their local expenditures for special education are going to grow year over year. Is this going to be a calculation that is done every biennium when we go through to calculate the base amount in the even-numbered years for special education based on the direct report that we get back from the district, or is this going to be a baseline that goes into the formula and stays there and then is multiplied out?

**Jaimarie Mangoba:**

It will be based on their actual expenditures. For this particular one, it is based FY 2020. When we move to the next biennium, it will be based on FY 2022 actual expenditures.

**Chair Carlton:**

Thank you, Senator. Thank you, Ms. Mangoba. Are there any more questions? [There were none.]

SENATOR BROOKS MOVED TO INCLUDE LOCAL FUNDING UTILIZED BY SCHOOL DISTRICTS, CHARTER SCHOOLS, AND UNIVERSITY SCHOOLS FOR PROFOUNDLY GIFTED PUPILS FOR SPECIAL EDUCATION AS A SEPARATE TIER IN THE

PUPIL-CENTERED FUNDING PLAN, WHICH WOULD REDUCE THE STATEWIDE BASE PER-PUPIL FUNDING IN EACH YEAR OF THE 2021-2023 BIENNIUM, AND ALLOCATE THIS FUNDING BACK TO EACH SCHOOL DISTRICT, CHARTER SCHOOL, AND UNIVERSITY SCHOOLS FOR PROFOUNDLY GIFTED PUPILS ON A MONTHLY BASIS BASED ON THE ANNUAL BUDGETED AMOUNT.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

**Chair Carlton:**

Ms. Mangoba, we can proceed.

**Jaimarie Mangoba:**

The methodology utilized in the model provided to Fiscal staff balances the school district and charter schools hold harmless amounts by modifying only the adjusted base per-pupil funding. However, effective July 1, 2021, NRS 387.1214 contemplates a proportional reduction be made in the base and weighted funding if money contained in the State Education Fund decreases from the preceding fiscal year. Fiscal staff requests authority to modify the model to balance the school district and charter schools hold harmless amounts consistent with NRS 387.1214.

Consistent with current practice, the model further evaluates eligibility for hold harmless at an individual charter school level, which differs from the evaluation of hold harmless for school districts that are evaluated for hold harmless eligibility at the school district level. As a result, there are two different methodologies to determine eligibility for hold harmless for charter schools and school districts. In that regard, the money committees may wish to evaluate hold harmless eligibility for charter schools based on the same methodology applied to school districts, which would involve reflecting all charter schools as a single group in the model for determining their eligibility for hold harmless.

Do the money committees wish to approve applying the methodology in evaluating hold harmless eligibility currently used for school districts by treating all charter schools as one group as opposed to individual charter schools? In addition, do the money committees wish to provide Fiscal staff with authority to balance the model related to hold harmless consistent with NRS 387.1214?

Madam Chair, we will be happy to answer any questions you might have.

**Chair Carlton:**

Committee members, are there questions? Senator Hammond.

**Senator Hammond:**

I guess the only question I have is, when you say all charters, I wanted to make sure I understood. It was very clear that it did not matter whether it was a district charter or the Charter Authority. It is all charter schools, correct?

**Julie Waller:**

The school district charter schools are not separated out as a separate charter school in the evaluation of hold harmless. They are locked in within the school district. They are not part of this disparity in how we are evaluating the hold harmless between the charter schools. It is the charter schools that are sponsored by the State Public Charter School Authority, which are individually identified in the Pupil-Centered Funding Model. Charter schools are sponsored by the school districts. Ms. Mangoba is verifying that I am speaking the correct information.

I stand corrected. In the model, all charter schools, regardless of sponsors, are separated, and this proposal to align the hold harmless evaluation to the same school district level as a combined level for charter schools does include charter schools sponsored by school districts.

**Senator Seevers Gansert:**

I am not sure exactly how that would work, because I am not sure what those numbers would look like intuitively. Charter schools are very unique in that there are very few that are grouped together that have a management organization that is the same. They are sort of a one-off, at least the ones in Washoe County. Very few of them are centralized as far as management. I have a hard time making a decision like this when I do not really know what those numbers mean, because if you are a charter school in Fallon, your hold harmless is quite a bit different than maybe a charter school in Las Vegas or a charter school in Reno. Can you tell me, do you expect to lump them together, figure out what a hold harmless is, and then they are supposed to jointly redistribute funds? Or if we do it this way versus school by school, recognize the money they have received in the past per pupil versus the money they will potentially receive in the future individually?

**Julie Waller:**

This hold harmless gets confusing when we use the term broadly and it applies to multiple decision points. The decision point that we are talking about here is in the evaluation in the Pupil-Centered Funding Plan model. As you will recall, the Committees have approved the evaluation of hold harmless and whether or not a school district or a charter school would be on the Pupil-Centered Funding Plan if they would gain funding on a per-pupil basis on the Pupil-Centered Funding Plan or if they would lose funding on the Pupil-Centered Funding Plan.

The comparison is between the funding that the school district or the charter school received in 2020 on a per-pupil basis, with the new funding that a school district or charter school would receive on the Pupil-Centered Funding Plan. That comparison is done at a school district level and then based on past or current practices in evaluating hold harmless for enrollment changes, hold harmless is evaluated at an individual school district level. That provides an additional advantage for the charter schools in terms of the changes in funding. It is not apples to apples—a school district which is much larger may have 300 or 400 schools and has to meet a certain threshold before they would rise to hold harmless level, as opposed to the charter school. This proposal would basically fund all charter schools—the funding they will receive in the Pupil-Centered Funding Plan and compare it to the funding they received in total in 2020. At that point you would say, you received more on the Pupil-Centered Funding Plan, charter schools on the Pupil-Centered Funding Plan, or if they received less funding on the Pupil-Centered Funding Plan, then they would be on the hold harmless at a per-pupil level. The per-pupil level is by individual school districts.

**Senator Seevers Gansert:**

That helps me, because if it is still going back to per-pupil hold harmless, at an individual school, that helps. Maybe that is all I needed to know, because when you lump them together, maybe that is just for calculation purposes so you do not have to break it into a lot of little pieces. As long as it is per pupil, individually, I think that is helpful.

**Julie Waller:**

With the decision point of whether or not the charter schools would be on the new formula or remain on the old formula, hold harmless, the 2020 map is made at the combined charter school level—as though they were an 18th school district. Once that determination of the funding they would receive in total is made and they would be on Pupil-Centered Funding Plan—all charter schools will be on a Pupil-Centered Funding Plan—the per-pupil amount that they would receive under the Pupil-Centered Funding Plan would be what they would be paid on their enrollment that they would have in FY 2022 and FY 2023. If the evaluation in the model of the Pupil-Centered Funding Plan showed that they would as a combined group, all charter schools similar to an 18th school district would receive less funding than on the Pupil-Centered Funding Plan, then they would be on the hold harmless per-pupil amount and all charter schools would receive per pupil, what they would be entitled to on the 2020 per-pupil hold harmless level.

So if the evaluation of whether or not as a group they stay on the FY 2020 hold harmless or if they move over to the Pupil-Centered Funding Plan and then once they are identified as on the hold harmless provision of the new model, they would all be paid individually their per-pupil amount that is determined according to the calculations in the model. I would point that out because the Committees have approved the evaluation of the FY 2020 hold harmless amount on a per-pupil basis. This is just to determine the rate that they will receive on a per-pupil basis. Now, if the charter school is deemed to be on the Pupil-Centered Funding Plan and they receive a certain amount per-pupil, and let us say these are enrollment drops, then this concept would also apply. We would look at the charter schools combined in a

year, and say if their enrollment dropped greater than 5 percent, they would be eligible to count their students from the prior year, and they would be paid accordingly. That is similar to the process that is used currently for the school districts in evaluating hold harmless for enrollment documents.

**Chair Carlton:**

And as Ms. Waller just alluded to, the 5 percent hold harmless that is in statute is still there. That backstop is there to protect districts—with that variation, it cannot fluctuate past that 5 percent and if it does, they get to fall back to the previous year to be able to address that issue.

**Assemblywoman Tolles:**

I appreciate that this is giving me a little bit more comfort and that we keep coming back to each charter school will get the hold harmless amount on the individual school level. I guess I am still trying to wrap my head, functionally, around how this is distributed because we have a school district with their own chief financial officer and with their budget, and they function in a way that makes sense to be able to distribute to each of the schools, whereas the charter schools are unique. Has the Charter School Authority—do they have the capacity to do this, and were they sort of brought into this discussion to confirm they have the capacity to distribute this way?

**Julie Waller:**

That is a great question. For clarification, this is for the evaluation in the Pupil-Centered Funding Plan—basically, which per-pupil rate school districts or charter schools would receive as we transition to the full implementation of the Pupil-Centered Funding Plan. Once they know what the per-pupil rate is, the Department of Education will continue to pay the school districts individually for their captive enrollment and the dollars they are entitled to for their adjusted base per-pupil, the English learner population, at-risk—so they will continue to process the payments directly to those charter schools. This is not a payment consolidation; this is just an evaluation at a consolidated 18th district level. Then, determining which plan you are on and then proceeding forward as such with the model spitting out the dollars that each charter school would then be eligible to receive in that school year. The Department of Education would continue to pay them in the same manner that they are currently being paid.

**Senator Kieckhefer:**

I want to make sure I understand the problem we are trying to solve. It is that districts are evaluated for hold harmless as a unit, and charters are evaluated for hold harmless on a school-by-school basis. That is the issue that we are trying to address. Am I understanding that right, Ms. Waller?

**Julie Waller:**

Yes, that is one of the issues. Another issue is that in moving to the Pupil-Centered Funding Plan model, there have been changes in the way the funding is allocated to the charter

schools. If you do the hold harmless on a school-by-school basis, as you had under the existing funding formula, online charter schools were eligible to receive the per-pupil funding from the county where their students reside. They had a variation of per-pupil funding from various counties, and that would be baked in as their hold harmless amount, as opposed to looking at the charter schools total and under the Pupil-Centered Funding Plan, as well as what 2020 funding was received, and then determining which per-pupil amount they would be on.

Under the new funding formula, the statewide average per-pupil is eligible for those online schools. There is a fundamental shift in how we are funding charter schools as well, included in the transition to the Pupil-Centered Funding Plan.

**Senator Kieckhefer:**

At a district level, there will be some schools that individually would probably do well under the new plan versus the old one, but the district as a unit has the ability to manage that influx or reduction of dollars by moving and balancing out their funding for individual schools. Charters do not have that, so there could certainly be a charter that would receive more funding under the Pupil-Centered Funding Plan for serving students that are receiving weights, but still be put at a lower level due to the aggregation of the weighted plan. Right? They would not be able to balance it out—there would be no smoothing between the schools because those schools got funding individually.

**Julie Waller:**

The schools do receive funding individually and, again, as we transition to the new funding formula, the change in the charter schools received the statewide average base per pupil with the NCEI adjustment as well as now, the recently approved attendance area adjustment and plus any additional funding they would receive from any special student populations. That would be their funding level. That is a bit of a change from the way that the charter schools are currently funded. It is a policy decision. It would be akin to—as you say that school districts are evaluated and the school district level could include several hundred schools, whereas a charter school would have the single school information to compare. It makes those comparisons sort of disparate under the current methodology.

**Senator Kieckhefer:**

I appreciate that. Thank you, Ms. Waller. I think the alternative is just to spend enough money that no one is in hold harmless.

**Chair Carlton:**

No. I have heard that line before, Senator Kieckhefer. You are not the first one that has tried it this session.

With that, I believe we have a discussion point in front of us. Senator Brooks.

SENATOR BROOKS MOVED TO APPROVE APPLYING THE METHODOLOGY IN EVALUATING HOLD HARMLESS ELIGIBILITY CURRENTLY USED FOR SCHOOL DISTRICTS BY TREATING ALL CHARTER SCHOOLS AS ONE GROUP, AS OPPOSED TO INDIVIDUAL CHARTER SCHOOLS, AND ADDITIONALLY, PROVIDE FISCAL ANALYSIS DIVISION STAFF WITH AUTHORITY TO BALANCE THE MODEL RELATED TO HOLD HARMLESS CONSISTENT WITH NEVADA REVISED STATUTES 387.1214.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? The citation is the 5 percent backstop hold harmless that was referred to earlier. Just to make sure everybody is aware.

**Julie Waller:**

We wanted to clarify that the NRS citation here is not in reference to that 5 percent. This is in reference to the new Pupil-Centered Funding Plan, where any decreases would be proportionally reduced between the base and the weight.

**Chair Carlton:**

Thank you, I appreciate that. I stand corrected, and it will not be the last time in the next week that will happen. With that, Committee members, that citation is corrected. Any other questions or comments. [There were none.]

THE MOTION CARRIED UNANIMOUSLY.

**Chair Carlton:**

Ms. Mangoba, please proceed.

**Jaimarie Mangoba:**

It should be noted the model provided to Fiscal staff includes incremental increases to weighted funding until the targeted weighted funding is achieved. However, since projected funding in FY 2022 is lower than the FY 2020 funding levels, it appears the incremental increase should be applied to the statewide base per-pupil amount before weights are incrementally increased in FY 2022. Accordingly, the money committees may wish to eliminate the incremental increase to weighted funding in FY 2022 and instead increase the statewide base per-pupil funding by the remaining funding.

Do the money committees wish to eliminate the incremental increase to weighted funding in FY 2022 and instead increase the statewide base per pupil funding using the remaining funding?

**Chair Carlton:**

Committee members, are there any questions? I know there has been a lot of conversations about making sure that we get as many dollars back into the base as possible. It has been an ongoing conversation. I know at one time there were discussion points about if there were any leftover money where it would go. But the way the model is supposed to work, it should balance out and there should not be any extra money. The money should be going back into the base, but we think there are still a couple of glitches there. The inclination of the Committees was basically to make sure everything is built on the base and the more we do to build that up, the better it will flow, stand on its own the first year, and run on its own after that. This is about building up the base.

Are there any other questions or comments? [There were none.]

SENATOR BROOKS MOVED TO ELIMINATE THE INCREMENTAL INCREASE TO WEIGHTED FUNDING IN FISCAL YEAR 2022 AND INSTEAD INCREASE THE STATEWIDE BASE PER-PUPIL FUNDING USING THE REMAINING FUNDING.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

**Chair Carlton:**

Ms. Mangoba, we can proceed.

**Jaimarie Mangoba:**

While many K-12 categorical grant programs that were reduced during the 31st Special Session were recommended for restoration in The Executive Budget, the base budget continues funding reductions of \$501,775 in each year for the English Learner program and \$1.8 million in each year for the Victory Schools program compared to the amount approved by the 2019 Legislature. Given the transition to the Pupil-Centered Funding Plan, the money committees may wish to restore funding for the additional support of English learners and at-risk pupils to the FY 2020 legislatively approved funding level.

Do the money committees wish to restore the funding reduced during the 31st Special Session for English learners and at-risk pupils to the FY 2020 legislatively approved funding level, which would require General Fund appropriations of \$2.3 million in each year of the 2021-2023 biennium, to the State Education Funding Account?

**Chair Carlton:**

Committee members, is there any conversation? I know that during the 31st Special Session when we had these conversations, I can remember sitting in this actual room with my caucus and the concerns that they shared with this and the commitment that we all made to do whatever we could to bring these programs back, because they are so significant for those at-risk pupils. I am very happy to see this encapsulated in our discussion points.

**Senator Seevers Gansert:**

I was wondering since these cuts were directly related to COVID-19, could these be restored using American Rescue Plan Act of 2021 (ARPA) funds instead of General Funds?

**Jaimarie Mangoba:**

Federal funds are not included in the Pupil-Centered Funding Plan and are kept outside of the model.

**Senator Seevers Gansert:**

Is that a policy decision because that is how we are running it? Because we have restored positions, not in K-12, but we have restored other positions using the ARPA funds.

**Julie Waller:**

The federal dollars to which you reference are one-time dollars, and these would be the weighted funding that would be run through the model. Current law related to Senate Bill 543 of the 80th Session in the Pupil-Centered Funding Plan does not run any federal dollars through the model. The funding formula addresses funding sources that are directed in the State Education Funding Account, and they do not include federal dollars.

**Senator Brooks:**

Senator Seevers Gansert, I had similar questions. Are you referring to the ARPA funding that is set aside for lost revenue and is flexible funding that can be used to backfill things caused by lost revenue? I think there is still some conversation about whether or not that is allowable, but I would advocate for that, and it is one of the things we have identified as a direct link to lost revenue.

**Senator Seevers Gansert:**

I am thinking along the same lines. I think we have to be able to resolve this model and what the dollars are, and there may be opportunities to trade dollars after we balance everything. So, we should track it. Thank you.

**Assemblywoman Benitez-Thompson:**

I do not want anyone to think that we have not thought about the federal money, or there have not been conversations—slicing and dicing in 500 different ways how to make those dollars work and where we can apply them. I think what we want to do is make sure we are being sufficiently cautious, because we have staff reading over guidance at the same time as they are working to produce a 185-page closing document for us. I think everything will sort

out in time. I know that we are under the crunch with the calendar, but I think it is all-hands-on-deck to figure out how we piece the jigsaw puzzle. We are not at a conversation that is done yet—we are just waiting for everyone else to catch up to our brilliant thinking of how we are going to use all that money.

**Chair Carlton:**

And, again, we do not have the money yet. With that, are there any other questions or comments at this time? [There were none.]

SENATOR BROOKS MOVED TO RESTORE THE FUNDING REDUCED DURING THE 31ST SPECIAL SESSION FOR ENGLISH LEARNERS AND AT-RISK PUPILS TO THE FISCAL YEAR 2020 LEGISLATIVELY APPROVED FUNDING LEVEL, WHICH WOULD REQUIRE GENERAL FUND APPROPRIATIONS OF \$2.3 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM TO THE STATE EDUCATION FUNDING ACCOUNT.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

**Chair Carlton:**

Moving on to the next item, Ms. Mangoba.

**Jaimarie Mangoba:**

Moving on to the New Nevada Education Funding Plan, budget account 101-2677, budget page K-12 EDUCATION-21. The Subcommittees recommended approval of the Governor's recommendation to restore and transfer General Fund appropriations of \$69.9 million in each year of the 2021-2023 biennium and projected interest earnings of \$22,044 in each year from the New Nevada Education Funding Plan budget to the State Education Funding Account. Of this total, 50 percent would be allocated to fund the English Learner weight and 50 percent would be allocated to fund the at-risk weight in the Pupil-Centered Funding Plan.

The Instruction in Financial Literacy budget (101-2620, budget page K-12 EDUCATION-24) had a closing difference related to the Governor's recommendation to transfer the Instruction in Financial Literacy program funding, including General Fund appropriations of \$750,000 in each year of the 2021-2023 biennium, from the Instruction in Financial Literacy budget to the new State Education Funding Account. The Senate members of the Subcommittee recommended approval of the Governor's recommendation while the Assembly members of the Subcommittee recommended not approving the Governor's recommendation.

The recommendation to transfer the Instruction in Financial Literacy program funding to the new State Education Funding Account is part of the Governor's recommendation to implement the Pupil-Centered Funding Plan. It should be noted that the recommendation would eliminate the funding in the Instruction in Financial Literacy budget, and Senate Bill 439 also proposes to eliminate the Account for Instruction in Financial Literacy from statute.

Do the money committees wish to approve transferring the Instruction in Financial Literacy program funding to the new State Education Funding Account in the 2021-23 biennium, thereby eliminating the funding in this budget?

**Chair Carlton:**

Are there any questions or comments from the Committees at this time? The Assembly is comfortable in moving forward with this provision. Originally, there were some issues, but those have been resolved, so the Assembly is comfortable with moving forward at this time. No questions or comments? [There were none.]

SENATOR BROOKS MOVED TO APPROVE TRANSFERRING THE INSTRUCTION IN FINANCIAL LITERACY PROGRAM FUNDING TO THE NEW STATE EDUCATION FUNDING ACCOUNT IN THE 2021-2023 BIENNIUM, THEREBY ELIMINATING FUNDING IN THIS BUDGET.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED. (ASSEMBLYMAN ROBERTS WAS ABSENT FOR THE VOTE.)

**Chair Carlton:**

We will move on to the next item, the Distributive School Account (budget account 101-2610, budget page K-12 EDUCATION-26).

**Jaimarie Mangoba:**

The Subcommittees recommended approval of General Fund reductions of \$78 million in each year of the 2021-2023 biennium for the Class-Size Reduction program and transferring General Fund appropriations of \$77.5 million in FY 2022 and \$81 million in FY 2023 associated with the Class-Size Reduction program from the Distributive School Account budget to the new State Education Funding Account budget to support the implementation of the Pupil-Centered Funding Plan.

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations of \$28.6 million in FY 2022 and \$33.6 million in FY 2023 to provide a funding enhancement for the Nevada Plan formula funding based on projected revenue from the 10 percent excise tax on the retail sales of recreational marijuana products.

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations of \$223.2 million in FY 2022 and \$228.8 million in FY 2023 to support the education of pupils with disabilities and providing this funding outside of the Pupil-Centered Funding Plan, contingent upon passage of Senate Bill 439 or other enabling legislation. The Subcommittees also recommended approval of the Governor's recommendation for General Fund appropriations of \$1.5 million in each year of the 2021-2023 biennium to provide funding for pupils with disabilities who exceed the 13 percent funding cap and providing this funding outside of the Pupil-Centered Funding Plan, contingent upon passage of Senate Bill 439 or other enabling legislation. The Subcommittees further recommended excluding special education pupils who belong to other weighted pupil categories from receiving other weighted funding and transferring all funding associated with pupils with disabilities to the Contingency Account for Special Education Services budget and renaming that budget as the Account for State Special Education Services.

To implement the Pupil-Centered Funding Plan, the Subcommittees recommended approval of the Governor's recommendation to transfer the state share of funding for the Nevada Plan formula funding of \$1.378 billion, including General Fund appropriations of \$830.9 million in FY 2022 and \$1.324 billion, including General Fund appropriations of \$702.5 million, in FY 2023 to the State Education Funding Account budget.

The Subcommittees also recommended transferring the special transportation funding of \$146,630 in FY 2022 and \$147,630 in FY 2023 for Native American pupils to the State Education Fund and providing this funding as separate auxiliary funding in the Pupil-Centered Funding Plan, as well as transferring the National School Lunch program state match funding of \$588,732 in each year of the 2021-2023 biennium to the Department of Agriculture's Nutrition Education Programs budget. The Subcommittees also recommended enabling legislation to be drafted and included in the K-12 funding bill to implement these transfers. With these transfers, the Subcommittees recommended retiring the Distributive School Account budget at the end of FY 2021 as the Pupil-Centered Funding Plan would be initially implemented.

Moving to the Other State Education Programs (budget account 101-2699 budget page K-12 EDUCATION-33), the Subcommittees recommended approval of General Fund appropriations totaling \$48.9 million in each year of the 2021-2023 biennium to restore funding for ten K-12 categorical grant programs, including the Read by Grade Three, Underperforming Turnaround Schools, College and Career Readiness, Gifted and Talented Education, Special Elementary Counseling, College and Career Ready Diplomas, Adult High School Diploma, Career and Technical Education, Jobs for America's Graduates, and the

Educational Leadership programs. However, the Subcommittees recommended that the restoration of \$252,098 in each fiscal year for the Jobs for America's Graduates program in decision unit enhancement (E) 286 be considered one-time funding to continue a match requirement in the 2021-2023 biennium.

The Subcommittees recommended approval of the Governor's recommendation to reduce General Fund appropriations by \$24.2 million in FY 2022 and \$24.4 million in FY 2023, for the Read by Grade Three, Underperforming/Turnaround Schools, College and Career Readiness, and Advanced Placement Examination programs and General Fund reductions totaling \$899,014 in each year of the 2021-2023 biennium for the Nevada Institute on Teaching and Educator Preparation, Teacher and Nursing National Board Certification Reimbursement, Counselor Certification and Speech Pathologist Increment programs.

As recommended by the Governor, the Subcommittees recommended approval of the transfer of General Fund appropriations of \$8.3 million in each fiscal year for the Gifted and Talented Education program in decision unit E-916 and General Fund appropriations totaling \$18.7 million in FY 2022 and \$18.5 million in FY 2023 for the Read by Grade Three program, Advanced Placement Program, District Library Grant program, Computer Education Technology program, Special Elementary Counseling, and the College and Career Ready Diploma programs in decision unit E-947 from the Other State Education Programs budget to the State Education Funding Account budget to support the implementation of the Pupil-Centered Funding Plan.

The Subcommittees further recommended approval of maintaining General Fund appropriations totaling \$37.4 million in FY 2022 and \$37.7 million in FY 2023 for the Public Broadcasting, Education Leadership, Jobs for America's Graduates, Career and Technical Education and Adult High School Diploma programs in the Other State Education Programs budget and transferring General Fund appropriations totaling \$1.7 million in FY 2022 and \$1.3 million in FY 2023 for the Vocational Student Organization, Geographic Alliance in Nevada, Education Technology, School Library Media Specialist Salary Increment, National Board Certification Reimbursement, and Counselor Certification and Speech Pathologist Salary Increment grant programs from the Other State Education Programs budget to the State Education Funding Account to support the implementation of the Pupil-Centered Funding Plan.

In the Professional Development Programs budget (101-2618, budget account page K-12 EDUCATION-42), the Subcommittees recommended approval of the Governor's recommendation to restore funding for the Great Teaching and Leading Fund and the Peer Assistance and Review program in the Professional Development Programs budget totaling \$6.2 million in each year of the 2021-2023 biennium in the base budget and General Fund reductions of \$744,043 in each year of 2021-2023 biennium to reduce funding for the Great Teaching and Leading Fund. The Subcommittees further recommended approval to transfer the net funding of \$4.2 million for the Great Teaching and Leading Fund and \$1.3 million for the Peer Assistance and Review program from the Professional Development Programs

budget to the new State Education Funding Account to support the Pupil-Centered Funding Plan. Finally, the Subcommittees recommended including language in the K-12 funding bill or other enabling legislation to eliminate the Great Teaching and Leading Fund from statute.

In the School Remediation Trust Fund budget account (101-2615, budget page K-12 EDUCATION-46), the Subcommittees recommended approval of General Fund appropriations of \$2.5 million in each year of the 2021-2023 biennium to restore funding for the Incentives for New or Transfer Teachers in Title I or Underperforming Schools program, as recommended by the Governor. The Subcommittees also recommended the transfer of \$2.5 million in each year of the 2021-2023 biennium for Incentives for New or Transfer Teachers in Title I or Underperforming Schools and base funding of \$2.5 million in each year of the 2021-2023 biennium for the Incentives for New Teachers in Title I or Underperforming Schools to the State Education Funding Account budget to support the implementation of the Pupil-Centered Funding Plan.

The Subcommittees recommended approval of General Fund appropriations of \$1 million in each year of the 2021-2023 biennium to restore funding for the Supplemental Support Block Grant and the transfer of this block grant totaling \$36.8 million in each year of the 2021-2023 biennium to the Distributive School Account, as recommended by the Governor.

The Subcommittees further recommended approval of the Governor's recommendation to transfer \$82.6 million, including \$80.9 million in General Fund in FY 2022 and \$82.6 million, including \$81.1 million in General Fund in FY 2023, to the State Education Funding Account budget to support the implementation of the Pupil-Centered Funding Plan. The totals included \$49.4 million per year for the English Learner Program, \$23.2 million for the Victory Schools program, and \$10 million per year for the Nevada Ready 21 Technology program.

Moving to School Safety budget account (101-2698, budget page K-12 EDUCATION-50), the Subcommittees recommended approval of the Governor's recommendation to restore and reduce funding for the Social or Other Licensed Mental Health Worker program and transfer the net General Fund appropriations of \$18.3 million in each year of the 2021-2023 biennium from the School Safety budget to the new State Education Funding Account budget, contingent upon implementation of the Pupil-Centered Funding Plan. The Subcommittees also recommended approval of the Governor's recommendation to restore and reduce funding for the School Resource/Police Officer program and transfer the net General Fund appropriations of \$4.3 million in each year of the 2021-2023 biennium from the School Safety budget to the new State Education Funding Account budget, contingent upon implementation of the Pupil-Centered Funding Plan.

The Subcommittees also recommended allowing the Department to utilize the base budget General Fund appropriations of \$201,000 in each year of the 2021-2023 biennium to administer school climate surveys and transferring that funding from the School Safety budget to the Department's Safe and Respectful Learning budget.

In the Bullying Prevention Account (budget account 101-2704, budget page K-12 EDUCATION-160), the Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations of \$45,000 in each year of the 2021-2023 biennium to restore funding in the Bullying Prevention Account, as well as the transfer of this funding to the State Education Funding Account budget. The Subcommittees also recommended the elimination of the Bullying Prevention Account from statute by including such language in the bill that would revise various provisions related to the Pupil-Centered Funding Plan or other enabling legislation.

The Subcommittees recommended closing the following K-12 education budgets as recommended by the Governor, or as recommended by the Governor with minor technical adjustments:

- State Supplemental School Support Account (101-2617) K-12 EDUCATION-54.
- Teach Nevada Scholarship Program (101-2718) K-12 EDUCATION-56.
- Incentives for Licensed Education Personnel (101-2616) K-12 EDUCATION-62.
- Contingency Account for Special Education Services (101-2619) K-12 EDUCATION-154.

Madam Chair, that concludes the Subcommittees' closing report.

**Chair Carlton:**

Thank you very much, Ms. Mangoba and Ms. Waller. I know Mr. Drost is over in a hole somewhere working very, very hard. All three of you have been there for us through this. Thank you for explaining things to all of us three, four, five times to make sure we had a thorough understanding of all the moving pieces and parts of what we needed to do this session to address the issues in K-12 education.

Committee members, are there any other questions or comments at this time? It is almost like Christmas Day—you work really hard to get everything done and then you have the vote and it is all over. Not seeing any questions or comments, I will go to Senator Brooks.

SENATOR BROOKS MOVED TO APPROVE THE JOINT  
SUBCOMMITTEE ON K-12/HIGHER EDUCATION/CIP CLOSING  
REPORT FOR K-12 EDUCATION WITH THE DECISIONS THAT WERE  
MADE INCORPORATED IN THE MOTION.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

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

THE MOTION CARRIED UNANIMOUSLY.

That accomplishes our mission for this evening as far as K-12 goes. Just to let you know, this is not the last conversation about K-12. There will be another conversation tomorrow morning. This gives us all the decision points that we needed to make the follow-up decisions. Assembly Ways and Means and Senate Finance will meet again tomorrow morning at 9 a.m. Immediately following that meeting, Assembly Ways and Means and Assembly Education will go into a joint meeting to discuss the policy bill of the Pupil-Centered Funding Plan. I believe Senate Finance has its own agenda immediately following that.

The only thing left before us this evening is public comment. I would welcome folks to come to the dais, introduce yourself, spell your name, and keep in mind the two-minute limit.

**Hawah Ahmad, representing Clark County Education Association, Las Vegas, Nevada:**

The Clark County Education Association (CCEA) represents over 18,000 licensed educators and as the largest independent teacher's union in the country, we engage in bipartisan advocacy to advance public education in Nevada. The CCEA would like to thank these Committees for your hard work on the Pupil-Centered Funding Plan (PCFP). As we transition to the PCFP, CCEA encourages this body to review the Commission of School Funding's April 23, 2021, report that suggests four plans to gradually increase revenue to put our students first and fund education in Nevada. The CCEA understands that to pass new revenue to fund the PCFP, we need a bipartisan effort, led by the Governor, and we are cautiously optimistic that can still happen. Most importantly, CCEA believes that the American Rescue Plan Act of 2021 (ARPA) funds can and should be utilized to invest in the hardest-hit communities by this pandemic—specifically, our students. However, one-time funding is not enough; we also need new revenue that is ongoing, to fund our K-12 education system. This can happen this session, but we need your help. Please join us in helping to support our educators and, most importantly, to support our students. The CCEA stands ready to work with the Legislature, the Governor, gaming, and mining to find a solution. Thank you so much and have a good evening.

**Brian Rippet, President, Nevada State Education Association:**

As Chair Carlton noted at the outset of the meeting and also a few moments ago, this is not the last conversation we are having on education and education funding, thankfully. This gives me hope that students and communities still have a chance to have their educational needs met here in Nevada in the next biennium.

The frustration of the cuts that were made in the 31st Special Session is a good start. This fulfills promises that many of you made last summer. Yet still to be addressed are the

recommendations of the Commission on School Funding to make significant investments in our students in order to get Nevada out of 48th place and up to adequate within the decade.

I trust that you will continue to do the necessary work and keep that promise as well. Thank you so much for your time.

**Andrea K. DeMichieli, School Counselor, Procter R. Hug High School, Washoe County School District, Reno, Nevada, and Secretary/Treasurer of the Nevada State Education Association:**

I am very concerned about Senate Bill 439 and the new school funding formula. Hug High School is a Victory-funded school, and we received an additional \$1.6 million in funding. It is imperative that we keep Victory funding in its current form of directly helping the most at-risk schools. This extra money we received from Victory allowed us to hire more staff, improve academic interventions, and eliminate barriers to education. We hired 25 new staff members, including teachers, counselors, and educational support staff. The extra counselor brought my caseload down to 250 students, which is in line with the recommended national counsel ratio of 250 to 1 for counselor to student. In the past, my caseload has been up to 500 students. This smaller caseload has allowed me to give individual attention to my students and families to help them graduate career and college ready.

In addition, the extra funding means our students do not have to pay fees for core classes. We cover the cost of advanced placement (AP) exams to help eliminate those barriers to a rigorous curriculum. We also purchase materials for our performing arts programs. This year we were able to buy extra technology, including hot spots, for our students for distance learning. Victory funds also help improve instructional support by providing supplies and stipends to teachers to meet their needs in the classroom. Overall, Victory funds helped to lower chronic absenteeism and improve the school's average daily attendance and graduation rates. Since the induction of Victory funds, the graduation rate at Hug High School has increased from 50 percent to 80 percent. The extra funds allow the staff to focus on the safety and social emotional learning needs of our students. With the removal of Victory grant funding from school budgets, all of the extra time and effort that my school has spent to improve academic achievement will be lost. Not to mention 25 staff members, a dean, a behavior specialist, 6 intervention preventionists, 3 campus monitors, 3 bilingual clerks, an information technology technician, and 10 teachers had to find new jobs because of the loss of our school's Victory funds. My students deserve the same educational opportunities as other students in more affluent ZIP codes.

**Selena La Rue Hatch, Private Citizen, Reno, Nevada:**

I made the early morning drive on Saturday to tell you a little bit about my class, and I am here on a school night to tell you a little bit more. Just so you know, educators usually go to bed around 9 p.m., so this a big commitment, and I think it shows how critical these issues are.

I want to tell you a little about my class. I have textbooks right now that talk about our newly elected president, George W. Bush. They talk about this new thing called the Internet, and in my geography class, we have to draw in the borders of countries that have been created since 2002. I asked my students this week if they are excited to come back to normal school next year and many of them said no, because they do not want to be on the floor again. They do not want to be in a classroom of 40 again. They felt like they have gotten attention this year that they have not gotten before, because of our overcrowding. I implore you to help us be better than 48th. You will notice a lot of us are wearing our 48 stickers because we are better than 48. Our students are better than 48, and they deserve to be treated as such. They are better than sitting on the floor, better than having outdated textbooks, and better than crowded classes where they cannot get more than six minutes of attention a week.

I can say that the new funding plan can be touted as this great new thing that will improve education, but a new funding plan with no new funding is doomed to fail. I am asking you to invest. If you believe in this plan, invest in it. Start with new revenue. Start with Assembly Joint Resolution 1. Allow Nevadans to have a vote, to have a say on this bill and let us help you fix our educational crisis.

Tomorrow, I hear that you are going to be talking a little further about education. I will be in the classroom, so I will not be here with you tomorrow, but I hope we see investment in education. I hope we see restoration of the cuts that have been made, and I hope you will invest in our students so we are better than 48th. Thank you.

**Christopher Daly, representing Nevada State Education Association:**

For two years, I think you all know this by now, the Nevada State Education Association (NSEA) has consistently expressed policy concerns with the new funding plan passed as Senate Bill 543 of the 80th Session. We have talked about the lack of educator voice, the lack of new revenue, the watering down of Zoom and Victory schools, freezing and squeezing school district budgets, and an undoing of the rules of collective bargaining that will slant things entirely in the favor of employers. We have also talked about how Nevada ranks 48th among the states in education funding. Despite efforts of many of you in this room over the last several sessions, the new funding plan contains no new funding. It has been mentioned that the funding commission has recommended a ten-year plan for Nevada to increase education funding by \$2 billion per year. These recommendations, so far, have not been thoroughly vetted and they are certainly not included in Senate Bill 439, which is the trailer bill to Senate Bill 543 of the 80th Session.

It is clear, however, that the Legislature is intent on pulling the trigger on the new funding plan, and in doing so, NSEA would strongly encourage you to address just three issues in order to make sure that it works for all Nevada educators and students.

First, grandfather existing Zoom and Victory schools. You heard from one Victory school teacher, Andrea DeMichieli, this evening. Zoom and Victory schools currently are being told that they are looking at budget cuts for their school district budgets for the next year, based

on the new funding plan. That is not a funding plan for equity, when Zoom and Victory schools are necessarily in our lowest income communities, serving the highest percentage of English learners and at-risk students.

Second, we have talked about holding school districts truly harmless, and we do appreciate the move made to use the per-pupil amount as opposed to the whole dollar amount. But you still have increases in the cost of doing business. If you take a look at scenario A in your closing document today [[Exhibit C](#)], you have 14 school districts that will be in hold harmless for at least two years. I have not seen the math or the additional spread sheets or the tabs to know how long those school districts will be under this freeze, but if you allow them the opportunity to pay those increased utility costs, to pay those increased health care costs, or whatever those fixed costs that go up every year are, they will not be constricted in terms of their budgets.

Finally, the antiunion ending fund language balance—we talk a lot in policy committees about recruiting and retaining teachers and the pipeline. If you take away the ability for education unions to negotiate even 2 percent raises at the bargaining table, it will make the teacher shortage and that pipeline that much worse.

A couple of cuts that are outstanding—class size reduction, Read by Three—we have discussed these and we are hopeful that you are able to fix those important line items in the budget in the coming days. We appreciate all of your work and attention to this budget. Thank you.

**Sarah Adler, representing Charter School Association of Nevada:**

First, we want to recognize and thank you for the months and months of hard work that you and your staff have done to get to the point that you made decisions tonight, starting back with the special sessions and the cuts that you had to make. That is our first thanks.

Second, we deeply and sincerely appreciate including charter schools in the adjustment by attendance area. That is really an enormous move to equity and we deeply appreciate that. We admit some confusion about the per-pupil and hold harmless decisions tonight. We are hopeful and confident that some communication can happen between and among you, the State Public Charter School Authority (SPCSA) and your Fiscal staff to clarify that issue. The SPCSA has some Local Education Agency (LEA) functions, but is not in itself a district, able to redistribute money at a charter school basis. Some schools' initial calculations say to us that some schools will not in fact be held harmless. But we are hopeful for some additional clarity and work on that. Simply, thank you very much.

**Chair Carlton:**

Is there anyone present wishing to make public comment at this time? [There was no one]. We will open it up to Zoom and audio. Do we have anyone on the phone line wishing to comment this evening?

**Terri Shuman, Private Citizen, Clark County, Nevada:**

It has been brought to my attention several times that our state song is "Home Means Nevada." A home, a place where you can raise your kids, make sure they are safe, and give them a good education. Your kids, our students, deserve the very best education we can provide. This is the reason why for years our educators have gone to Carson City to the Legislature to ask, to beg, to plead, for more money, but instead of getting help, they are given budget cuts. Programs such as Read by Grade Three, refusals to lower classroom sizes, and refusals to place A.J.R. 1 on the ballot so our people can vote for it. You all are so concerned about the miners leaving the state if you pass taxes, so let me ask you one question: when is the last time your child spent a day with a miner? My guess is probably never, yet our educators spend almost as much time with your children as you do. We teach them every single day how to read, write, and do arithmetic, yet we have to go out and buy our own supplies. Our classes are so large that we have students sitting on the floor and many who are without books. Many of our support professionals are even below or at the poverty line. I am asking you, point blank, why do you insist on cheating your children, when it comes to their education?

I started this conversation by bringing up our state song, Home Means Nevada, but if we cannot get the revenues to fund our schools, we may start to mean something besides Nevada being their home. Our parents are watching. They may start to consider Arizona, Michigan, Tennessee, or even Rhode Island for their place to get a good education. Please allow A.J.R. 1 to be placed on the ballot, please fund our schools, and please do not allow any more budget cuts. We want the best for your children as much as you do. Thank you.

**Chair Carlton:**

Committee members, I believe our tasks for this evening are complete. I will see everyone at 9 a.m. in this room.

[[Exhibit D](#) is a chart submitted by the Nevada Association of School Superintendents that was submitted but not discussed and will become part of the record.]

[[Exhibit E](#) is a letter from Susan Kaiser that was submitted but not discussed and will become part of the record.]

Thank you very much. We are adjourned [at 9:35 p.m.].

RESPECTFULLY SUBMITTED:

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Anne Bowen  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

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Senator Chris Brooks, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a document titled "Senate Committee on Finance and Assembly Committee on Ways and Means Joint Subcommittee on K-12/Higher Education/CIP Closing Report," presented by the Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit D](#) is a chart submitted by the Nevada Association of School Superintendents entitled "iNVest in Education."

[Exhibit E](#) is a letter submitted by Susan Kaiser, Reno, Nevada, addressing funding for education.