

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

**Eighty-first Session
May 11, 2021**

The joint meeting of the Subcommittees on K-12/Higher Education/CIP of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Marilyn Dondero Loop at 8:20 a.m. on Tuesday, May 11, 2021, Online and in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Julia Ratti
Senator Nicole J. Cannizzaro
Senator Ben Kieckhefer
Senator Heidi Seevers Gansert

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Sandra Jauregui, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblyman Glen Leavitt
Assemblyman Tom Roberts

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Sarah Coffman, Assembly Fiscal Analyst
Adam Drost, Senior Program Analyst
Julie Waller, Senior Program Analyst
Jaimarie Mangoba, Program Analyst

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 2

Barbara Williams, Committee Secretary
Joko Cailles, Committee Secretary

OTHERS PRESENT:

Chris Daly, Deputy Executive Director, Government Relations, Nevada State
Education Association
Hawah Ahmad, Clark County Education Association
Jenn Blackhurst, President, Honoring Our Public Education
Ed Gonzales
Benjamin Salkowe
Michelle Booth, Communications Director, Educate Nevada Now

CHAIR DONDERO LOOP:

We will hear kindergarten through Grade 12 (K-12) budget accounts.

JULIE WALLER (Senior Program Analyst):

The K-12/Higher Education/CIP Joint Subcommittees Closing List #7 is
([Exhibit B](#)).

Budget account (B/A) 101-2615 begins on page 4 of [Exhibit B](#).

EDUCATION

K-12 EDUCATION

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-46
(Volume I)

Budget Account 101-2615

Budget account 101-2615 supports the Nevada Department of Education (NDE)
Teacher Incentives, English Learner, Victory Schools and Nevada Ready 21
Technology programs. It is primarily funded with General Fund appropriations.

There are three major closing issues. Major closing issue 1 is
decision unit E-275, which begins on page 4 of [Exhibit B](#).

E-275 Elevating Education — Page K-12 EDUCATION-47

The Executive Budget recommends General Fund appropriations of \$2.5 million in each year of the 2021-2023 biennium to restore Teacher Incentives program funding for Elementary and Secondary Education Act, Title I schools or underperforming schools. The Teacher Incentives program consists of two subprograms. The Incentives for New Teachers in Title I or Underperforming Schools subprogram provides incentive pay for newly hired teachers at certain at-risk schools during their first two years of employment. The Governor recommends General Fund appropriations of \$2.5 million in each year of the 2021-2023 biennium to reestablish subprogram funding in the base budget of B/A 101-2615. During the Seventy-ninth Session, legislators approved \$2.5 million in each year of the 2019-2021 biennium. The funding was transferred through Assembly Bill (A.B.) No. 309 of the 80th Session to provide block grant monies for use on teacher incentives or other eligible purposes.

The Incentives for New or Transfer Teachers in Title I or Underperforming Schools subprogram provides incentive pay for new teachers and transfer teachers in Title I or underperforming schools. The Governor recommends General Fund appropriations of \$2.5 million in each year of the 2021-2023 biennium to provide incentive pay for teachers in Title I or underperforming schools. During the Thirty-first Special Session, a portion of the carryover was eliminated. The Governor proposes funding restoration for the 2021-2023 biennium.

The purpose of the Teacher Incentives program is to recruit and retain quality teachers in Nevada. The NDE did not collect school names, subject areas or grade levels on school district incentive funding request applications. There does not appear to be a requirement for teachers who receive incentives to continue working at Title I schools in subsequent years. The NDE does not collect information on whether teachers receiving incentives remain in Title I schools.

Senate Bill (S.B.) No. 543 of the 80th Session replaced the Nevada Plan for education funding with the Pupil-Centered Funding Plan (PCFP). All monies in B/A 101-2615 were intended to be transferred to B/A 101-2609 to support the

PCFP. *Nevada Revised Statutes* 387.1247, which creates B/A 101-2615, will be repealed effective July 1, 2021.

NDE - State Education Funding Account — Budget Page K-12 EDUCATION-13
(Volume I)
Budget Account 101-2609

The NDE indicated school districts have had success in recruiting or retaining teachers for Title I or underperforming schools. The Clark County School District (CCSD) added additional funding to incentivize teachers to stay at Title I schools. The NDE did not provide specific quantitative data on the Teacher Incentive program's success in recruiting or retaining qualified teachers in Title I or underperforming schools.

Members of the Subcommittees asked the NDE to discuss issues school districts would experience if incentives to recruit and retain qualified teachers at Title I or underperforming schools were funded with base per-pupil funding in the PCFP. The NDE indicated if incentive funding were allocated through the PCFP, the Statewide base per-pupil amount would be increased. Each school district would be responsible for ensuring incentives are allocated to retain or recruit teachers at Title I or underperforming schools.

A decision for the Subcommittees is on page 7 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of General Fund appropriations of \$2.5 million in each year of the 2021-2023 biennium to restore funding for the Teacher Incentives program as recommended by the Governor in decision unit E-275 in B/A 101-2615?

If the Subcommittees approve this decision, they may wish to recommend options A or B on page 7 of [Exhibit B](#). Option A is to maintain the funding for the New or Transfer Teachers in Title I or Underperforming Schools subprogram totaling \$2.5 million in each year of the 2021-2023 biennium as a categorical grant as recommended by the Governor. If the Subcommittees approve option A, the Subcommittees may wish to transfer funding for the subprogram to B/A 101-2699 since B/A 101-2615 will be repealed effective July 1, 2021.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 5

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-33
(Volume I)
Budget Account 101-2699

Option B is to transfer funding for the New or Transfer Teachers in Title I or Underperforming Schools subprogram totaling \$2.5 million in each year of the 2021-2023 biennium to B/A 101-2609 to support the implementation of the PCFP, contingent on the implementation of the PCFP.

There is a second decision set on page 7 of [Exhibit B](#) consisting of options C or D. Option C is to maintain funding for the Incentives for New Teachers in Title I or Underperforming Schools subprogram totaling \$2.5 million each year of the 2021-2023 biennium as a categorical grant, as recommended by the Governor. If the Subcommittees recommend option C, they may also consider transferring funding to B/A 101-2699 since B/A 101-2615 will be repealed effective July 1, 2021.

Option D is to transfer funding for the Incentives for New Teachers in Title I or Underperforming Schools subprogram totaling \$2.5 million in each year of the 2021-2023 biennium to B/A 101-2609 to support the implementation of the PCFP, contingent on the implementation of the PCFP.

ASSEMBLYWOMAN CARLTON:

I have had several conversations on the Teacher Incentives program. I expressed reservations on aspects relating to Title I schools and underperforming schools. My concerns were not reflected in the budget proposals presented to the Subcommittees. Though I made my case, it is time to move forward. I still have concerns. I hope issues do not arise in future legislative sessions.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2615 DECISION UNIT E-275 AS DISCUSSED ON PAGES 4-7 OF [EXHIBIT B](#) WITH GENERAL FUND APPROPRIATIONS IN EACH YEAR OF THE 2021-2023 BIENNIUM TO RESTORE FUNDING FOR THE TEACHER INCENTIVE PROGRAM AS RECOMMENDED BY THE GOVERNOR, TO APPROVE OPTION B ON PAGE 7 OF [EXHIBIT B](#) TO TRANSFER FUNDING FOR THE NEW OR

TRANSFER TEACHERS IN TITLE I OR UNDERPERFORMING SCHOOLS SUBPROGRAM TOTALING \$2.5 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM TO B/A 101-2609 TO SUPPORT THE IMPLEMENTATION OF THE PCFP CONTINGENT ON THE IMPLEMENTATION OF THE PCFP AND TO APPROVE OPTION D ON PAGE 7 OF [EXHIBIT B](#) TO TRANSFER THE FUNDING FOR THE INCENTIVES FOR NEW TEACHERS IN TITLE I OR UNDERPERFORMING SCHOOLS SUBPROGRAM TOTALING \$2.5 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM TO B/A 101-2609 TO SUPPORT THE IMPLEMENTATION OF THE PCFP CONTINGENT ON IMPLEMENTATION OF THE PCFP.

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. WALLER:

Major closing issue 2 in B/A 101-2615 pertains to decision units E-276 and E-929, and begins on page 7 of [Exhibit B](#).

E-276 Elevating Education — Page K-12 EDUCATION-47

E-929 Transfer SB 551 Block Grants to DSA — Page K-12 EDUCATION-47

Senate Bill No. 551 of the 80th Session approved General Fund appropriations of \$35.1 million in fiscal year (FY) 2019-2020 and \$36.8 million in FY 2020-2021 for block grants to support the operation of school districts. Due to the impact of the pandemic on State revenues, legislators approved General Fund reductions of \$1 million in these block grants during the Thirty-first Special Session. The Governor recommends General Fund appropriations of \$1 million in each year of the 2021-2023 biennium to restore funding for supplemental support block grants for school districts.

The table on page 8 of [Exhibit B](#) shows how school districts expended block grant funding in FY 2019-2020. A bulk of the monies—\$28.1 million of the overall \$35.1 million—was used on operational expenses.

In addition to the restoration of funding for the supplemental support block grant, the Governor recommends transferring \$36.8 million in each year of the 2021-2023 biennium through the supplemental support block grant to the B/A 101-2610. Budget account 101-2610 has a reciprocal decision unit E-929 to effectuate this transfer.

NDE - Distributive School Account — Budget Page K-12 EDUCATION-26
(Volume I)
Budget Account 101-2610

E-929 Transfer SB 551 Block Grants to DSA — Page K-12 EDUCATION-30

Members of the Subcommittees inquired how the NDE determined the funding for the supplemental support block grant should be recommended for restoration as opposed to other programs that also faced cuts during the Thirty-first Special Session. The Governor included block grant restorations in the Executive Budget in an effort to restore funds that were added during the Eightieth Session in recognition of the increased costs of operating schools in Nevada.

Members of the Subcommittees asked the NDE how it prioritized programs for funding restoration. The NDE worked in collaboration with all 17 school district superintendents and the NDE State Public Charter School Authority. Members of the Subcommittees asked the NDE to discuss metrics or numeric weights used when determining program restorations. The NDE said it used data in reviewing each program in order to determine restorations.

A decision for the Subcommittees is on page 9 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of decision unit E-276 for General Fund appropriations of \$1 million in each year of the 2021-2023 biennium to restore funding for the supplemental support block grant as recommended by the Governor? Do the Subcommittees also wish to recommend approval of decision unit E-929 in B/A 101-2615 to transfer the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 8

funding for the supplemental support block grant to B/A 101-2610 as recommended by the Governor with authority for Fiscal staff to adjust the total transfer amount based on the Subcommittees' closing recommendation?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2615 DECISION UNIT E-276 WHICH RECOMMENDS GENERAL FUND APPROPRIATIONS OF \$1 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM TO RESTORE FUNDING FOR THE SUPPLEMENTAL SUPPORT BLOCK GRANT, AND TO APPROVE DECISION UNIT E-929 WHICH RECOMMENDS THE TRANSFER OF FUNDING FOR THE SUPPLEMENTAL SUPPORT BLOCK GRANT TO B/A 101-2610 WITH AUTHORITY FOR FISCAL STAFF TO ADJUST THE TOTAL TRANSFER AMOUNT BASED ON THE SUBCOMMITTEES' CLOSING RECOMMENDATION AS RECOMMENDED BY THE GOVERNOR AND DISCUSSED ON PAGES 7-9 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue 3 in B/A 101-2615 pertains to decision unit E-943 and begins on page 9 of [Exhibit B](#).

E-943 Transfer K-12 Prgms to State Ed Funding Acct — Page K-12
EDUCATION-48

The Governor recommends the transfer of funding totaling \$82.6 million with \$80.9 million from the General Fund in FY 2021-2022 and \$82.6 million with \$81.1 million from the General Fund in FY 2022-2023 from B/A 101-2615 to B/A 101-2609 to support the implementation of the PCFP. In this transfer, \$49.4 million in each year of the 2021-2023 biennium is for the English Learner program, \$23.2 million in each year of the 2021-2023 biennium is for

Victory Schools and \$10 million in each year of the 2021-2023 biennium is for the Nevada Ready 21 Technology program. Budget account 101-2609 has a reciprocal decision unit E-943 to effectuate this transfer.

E-943 Transfer K-12 Prgrms to State Ed Funding Acct — Page K-12
EDUCATION-16

The English Learner program consists of two subprograms: the English Learner Grant program and Zoom Schools. Zoom Schools is based on a whole school intervention for high-concentration English learner and low-performing schools in the Washoe County School District (WCSD) and the CCSD. The English Learner Grant program allocates per-pupil funding based on the number of pupils identified as English learners in each rural school district or charter school sponsored by the State Public Charter School Authority. The overall goals of the English Learner program is to improve English language proficiency and academic proficiency of English learner pupils.

During the Eightieth Session, legislators approved General Fund appropriations of approximately \$50 million in each year of the 2019-2021 biennium for the English Learner program. Due to the impact of the pandemic on State revenues, legislators approved the Governor's recommendation to reduce General Fund appropriations for the program by \$501,775 in FY 2020-2021 during the Thirty-first Special Session. In building the base budget for the 2021-2023 biennium, the Governor continued this reduction in each fiscal year of the 2021-2023 biennium, resulting in \$1 million less funding being recommended for the English Learner program in the 2021-2023 biennium than was originally approved during the Eightieth Session for the 2019-2021 biennium.

The Executive Budget recommends the transfer of funding for the English Learner program to B/A 101-2609 to fund the English learner weight in the modified PCFP. Section 4 of S.B. No. 543 of the 80th Session—codified in NRS 387.1214—requires a pupil who belongs to one or more categories of weighted funding to be provided with a single category of weighted funding providing the pupil with the largest multiplier.

Pursuant to section 8 of S.B. No. 543 of the 80th Session, a public school that receives weighted funding for one or more pupils who are English learners is required to use that weighted funding only to provide Zoom Schools services. The table on page 11 of [Exhibit B](#) lists Zoom Schools services the funding can be applied toward.

The Victory Schools program provides funding to provide additional services to underperforming elementary, middle and high school students identified as at-risk and qualifying for free or reduced-price lunch. Victory Schools have one- or two-star schools on the State's accountability system and have higher percentages of these at-risk students. During the Eightieth Session, legislators approved \$25 million in each year of the 2019-2021 biennium for the Victory Schools program. Due to the impact of the pandemic on State revenues, funding for the Victory Schools program was reduced by \$1.8 million in FY 2020-2021. The Executive Budget does not recommend restoration of the \$1.8 million for the 2021-2023 biennium. The Governor recommends a transfer of funding for the Victory Schools program to B/A 101-2609 to fund the at-risk weight in the PCFP. Accordingly, funding to support the Victory Schools program would no longer be provided as a separate K-12 categorical program. Instead, funding would be provided through the at-risk weight. Section 8 of S.B. No. 543 of the 80th Session requires that public schools receiving weighted funding for one or more at-risk pupils are required to use weighted funding only to provide Victory Schools services.

During the Eightieth Session, legislators approved General Fund appropriations of \$10 million in each year of the 2019-2021 biennium for the continuation of the Nevada Ready 21 Technology program. The program provides grants to schools to provide students access to one-to-one portable devices to connect wirelessly to the internet. The program also provides educators professional development to help them optimize personalized student-centered learning.

With the approval of A.B. No. 309 of the 80th Session, the funding was transferred to a new block grant which could be used to provide continued support of the Nevada Ready 21 Technology program or other eligible uses.

The Governor recommends reestablishing General Fund appropriations of \$10 million in each year of the 2021-2023 biennium for the Nevada Ready 21

Technology program in the Executive Budget as the funding in A.B. No. 309 of the 80th Session was intended to be one-time in nature. The Governor also recommends a transfer of the funding for the Nevada Ready 21 Technology to B/A 101-2609 to support base per-pupil funding in the PCFP.

The Subcommittees asked how services provided to students through the English Learner program would be impacted if associated funding were transferred to B/A 101-2609 for the English learner weight. The NDE indicated that funding previously allocated to Zoom Schools for the English Learner program is recommended to be allocated through the PCFP through the English learner weight. Funding is currently provided to Zoom Schools in the WCSD and CCSD. Through the PCFP, funding would be provided to all English learning students through the English learner weight across all public schools in Nevada.

The NDE said this recommendation would result in a change in the way the English Learner program is administered. It would allow students designated as English learners to receive access to the same supports and services that previously may not have been available to all eligible English learner students under the Zoom Schools model. The funding for English learner weights must be used to provide Zoom services under the PCFP.

Similarly, the NDE indicated there would be an opportunity to provide Victory services to all students designated as at risk. They would benefit from additional supports and services.

Members of the Subcommittees inquired whether school districts would continue to fund laptops and professional development with base per-pupil funding if the Nevada Ready 21 Technology program monies were transferred to support the PCFP. The NDE said all school districts and the State Public Charter School Authority are to continue investing in technology and technological advances attained in the past year as schools have risen to meet pandemic-caused challenges. All school districts in the State acquired devices for their students through a variety of funding sources, including federal funds received in response to the Covid-19 pandemic. The devices have a lifespan of three to four years. Additional funds will be needed in three to four years to maintain the number of devices currently in use.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 12

The table on page 13 of [Exhibit B](#) breaks down the funding recommended for transfer to B/A 101-2609 from B/A 101-2615. There is \$49 million recommended in each year of the 2021-2023 biennium for the English Learner program, \$23.2 million recommended in each year of the 2021-2023 biennium for the Victory Schools program and \$10 million recommended in each year of the 2021-2023 biennium for the Nevada Ready 21 Technology program.

A decision for the Subcommittees is on page 14 of [Exhibit B](#). Do the Subcommittees wish to recommend the transfer of funding totaling \$82.6 million including \$80.9 million from the General Fund in FY 2021-2022 and \$82.6 million including \$81.1 million from the General Fund in FY 2022-2023 for the English Learner program including \$49.4 million in each year of the 2021-2023 biennium, the Victory Schools program with \$23.2 million in each year of the 2021-2023 biennium and the Nevada Ready 21 Technology program with \$10 million in each year of the 2021-2023 biennium to B/A 101-2609 to support implementation of the PCFP contingent on the implementation of the PCFP with authority for Fiscal staff to make technical adjustments as necessary?

SENATOR KIECKHEFER:

Will funding for the English Learner program and Victory School program be transferred into B/A 101-2609 and expended using weights?

MS. WALLER:

Yes.

SENATOR KIECKHEFER:

Will funding for the Nevada Ready 21 Technology program be transferred as base funding for B/A 101-2609?

MS. WALLER:

Yes.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2615 AS DISCUSSED ON PAGES 9-14 OF [EXHIBIT B](#) THE TRANSFER OF FUNDING TOTALING \$82.6 MILLION INCLUDING \$80.9 MILLION FROM THE GENERAL FUND

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 13

IN FY 2021-2022 AND \$82.6 MILLION INCLUDING \$81.1 MILLION FROM THE GENERAL FUND IN FY 2022-2023 FOR THE ENGLISH LEARNER PROGRAM INCLUDING \$49.4 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM, THE VICTORY SCHOOLS PROGRAM WITH \$23.2 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM AND THE NEVADA READY 21 TECHNOLOGY PROGRAM WITH \$10 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM TO B/A 101-2609 TO SUPPORT IMPLEMENTATION OF THE PCFP CONTINGENT ON THE IMPLEMENTATION OF THE PCFP WITH AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Budget account 101-2677 begins on page 15 of [Exhibit B](#).

NDE - New Nevada Education Funding Plan — Budget Page K-12
EDUCATION-21 (Volume I)

Budget Account 101-2677

The New Nevada Education Funding Plan (NNEFP) was created to provide school districts and charter schools not designated as Zoom Schools or Victory Schools with an additional \$1,200 per pupil every fiscal year to implement specific education interventions to improve the academic performance of students. Qualifying students must score in the bottom 25 percent of students on certain assessments and must not be on individualized education plans.

There are two major closing issues. Major closing issue 1 beginning on page 16 of [Exhibit B](#) pertains to decision unit E-225.

E-225 Efficiency & Innovation — Page K-12 EDUCATION-21

During the Eightieth Session, legislators approved General Fund appropriations of \$69.9 million in each year of the 2019-2021 biennium. Due to the effects the pandemic had on State revenues, legislators approved the Governor's recommendation to eliminate General Fund appropriations of \$69.9 million and budgeted interest earnings of \$22,044 in FY 2020-2021 during the Thirty-first Special Session. The Governor recommends General Fund appropriations of \$69.9 million and interest earnings of \$22,044 in each year of the 2021-2023 biennium to restore funding for the NNEFP. Based on the allocation of NNEFP funding for the 2019-2020 school year, a total of 469 schools received an allocation of \$1,200 per eligible student to provide targeted programs and services to 58,280 students. Although the NNEFP funding for FY 2020-2021 was eliminated during the Thirty-first Special Session, unexpended funds from FY 2019-2020 were carried forward and allocated to schools in FY 2020-2021.

Documentation provided by the NDE indicated the initial allocation was \$89.82 per student to schools based on 69,012 eligible students. This figure was not aligned with the methodology required by NRS 387.131, which requires an allocation of \$1,200 per student. The NDE acknowledged it had inadvertently allocated grant funding on a per-pupil basis rather than following the statutorily required \$1,200 per student. The NDE notified school districts of revised allocation amounts. The NDE processed payments for underpaid districts. Overpaid school districts returned excess dollars to the NDE.

An independent evaluation of the NNEFP is required to be conducted in each even-numbered year per NRS 387.139. The NDE is working on attaining the independent evaluation on Zoom Schools, Victory Schools and NNEFP programs, which was not conducted within the required timeframe due to pandemic-caused disruptions. The evaluation due in FY 2019-2020 will be conducted in FY 2021-2022.

A decision for the Subcommittees is on page 17 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of General Fund appropriations of \$69.9 million and interest earnings of \$22,044 in each year of the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 15

2021-2023 biennium to restore funding for the NNEFP as recommended by the Governor?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2677 GENERAL FUND APPROPRIATIONS OF \$69.9 MILLION AND INTEREST EARNINGS OF \$22,044 IN EACH YEAR OF THE 2021-2023 BIENNIUM TO RESTORE FUNDING FOR THE NNEFP AS RECOMMENDED BY THE GOVERNOR AND DISCUSSED ON PAGES 16 AND 17 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. WALLER:

Major closing issue 2 in B/A 101-2677 pertains to decision unit E-914 and begins on page 17 of [Exhibit B](#).

E-914 Transfer New NV Funding to State Ed Funding Acct — Page K-12
EDUCATION-22

The Governor recommends transferring General Fund appropriations of \$69.9 million and interest earnings of \$22,044 from the B/A 101-2677 to B/A 101-2609 to support the implementation of the PCFP. There is a reciprocal decision unit E-914 in B/A 101-2609 to effectuate this transfer.

E-914 Transfer New NV Funding to State Ed Funding Acct — Page K-12
EDUCATION-15

The NDE indicated that to determine how the funding from the NNEFP would be allocated between the English learner weight and the at-risk weight as the State transitions to the PCFP, it reviewed the number of at-risk and English-learning students who receive services under the NNEFP. Based on this review, the NDE

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 16

determined it would be appropriate to allocate 50 percent of the funding from the NNEFP to the English learning weight and the other 50 percent to the at-risk weight in the PCFP.

A decision for the Subcommittees is on page 20 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of the transfer of General Fund appropriations of \$69.9 million and interest earnings of \$22,044 in each year of the 2021-2023 biennium from B/A 101-2677 to B/A 101-2609 to fund the English learner and at-risk weights in the PCFP as recommended by the Governor?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2677 DECISION UNIT E-914 THE TRANSFER OF GENERAL FUND APPROPRIATIONS OF \$69.9 MILLION AND INTEREST EARNINGS OF \$22,044 IN EACH YEAR OF THE 2021-2023 BIENNIUM FROM B/A 101-2677 TO B/A 101-2609 TO FUND THE ENGLISH LEARNER AND AT-RISK WEIGHTS IN THE PCFP AS RECOMMENDED BY THE GOVERNOR AND DISCUSSED ON PAGES 17-20 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Budget account 101-2699 begins on page 21 of [Exhibit B](#). This account accommodates grants and other programs funded by the State—specifically for pass-through to school districts, charter schools and other entities for various educational programs.

The tables on pages 22 and 23 of [Exhibit B](#) provide a breakdown of funding for programs in B/A 101-2699 in FY 2021-2022 and FY 2022-2023, including base funding, restorations, reductions, net funding and transfers.

There are four major closing issues in B/A 101-2699. Major closing issue 1 pertains to the restoration of grant funding in decision units E-277, E-278, E-279, E-280, E-281, E-283, E-284, E-285, E-286 and E-287. Major closing issue 1 begins on page 24 of [Exhibit B](#).

E-277 Elevating Education — Page K-12 EDUCATION-34
E-278 Elevating Education — Page K-12 EDUCATION-35
E-279 Elevating Education — Page K-12 EDUCATION-35
E-280 Elevating Education — Page K-12 EDUCATION-36
E-281 Elevating Education — Page K-12 EDUCATION-36
E-283 Elevating Education — Page K-12 EDUCATION-36
E-284 Elevating Education — Page K-12 EDUCATION-37
E-285 Elevating Education — Page K-12 EDUCATION-37
E-286 Elevating Education — Page K-12 EDUCATION-37
E-287 Elevating Education — Page K-12 EDUCATION-38

The Governor recommends General Fund appropriations totaling \$48.9 million in each year of the 2021-2023 biennium to restore funding for several K-12 categorical grant programs reduced during the Thirty-first Special Session due to the impact of the pandemic on State revenues. The table on page 24 of [Exhibit B](#) identifies the specific programs for which the Governor recommends the restoration of funding reduced or eliminated during the Thirty-first Special Session.

The Gifted and Talented Education (GATE) program is in decision unit E-280. The Governor recommends General Fund appropriations of \$5.2 million in each year of the 2021-2023 biennium to restore funding reduced during the Thirty-first Special Session.

The Educational Leadership program is in decision unit E-287. During the Seventy-ninth Session, legislators approved \$500,000 in each year of the 2017-2019 biennium for distribution to a nonprofit educational entity for the implementation and operation of educational leadership training programs. The Educational Leadership program received a budget reduction of \$300,000 during the Thirty-first Special Session, with \$200,000 remaining for expenditure in FY 2020-2021. The [Executive Budget](#) recommends the restoration of \$100,000

in each year of the 2021-2023 biennium, which brings total recommended funding to \$300,000 in each year of the 2021-2023 biennium.

The Adult High School Diploma program is in decision unit E-284 and begins on page 25 of [Exhibit B](#). It provides funding for adult learners 18 years and older in 14 school districts and for the State's correctional system inmates in 8 school districts that operate education programs within 18 educational facilities. A person who is 16 years old but under 18 years old may enroll in the Adult High School Diploma program with the approval of the school board of trustees of his or her education jurisdiction. The program provides free academic counseling and instruction to eligible students who lack high school diplomas or general educational development certificate.

On October 27, 2019, the NDE submitted the annual Adult High School Diploma program report for 2018-2019 pursuant to requirements enacted by S.B. No. 555 of the 80th Session. The report indicated program enrollment was 15,190 students—a decrease of almost 11,000 from the actual enrollment of 26,175 reported in 2017-2018. The figure represents a decrease of 11,669 from the projected 2018-2019 enrollment figure of 26,859 students. The 26,859 student projection was used by your full Committees when determining whether to approve a General Fund enhancement of \$1 million in each year of the 2019-2021 biennium. The program report attributed the significant decrease in enrollment to low Statewide unemployment in 2019 and more accurate enrollment reporting.

The Career and Technical Education (CTE) programs are in decision unit E-285 and begin on page 27 of [Exhibit B](#). According to the Nevada Report Card website, a total of 69,213 students enrolled in CTE programs in FY 2019-2020. This represents an increase of 2,568 students or 3.9 percent compared to the number of students enrolled in FY 2018-2019. The table on page 27 of [Exhibit B](#) shows that the CTE graduation rate across all student populations is significantly higher than the overall State graduation rate for those student populations. The CTE graduation rate was approximately 93.2 percent compared to the State graduation rate of 82.6 percent. Although legislators approved a \$1 million per-year enhancement for the CTE programs for the 2019-2021 biennium during the Eightieth Session, legislators approved a General Fund reduction of \$1 million in FY 2020-2021 during the

Thirty-first Special Session. The reduced funding level of \$12.5 million in each year of 2021-2023 biennium was carried forward in developing base funding for the CTE programs.

The Jobs for America's Graduates (JAG) program is in decision unit E-286 and begins on page 28 of [Exhibit B](#). The JAG program is a nonprofit organization dedicated to helping young adults succeed in school and on the job. The program has expanded from 56 programs in 43 schools in FY 2018-2019 to 60 programs in 51 schools in FY 2020-2021. The JAG program operates in 15 out of 17 counties in Nevada. The Governor recommends \$3.9 million in each year of the 2021-2023 biennium. The JAG program projects non-General Fund grant funding of \$683,000 in FY 2021-2022 and \$563,000 in FY 2022-2023 representing 15 percent and 12.7 percent respectively of the total anticipated funding. Like several nonprofit organizations, the JAG program was financially affected by the Covid-19 pandemic. The JAG program reports a loss of \$85,000 in donor funding in one year due to the pandemic. In addition, the JAG program indicates donors are delaying making future commitments, which makes planning of future programming difficult. The JAG program incurred a General Fund budget reduction of \$588,230 in FY 2020-2021 during the Thirty-first Special Session. This reduced funding levels carried forward in developing the base funding level of \$3.6 million for the JAG program in the 2021-2023 biennium. Decision unit E-286 proposes General Fund appropriations of \$252,098 in each year of the 2021-2023 biennium to partially restore the budget reductions in the JAG program, bringing total recommended State funding for the program to \$3.9 million in each year of the 2021-2023 biennium.

Regarding the GATE program in decision unit E-280, members of the Subcommittees asked the NDE which factors the NDE Commission on School Funding (CSF) considered in determining its recommendation for a targeted GATE program weight of 0.14 when the school finance consultant—Augenblick, Palaich, and Associates—recommended the weight to be 0.05. The NDE indicated schools provided additional local funding for the GATE program. The CSF was hopeful there would be additional funding in the future to recognize this level of spending on GATE students. The Subcommittees will need to determine if they wish to restore General Fund appropriations of \$5.2 million in each year of the 2021-2023 biennium, which would maintain the effective

weight of 0.12. Conversely, the restoration of \$5.2 million in each year of the 2021-2023 biennium would not need to be approved for the GATE program if the Subcommittees recommend a GATE program weight of 0.05. The Subcommittees could consider redirecting the \$5.2 million to B/A 101-2609 to support implementation of the PCFP.

Regarding the Educational Leadership program in decision unit E-287, members of the Subcommittees asked how the \$300,000 budget reduction would impact the implementation and operation of educational leadership programs. The NDE said it would continue to work with all subrecipients facing budget reductions to identify whether other funding sources were available to ensure service continuity. Fiscal staff asked how a funding restoration of \$100,000 would be used. The Clark County Public Education Foundation indicated its team would be able to refocus the Teacher Leader Academy, in partnership with the CCSD, to retain good-to-great early career teachers and reduce the attrition rate of good-to-great teachers who are 50 years old and older. A funding restoration would also allow the Foundation to continue work in the Executive Leadership Academy, Digital Leadership program and regional summits. The Foundation would be able to resume community roundtables and discussions.

Regarding the Adult High School Diploma program in decision unit E-284, members of the Subcommittees asked why a funding restoration of \$1.2 million in each year of the 2021-2023 biennium was necessary in light of the significant drop of nearly 11,000 students. The NDE said the budget restoration would maintain the General Fund support to meet maintenance of effort requirements for the program. Following up, the NDE indicated the match was met through \$402,018 in General Fund appropriations and \$1.9 million in cash and in-kind donations from local programs. Given that \$402,018 was needed as a State match for federal Adult Education and Family Literacy Act grants, it does not appear the restoration of \$1.2 million would be required to fulfill maintenance of effort requirements. As the annual \$1 million enhancement was approved by legislators during the Eightieth Session, prior to the significant decline in reported enrollment for the Adult High School Diploma program, the Subcommittees may consider not recommending approval of the restoration of \$1.2 million for the program, but rather redirecting the \$1.2 million to B/A 101-2609 to support the implementation of the PCFP.

Regarding the CTE program in decision unit E-285, members of the Subcommittees asked the NDE how the recommended additional General Fund appropriation of \$1 million in each year of the 2021-2023 biennium would be used to improve or expand the program. The NDE indicated the restoration of \$1 million would be used to allow school districts and charter schools to restore planned purchases, including but not limited to supplies, equipment, curriculum and instructional materials, support of CTE student organizations and personnel. The restoration of \$1 million in funding would ensure Nevada continues to meet its maintenance of effort requirements for federal Carl D. Perkins Strengthening Career and Technical Education for the 21st Century Act (Perkins V) of 2018 grant monies.

In July 2020, the NDE received approval of a 5 percent reduction in Nevada's maintenance of effort requirement from the U.S. Department of Education, resetting the baseline maintenance of effort to \$12,570,452 beginning in FY 2019-2020. According to the U.S. Department of Education, the baseline adjustment allows the State a one-time floor reset in the first year of the reauthorization of the Perkins Act. If the NDE were to expend more than the new baseline maintenance of effort amount in FY 2020-2021, the maintenance of effort requirement would increase to that amount in FY 2021-2022. The NDE indicates the combined administrative and programmatic State funding for CTE totals \$13.3 million in FY 2020-2021. If expenditures are incurred as budgeted, the total maintenance of effort for FY 2021-2022 would be \$13.3 million. The table on page 30 of [Exhibit B](#) illustrates expenditures to meet federal maintenance of effort requirements. Monies from the General Fund and Perkins Grant are in B/A 101-2676.

NDE - Career and Technical Education — Budget Page K-12 EDUCATION-140
(Volume I)
Budget Account 101-2676

Your full Committees approved \$678,013 in each year of the 2021-2023 biennium for administrative support in B/A 101-2676. The other component of the maintenance of effort requirement is located in B/A 101-2699 as programmatic funding for the CTE program. Funding for CTE initiatives in B/A 101-2699 was approximately \$12.5 million in FY 2019-2020 and FY 2020-2021. The table on page 30 of [Exhibit B](#) shows the one-time reset of

the maintenance of effort requirements. Total maintenance of effort funding was \$12.6 million in FY 2019-2020. With additional funding in FY 2020-2021, that maintenance of level requirement is now at \$13.3 million. Given the slight reduction of funding located in B/A 101-2676 from \$726,439 in FY 2020-2021 to \$678,013 in FY 2021-2022 and FY 2022-2023, there would be an additional increase required to maintain the \$13.3 million maintenance of effort requirement in FY 2020-2021. This would require an additional \$48,426 in B/A 101-2699 in order to meet the combined maintenance of effort requirement for the CTE program. Given that the Governor recommends \$1 million to restore the CTE funding levels, the additional increase would increase the maintenance of effort required in future fiscal years. If the Subcommittees wish to maintain existing maintenance of effort of \$13.3 million, only \$48,426 would be required to be added to the CTE program in B/A 101-2699. The Subcommittees may wish to consider redirecting the difference of \$951,574 to B/A 101-2609 to support the implementation of the PCFP.

Regarding the JAG program in decision unit E-286, members of the Subcommittees asked whether the matching funds of \$1.2 million provided to the program during the Eightieth Session were included in the base budget for the program. Members of the Subcommittees asked whether the NDE anticipated matching requirements would continue with the JAG program funding recommended in the Executive Budget. The NDE anticipates requirements for the match to remain in place during the 2021-2023 biennium. The NDE indicated the JAG program expressed concerns about its ability to generate private dollars, increasing the difficulty in acquiring initial donations to match General Fund monies. The table on page 31 of [Exhibit B](#) shows the differences between the funding level approved during the Eightieth Session and the funding level recommended by the Governor during the 2021-2023 biennium. Legislators initially approved \$4.2 million for FY 2020-2021. A budget reduction of \$588,230 was approved by legislators during the Thirty-first Special Session, with remaining funds of \$3.6 million.

The Governor used the \$3.6 million figure to recommend the base funding level for the JAG program for the 2021-2023 biennium. The Governor recommends a partial restoration of \$252,098 for the JAG program in decision unit E-286. If the restoration is approved, total funding for the JAG program would be

approximately \$3.9 million in each year of the 2021-2023 biennium. This figure is \$336,132 less than what was approved during the Eightieth Session.

The table on page 31 of [Exhibit B](#) does not include the \$1.2 million in General Fund appropriations approved during the Eightieth Session as a match. This would be consistent with the Subcommittees' understanding that the \$1.2 million General Fund appropriation was not intended to be an ongoing expense for inclusion in the base budget for the JAG program. Given the Governor does not recommend one-time funding to continue the match requirement approved during the Eightieth Session, the Subcommittees could consider requiring the funding recommended for restoration be used as matching funds by the JAG program.

Table 1 on page 32 of [Exhibit B](#) summarizes Governor-recommended funding for the programs in major closing issue 1 of B/A 101-2699. Page 32 of [Exhibit B](#) also contains several decisions for the Subcommittees.

Option A on page 32 of [Exhibit B](#) is to recommend approval of General Fund appropriations totaling \$48.9 million in each year of the 2021-2023 biennium as recommended by the Governor to restore funding for all decision units in major closing issue 1 of B/A 101-2699. Approval of option A would restore \$5.2 million in each year of the 2021-2023 biennium for the GATE program and would result in an effective GATE program weight of 0.12 as recommended by the CSF.

Option B on page 32 of [Exhibit B](#) is to recommend approval of General Fund appropriations totaling \$41.2 million in each year of the 2021-2023 biennium to restore funding for decision units E-277, E-278, E-279, E-281, E-283 and E-287.

Under option B, the Subcommittees may make separate recommendations on decision unit E-280 to not recommend approval of the restoration of \$5.2 million in each year of the 2021-2023 biennium, thereby maintaining the base funding level of \$3.1 million for the GATE program, which equates to a 0.05 weight—as recommended by the school finance consultant Augenblick, Palaich, and Associates—and redirect the \$5.2 million to B/A 101-2609 to support the implementation of the PCFP.

In decision unit E-284, the Subcommittees may wish to not recommend approval of the restoration of \$1.2 million in each year of the 2021-2023 biennium for the Adult High School Diploma program, but rather to redirect the funding to B/A 101-2609 to support implementation of the PCFP. In decision unit E-285, the Subcommittees may wish to not recommend approval of the full restoration of \$1 million in each year of the 2021-2023 biennium for the CTE program, which would increase the ongoing maintenance requirement, but rather approve \$48,426 in each year of the 2021-2023 biennium to ensure the combined General Fund appropriations used for maintenance of effort reflected in B/A 101-2676 and B/A 101-2699 total the budgeted maintenance of effort of \$13.3 million for FY 2020-2021, which would be continued as the maintenance of effort level in FY 2021-2022 and FY 2022-2023 and redirect the difference of \$951,574 to B/A 101-2609 to support the implementation of the PCFP.

In decision unit E-286, the Subcommittees may wish to not recommend approval of the restoration of \$252,098 in each year of the 2021-2023 biennium as ongoing funding in the base budget, but rather redirect the funding to be used as one-time funding to continue the match requirement in the 2021-2023 biennium for the JAG program.

Option C is to recommend approval of different amounts of General Fund appropriations, as determined by the Subcommittees to restore funding for the grant programs in the decision units in major closing issue 1 in B/A 101-2699.

ASSEMBLYWOMAN CARLTON:

We need more discussions on decision units E-280 and E-286. In decision unit E-280, there were several discussions on what the weight for the GATE program should be. During the Thirty-first Special Session, legislators came up with the 0.05 because we believed that was the weight that would be used as the State transitioned to the PCFP. I understand the Subcommittees settled on the 0.05 weight during work session.

MS. WALLER:

Support was expressed by the Subcommittees for the 0.05 weight. Members of the Subcommittees also discussed why the CSF had recommended the 0.12 weight.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 25

ASSEMBLYWOMAN CARLTON:

Other legislators expressed support for a 0.12 weight. Regardless of whether the Subcommittees recommend a 0.05 weight or a 0.12 weight for the GATE program, if we go with the lower amount, the monies that are no longer directed to the GATE program still remain within education. The funds will still be used to support the Pupil-Centered Funding Formula. Our decision is how much of the money will be spent on the GATE program. Based on conversations during the Thirty-first Special Session, I understood everyone was comfortable with the 0.05 weight. People's thoughts seem to have changed since summer 2020. There were no conversations about taking money out of education and putting it in another area. Under the 0.12 weight, more money will go to GATE students. Under the 0.05 weight, less money goes to GATE students, but the saved funds remain in education. The funds could be used for Victory Schools, Zoom Schools, English learners, the Read by Grade 3 program and other programs.

I was comfortable with the 0.05 weight. I understand Senators support the 0.12 weight. I will not block the Subcommittees' decision. The Assembly Subcommittee will support the 0.12 weight for the GATE program.

Differences remain on decision unit E-286. I understood the Subcommittees were comfortable with redirecting the funds to be used on the match requirement in the 2021-2023 biennium for the JAG program.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I have concerns about the use of State dollars on nonprofit programs.

Using the monies in decision unit E-286 to meet the JAG program's match requirements makes the most sense. There have been conversations over the past couple of biennia around making sure the majority of funding nonprofits receive is not coming from the State. Nonprofits would be better positioned during times of economic downturn if most of their funding did not come from the government.

The funding the JAG program gets from education budgets represents a piece of what the program gets from the State. The JAG program has contracts with the Department of Employment, Training and Rehabilitation (DETR). The

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 26

programs gets additional funding from the CCSD. It makes more sense for the JAG program to be funded through DETR rather than education. Education dollars should be allocated on a per-pupil basis. Job training dollars are more appropriate for the JAG program, though I know colleagues disagree.

Using the dollars in decision unit E-286 to meet match requirements is a good decision.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2699 GENERAL FUND APPROPRIATIONS TOTALING \$41.2 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM TO RESTORE FUNDING FOR GRANT PROGRAMS IN DECISION UNITS E-277, E-278, E-279, E-280, E-281, E-283, E-284, E-285 AND E-287 AS RECOMMENDED BY THE GOVERNOR AND DISCUSSED ON PAGES 24-32 OF [EXHIBIT B](#); AND TO NOT RECOMMEND APPROVAL OF THE RESTORATION OF \$252,098 IN EACH YEAR OF THE 2021-2023 BIENNIUM AS ONGOING FUNDING FOR DECISION UNIT E-286 IN THE BASE BUDGET, BUT RATHER TO APPROVE REDIRECTING THE FUNDING TO BE USED AS ONE-TIME FUNDING TO CONTINUE THE MATCH REQUIREMENT IN THE 2021-2023 BIENNIUM FOR THE JAG PROGRAM AS DISCUSSED UNDER OPTION B, SUBOPTION 4 ON PAGE 32 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

SENATOR SEEVERS GANSERT:

I support the 0.12 weight for GATE funding. Not many students are in the GATE program. The funding is important.

A number of JAG program students told me how the program has made differences in their lives. Although I will support the motion, legislators should look at restoring funding at a later date.

ASSEMBLYMAN ROBERTS:

I support restoring the GATE weight to 0.12. Both of my boys were in the GATE program. It made a difference in their lives.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 27

ASSEMBLYWOMAN BENITEZ-THOMPSON:

Legislators make choices about how to weigh funding for different groups of students. It can be difficult to feel like you are arguing against your family's interest in favor of the interest of all students. I appreciate the GATE weight.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:

Major closing issue 2 in B/A 101-2699 pertains to decision units E-686 and E-688 beginning on page 33 of [Exhibit B](#).

E-686 Program Reserves — Page K-12 EDUCATION-38

E-688 Program Reserves — Page K-12 EDUCATION-39

The Governor recommends General Fund reductions totaling \$25.1 million in FY 2021-2022 and \$25.3 million in FY 2022-2023 for various K-12 grant programs in B/A 101-2699. The NDE indicates B/A 101-2699, which includes program restorations and reductions, is reflective of the budget building process for the 2021-2023 biennium. The Office of the Governor, Office of Finance (GFO) indicated that budget reductions Statewide were recommended to balance the Executive Budget. The table on page 33 of [Exhibit B](#) describes programs recommended for funding reductions. The programs in decision unit E-686 include the Read by Grade 3 program, Underperforming/Turnaround Schools, College and Career Readiness, and Advanced Placement exams for a total of \$24.2 million in FY 2021-2022 and \$24.4 million in FY 2022-2023.

Decision unit E-688 would effectuate reductions in the Nevada Institute on Teaching and Educator Preparation, Teacher and Nursing National Board Certification Reimbursement, Counselor Certification and Speech Pathologists Increment programs of \$899,814 in each year of the 2021-2023 biennium.

Members of the Subcommittees asked how the budget reductions in decision units E-686 and E-688—especially for the Underperforming/Turnaround Schools,

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 28

College and Career Readiness, and the Nevada Institute for Teaching and Educator Preparation—would impact the ability of schools to provide services to students and teachers. The NDE indicated the budget reductions would have an impact on students. However, the ability to access federal funds as a result of the Covid-19 pandemic would allow schools to continue meeting the needs of students and teachers. Schools would have an opportunity to invest in education in innovative ways in light of the pandemic.

A decision for the Subcommittees is on page 34 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of General Fund reductions totaling \$24.2 million in FY 2021-2022 and \$24.4 million in FY 2022-2023 as recommended by the Governor for Read by Grade 3, Underperforming/Turnaround Schools, College and Career Readiness, and Advanced Placement Examinations?

Do the Subcommittees also wish to recommend approval of General Fund reductions totaling \$899,814 in each year of the 2021-2023 biennium as recommended by the Governor for the Nevada Institute on Teaching and Educator Preparation, Teacher and Nursing National Board Certification Reimbursement, Counselor Certification and Speech Pathologists Increment programs?

ASSEMBLYWOMAN JAUREGUI MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2699 DECISION UNIT E-686 GENERAL FUND REDUCTIONS TOTALING \$24.2 MILLION IN FY 2021-2022 AND \$24.4 MILLION IN FY 2022-2023 AS RECOMMENDED BY THE GOVERNOR FOR THE READ BY GRADE 3, UNDERPERFORMING/TURNAROUND SCHOOLS, COLLEGE AND CAREER READINESS, AND ADVANCED PLACEMENT EXAMINATION PROGRAMS; AND TO APPROVE IN DECISION UNIT E-688 GENERAL FUND REDUCTIONS TOTALING \$899,814 IN EACH YEAR OF THE 2021-2023 BIENNIUM AS RECOMMENDED BY THE GOVERNOR FOR THE NEVADA INSTITUTE ON TEACHING AND EDUCATOR PREPARATION, TEACHER AND NURSING NATIONAL BOARD CERTIFICATION REIMBURSEMENT, COUNSELOR CERTIFICATION AND SPEECH PATHOLOGISTS INCREMENT PROGRAMS AS DISCUSSED ON PAGES 33 AND 34 OF [EXHIBIT B](#).

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 29

SENATOR RATTI SECONDED THE MOTION.

SENATOR KIECKHEFER:

I would prefer to vote against the motion. I will vote for it due to the budget reduction process we are working under. These cuts need to be restored. These programs are at the top of my priority list.

If the K-12 Funding Bill is presented to the Senate without some of these programs being restored, I would have a hard time supporting it.

SENATOR SEEVERS GANSERT:

I concur with Senator Kieckhefer's statement. The Read by Grade 3 program is particularly important to me. These are important programs. The Economic Forum presented positive projections. The programs identified in decision units E-686 and E-688 need to be prioritized for funding restorations.

ASSEMBLYMAN ROBERTS:

I agree with Senator Kieckhefer and Senator Seevers Gansert. I want to work with colleagues to restore some of these cuts before the Eighty-first Session adjourns. I will vote in favor of the motion for the sake of the budgetary process.

SENATOR RATTI:

There is a commitment to have conversations on these cuts over the next several weeks. Many are concerned about the cuts we are making to education.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN CARLTON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED (SENATOR CANNIZZARO WAS EXCUSED FOR THE VOTE.)

* * * * *

Major closing issue 3 in B/A 101-2699 pertains to decision units E-916 and E-947 beginning on page 34 of [Exhibit B](#).

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 30

E-916 Transfer GATE to State Ed Funding Acct — Page K-12 EDUCATION-39
E-947 Transfer K-12 Prgrms to State Ed Funding Acct — Page K-12
EDUCATION-39

The Governor recommends General Fund appropriations of \$27 million in FY 2021-2022 and \$26.8 million in FY 2022-2023 from B/A 101-2699 to B/A 101-2609 to support the PCFP. Budget account 101-2609 has reciprocal budget units for this transfer.

E-916 Transfer GATE to State Ed Funding Acct — Page K-12 EDUCATION-15
E-947 Transfer K-12 Prgrms to State Ed Funding Acct — Page K-12
EDUCATION-17

The table on page 34 of [Exhibit B](#) identifies program funds recommended for transfer. In decision unit E-916, \$8.3 million in each year of the 2021-2023 biennium would be transferred to B/A 101-2609 for distribution through the PCFP as weighted funding for the GATE program weight.

The programs included in decision unit E-947 include Read by Grade 3, Advanced Placement Examinations, District Library Book grants, Computer Education and Technology, Special Elementary Counseling, and the College and Career Ready Diploma program.

The Subcommittees made a recommendation for the GATE program. Regarding the Ready by Grade 3 program in decision unit E-947, members of the Subcommittees had conversations about the expectations for said program if funding were approved for transfer to B/A 101-2609. The NDE indicated the programs, services and intent of the Read by Grade 3 program would not change. There were no changes to the statutory provisions establishing the program. The Ready by Grade 3 program requires elementary school principals to identify literacy strategists at each elementary school. The strategists would continue to provide professional development, technical assistance, support and services to ensure students are reading at grade level.

Members of the Subcommittees asked how many additional elementary school students were provided literacy support interventions in FY 2019-2020. With the expansion of the Read by Grade 3 program to all 17 school districts and

additional charter schools, all schools received program funding based on an average salary of approximately \$71,000 per year for literacy strategists to provide services to 428 schools and 222,000 students.

A decision for the Subcommittees is on page 36 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of decision unit E-916, which recommends the transfer of approximately \$8.3 million in funding for the GATE program—based on the Subcommittees' decision unit E-280—in each fiscal year of the 2021-2023 biennium from B/A 101-2699 to B/A 101-2609 to support the implementation of the PCFP?

Do the Subcommittees also wish to recommend approval of decision unit E-947, which recommends the transfer of General Fund appropriations for the Read by Grade 3 program, Advanced Placement program, District Library Grant program, Computer Education Technology program, Special Elementary Counseling, and the College and Career Ready Diploma programs—based on the Subcommittees' previous decisions on these programs—from B/A 101-2699 to B/A 101-2609 to support the implementation of the PCFP?

Fiscal staff requests authority to enter technical adjustments based on previous closing actions by the Subcommittees.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2699 DECISION UNIT E-916 TO TRANSFER TOTAL PROGRAM FUNDING FOR THE GATE PROGRAM FROM B/A 101-2699 TO B/A 101-2609 TO SUPPORT THE IMPLEMENTATION OF THE PCFP; AND TO APPROVE DECISION UNIT E-947 TO TRANSFER GENERAL FUND APPROPRIATIONS FOR THE READ BY GRADE 3 PROGRAM, ADVANCED PLACEMENT PROGRAM, SPECIAL ELEMENTARY COUNSELING, AND THE COLLEGE AND CAREER READY DIPLOMA PROGRAMS FROM B/A 101-2699 TO B/A 101-2609 TO SUPPORT THE IMPLEMENTATION OF THE PCFP AS DISCUSSED ON PAGES 34-36 OF [EXHIBIT B](#) AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED ON PREVIOUS SUBCOMMITTEE CLOSING ACTIONS.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 32

SENATOR RATTI SECONDED THE MOTION.

SENATOR SEEVERS GANSERT:

For the sake of consistency, I will vote no on the motion. The Read by Grade 3 program is important. I appreciate it was treated separately. I am concerned the Read by Grade 3 program will be diluted in B/A 101-2609. The least we could do is to ensure our kids can read by Grade 3. A potential future option is creating funding weights. The NDE Superintendent of Public Instruction Jhone Ebert indicated about 114,000 students across the State cannot read at grade level.

ASSEMBLYWOMAN CARLTON:

I am sure everyone on the Subcommittees feels the same way about the Read by Grade 3 program. There are several items in [Exhibit B](#) that not everyone will be in agreement on. We have to be able to complete the budget process and establish an education funding formula.

Legislators will be able to discuss S.B. 439 at hearings. We will put the pieces together to ensure education will be funded in Nevada.

[SENATE BILL 439](#): Revises provisions relating to education. (BDR 34-1099)

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR SEEVERS GANSERT VOTED NO.)

* * * * *

MS. WALLER:

Major closing issue 4 in B/A 101-2699 begins on page 37 of [Exhibit B](#) and pertains to funding recommended to be maintained as K-12 categorical grants. The Governor recommends General Fund appropriations totaling \$39.1 million in FY 2021-2022 and \$38.7 million in FY 2022-2023 to be maintained in B/A 101-2699 as K-12 categorical grants. Although several categorical grant programs are recommended to be transferred to B/A 101-2609, other programs

are not recommended to be transferred. Such programs are listed in Table 4 on page 37 of [Exhibit B](#).

The Public Broadcasting, Education Leadership and JAG programs in Table 4 are related to nonprofit entities. The CTE program funding in Table 4 represents a maintenance of effort requirement and is not recommended to be transferred to B/A 101-2609. The Adult High School Diploma program is not recommended to be distributed through the PCFP.

Members of the Subcommittees asked why certain K-12 categorical programs in B/A 101-2699 provided to school districts and charter schools are not recommended to be transferred to B/A 101-2609 to be distributed through the PCFP. In response, the NDE provided an overview of the process the CSF used to review funding to be transferred to and allocated by the PCFP. When the CSF reviewed program funding that targeted teachers—including monies for incentives, reimbursements, certifications and salary adjustments—the recommendation was this funding not be transferred to B/A 101-2609 for distribution through the PCFP.

The CSF recommended grant funding be transferred to B/A 101-2609 and allocated through the PCFP if the associated services were targeted to schools and students.

A benefit of allocating many of the State-funded grants through the PCFP is that school districts would have greater confidence and continuity in funding levels from one year to the next. School districts would not need to go through a competitive grant process or wait for the NDE to go through a formulaic distribution process. When funds are allocated through the PCFP, funding would be made available to school districts as part of their monthly payment from the State based on the school district respective per-pupil funding amount.

A decision for the Subcommittees is on page 38 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of maintaining categorical grant programs 1 through 12 as identified in Table 4 in B/A 101-2699 as recommended by the Governor?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 34

Do the Subcommittees instead wish to recommend approval of maintaining funding for certain K-12 categorical grant programs, including grant programs 8 through 12 in Table 4, which include K-12 grant programs to nonprofits, the CTE program and the Adult High School Diploma program, but transfer funding for K-12 grant programs 1 through 7 as identified on Table 4 to B/A 101-2609 to support the implementation of the PCFP?

Fiscal staff requests authority to make technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2699 TO MAINTAIN FUNDING FOR CERTAIN K-12 CATEGORICAL GRANT PROGRAMS, INCLUDING GRANT PROGRAMS 8 THROUGH 12, AS LISTED IN TABLE 4 ON PAGE 37 OF [EXHIBIT B](#), WHICH INCLUDE K-12 GRANT PROGRAMS TO NONPROFITS, THE CTE PROGRAM AND THE ADULT HIGH SCHOOL DIPLOMA PROGRAM, BUT TRANSFER FUNDING FOR K-12 GRANT PROGRAMS 1 THROUGH 7 AS IDENTIFIED IN TABLE 4 TO B/A 101-2609 TO SUPPORT IMPLEMENTATION OF THE PCFP WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. WALLER:
Budget account 101-2616 begins on page 39 of [Exhibit B](#).

NDE - Incentives for Licensed Education Personnel — Budget Page K-12
EDUCATION-62 (Volume I)
Budget Account 101-2616

Budget account 101-2616 houses funding for estimated continuing liability for the educator retirement credit purchase program. Based on projected costs for the 2021-2023 biennium, the Governor recommends a General Fund reduction of \$120,000 in each year of the 2021-2023 biennium, resulting in net total funding of \$459,849 in each year of the 2021-2023 biennium to fund the estimated outstanding liability of the educator retirement credit purchase program for the 2021-2023 biennium.

The NDE projects the cost of retirement service credits earned in FY 2019-2020 and purchases in FY 2020-2021 to be \$418,688 for 69 eligible participants at an average cost of \$6,067 per credit. The overall number of required retirement credit purchases per school continues to decline as eligible teachers reach the maximum retirement credit purchase of five years. At the time the Executive Budget was developed, the NDE estimated that of the original 5,449 eligible participants opting to continue the purchase of the retirement service credits, an estimated 705 participants in FY 2021-2022 and 599 participants in FY 2022-2023 would continue to be eligible to earn retirement service credits at a total projected cost of \$4 million in FY 2021-2022 and \$3.4 million in FY 2022-2023. Of these eligible participants, school districts estimated 85 participants in each year would claim the one-fifth retirement credit for a projected cost of \$487,177 in each year of the 2021-2023 biennium.

On May 5, 2021, the NDE provided Fiscal staff updated estimates for the retirement credit program. The total estimated costs of funding the 1/5 retirement credits for 73 projected participants totals \$441,178 in each year of the 2021-2023 biennium, which is a decrease of \$18,671 in each year of the 2021-2023 biennium when compared with the recommended funding in the Executive Budget.

In light of the uncertainty of the per-credit cost of the 1/5 retirement credit to be claimed and the potential for additional participants beyond those projected to claim the credit, Fiscal staff does not propose a technical adjustment to reduce the recommended \$459,849 in each year of the 2021-2023 biennium by the \$18,671 in each year of the 2021-2023 biennium. The NDE and GFO concur with maintaining the funding level as recommended by the Governor.

To ensure funding is available to fund the purchase of retirement service credits in each year of the 2021-2023 biennium, the Subcommittees may wish to consider continuing to provide the NDE with authority to transfer appropriations for the purchase of retirement service credits earned between the fiscal years in the 2021-2023 biennium. Legislators provided such authority through section 40 of S.B. No. 555 of the 80th Session, the K-12 Funding Bill for the 2019-2021 biennium. The provision has not been needed during the 2019-2021 biennium.

A decision for the Subcommittees is on page 41 of [Exhibit B](#). Fiscal staff recommends B/A 101-2616 be closed as recommended by the Governor, with authority for Fiscal staff to include language to allow appropriation transfers, as needed, between fiscal years of the 2021-2023 biennium for the purchase of retirement service credits. Fiscal staff requests authority to make technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-2616 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO INCLUDE LANGUAGE TO ALLOW APPROPRIATION TRANSFERS AS NEEDED BETWEEN FISCAL YEARS OF THE 2021-2023 BIENNIUM FOR THE PURCHASE OF RETIREMENT SERVICE CREDITS AS DISCUSSED ON PAGES 39-41 OF [EXHIBIT B](#) WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ADAM DROST (Senior Program Analyst):
Budget account 101-2617 begins on page 43 of [Exhibit B](#).

NDE - State Supplemental School Support Account — Budget Page K-12
EDUCATION-54 (Volume I)
Budget Account 101-2617

Budget account 101-2617 contains proceeds from the Room Tax. The Legislature approved the transfer of Room Tax revenue to B/A 101-2610 as a State funding source in prior fiscal years in FY 2010-2011 through FY 2020-2021. With the passage of S.B. No. 543 of the 80th Session, B/A 101-2617 is scheduled to be retired beginning in FY 2021-2022 with all Room Tax revenue to be deposited directly in B/A 101-2609 pursuant to NRS 387.1212 and NRS 387.191.

There are no major closing issues. Other closing item 1 pertains to decision unit E-130, and begins on page 44 of [Exhibit B](#).

E-130 Economic Opportunity & Skilled Workforce — Page K-12 EDUCATION-54

Decision unit E-130 pertains to the transfer of Room Tax revenues. As part of the implementation of the PCFP, the Executive Budget calculated the Nevada Plan funding formula which served as the basis for the transfer of State funding from B/A 101-2610 to B/A 101-2609. The Governor recommends Room Tax revenue be transferred from B/A 101-2617 to B/A 101-2610 as a State funding source, reducing General Fund appropriations in B/A 101-2610 by approximately \$307.4 million over the 2021-2023 biennium. Fiscal staff and the GFO provided updated Room Tax projections for the 2021-2023 biennium. The forecasts reflect a slight decrease to approximately \$300 million over the 2021-2023 biennium. This projection excludes interest earnings as B/A 101-2617 and its ability to earn interest are slated to be eliminated beginning in FY 2021-2022.

Since Room Tax revenue is recommended to be transferred from B/A 101-2617 to B/A 101-2610, and then from B/A 101-2610 to B/A 101-2609, Fiscal staff requests authority to reflect updated Room Tax revenue projections in B/A 101-2609, where the revenue is legislatively approved to be deposited pursuant to statute. Fiscal staff also requests authority to enter technical adjustments to reflect a transfer of Room Tax revenue to B/A 101-2610 in a fund transfer decision unit rather than an interagency transfer decision unit,

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 38

which would allow all funding to be eliminated from B/A 101-2617 in the 2021-2023 biennium. The GFO concurs with this adjustment.

A decision for the Subcommittees is on page 44 of [Exhibit B](#). Fiscal staff requests authority to enter technical adjustments to reflect the transfer of Room Tax revenue to B/A 101-2610 as a fund transfer rather than an interagency transfer, reflect the updated Room Tax revenue projections in B/A 101-2609 and enter other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE AUTHORITY FOR FISCAL STAFF TO ENTER TECHNICAL ADJUSTMENTS TO REFLECT THE TRANSFER OF ROOM TAX REVENUE TO B/A 101-2610 AS A FUND TRANSFER RATHER THAN AN INTERAGENCY TRANSFER, REFLECT THE UPDATED ROOM TAX REVENUE PROJECTIONS IN B/A 101-2609 AND ENTER OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Budget account 101-2610 begins on page 45 of [Exhibit B](#).

Budget account 101-2610, the Distributive School Account (DSA), was the budget through which the State distributed direct financial aid to school districts and charter schools. With the passage of S.B. No. 543 of the 80th Session, all State and local funding support was approved to be provided through the B/A 101-2609 and the PCFP beginning in FY 2021-2022. As part of the implementation of the PCFP, the Executive Budget calculated the Nevada Plan funding formula and the State share for the upcoming biennium with the transfer of State funding from B/A 101-2610 to B/A 101-2609 to support the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 39

PCFP. Page 61 of [Exhibit B](#) details the calculation of the Nevada Plan funding formula for the 2021-2023 biennium. The formula is also detailed on pages 46 and 47 of [Exhibit B](#).

There are five major closing issues. Major closing issue 1 in B/A 101-2610 begins on page 48 of [Exhibit B](#) and pertains to decision units E-686 and E-917.

E-686 Program Reserves — Page K-12 EDUCATION-29
E-917 Transfer DSA to State Ed Funding Acct — Page K-12 EDUCATION-30

The Governor recommends General Fund reductions of \$78 million in each year of the 2021-2023 biennium for the Class Size Reduction (CSR) program in decision unit E-686 and the transfer of the net General Fund appropriations of \$77.5 million in FY 2021-2022 and \$81 million in FY 2022-2023 associated with the CSR program from B/A 101-2610 to B/A 101-2609. Budget account 101-2609 contains a reciprocal decision unit E-917 to effectuate this transfer.

E-917 Transfer DSA to State Ed Funding Acct — Page K-12 EDUCATION-16

To finance salaries and fringe benefits of teachers hired to meet the required ratios of 17 pupils per teacher in Grade 1 and Grade 2, and 20 pupils per teacher in Grade 3 to continue the CSR program, the Executive Budget projects funding of \$155.5 million in FY 2021-2022 and \$158.9 million in FY 2022-2023 would be needed. These amounts include adjustments for salaries, benefits and enrollment growth. However, the Governor recommends reductions to the CSR program of \$78 million in each year of the 2021-2023 biennium.

Assembly Bill No. 3 of the 31st Session approved the Governor's recommendation to reduce CSR program funding by \$18.1 million in FY 2020-2021. These estimated savings were related to supplemental CSR program funding, which was included in the legislatively approved budget with the inclusion of charter school pupils in the funding calculation of the CSR. However, charter schools are not eligible for CSR program funding. The reduction proposed by the Governor is larger than the \$18.1 million cut implemented during the Thirty-first Special Session.

The NDE indicated the funding reductions for the CSR program were implemented in response to the GFO's request that State agencies provide 12 percent budget reserve proposals for each year of the 2021-2023 biennium. The B/A 101-2610 request totaled \$139.6 million in each year of the 2021-2023 biennium as requested by the GFO. To comply with this request, the NDE chose to maintain the per-pupil funding that was provided through the Nevada Plan funding formula and reduced the CSR program funding, with the final Governor-recommended reduction being lower than the amount originally requested by the GFO. As previously mentioned, the CSR program funding is recommended by the Governor to be transferred to the PCFP to support the base per-pupil funding provided by the State. This funding would no longer provide targeted funding for CSR and would also be available for collective bargaining by school districts.

The NDE recently commissioned a study by Data Insight Partners to study Nevada class sizes. The study found that Grade 4 students in Nevada performed in line with their national peers in National Assessment of Educational Progress reading assessments for the first time. The research suggested that better performance may be the result of recent investments in early K-12 education, including the CSR program.

The NDE indicated the funding reductions for the CSR program were needed for the Governor to balance the Executive Budget. As part of the NDE's budget reduction measures for B/A 101-2610, the NDE provided reductions for the CSR program to maintain the per-pupil funding provided through the Nevada Plan funding formula. The NDE indicated the final budget reductions were smaller in scope compared to the 12 percent cuts initially requested by the GFO.

The NDE did not analyze the effect of keeping the CSR program as a categorical program since CSR program funding was always contemplated to be transferred to B/A 101-2609 to support the PCFP. The NDE noted the statutory requirement for the CSR program reflected in NRS 388.700 will remain in effect, with generally established school district pupil-to-teacher ratios of 16 pupils per licensed teacher for kindergarten to Grade 2 students and 18 pupils per licensed teacher for Grade 3 students. Pursuant to NRS 388.700, if school districts exceed these ratios, they may submit a variance request to

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 41

the State Board of Education and provide reasons for the request, justifications for exceeding statutory ratios and plans of action to reduce pupil-teacher ratios.

A decision for the Subcommittees is on page 50 of [Exhibit B](#). Do the Subcommittees wish to recommend General Fund reductions of \$78 million in each year of the 2021-2023 biennium for the CSR program?

Do the Subcommittees also wish to recommend transferring General Fund appropriations of \$77.5 million in FY 2021-2022 and \$81 million in FY 2022-2023 associated with the CSR program from B/A 101-2610 to B/A 101-2609 to support the implementation of the PCFP?

Fiscal staff requests authority to enter technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2610 DECISION UNIT E-686 GENERAL FUND REDUCTIONS OF \$78 MILLION IN EACH YEAR OF THE 2021-2023 BIENNIUM FOR THE CSR PROGRAM; AND TO APPROVE IN DECISION UNIT E-917 THE TRANSFER OF GENERAL FUND APPROPRIATIONS OF \$77.5 MILLION IN FY 2021-2022 AND \$81 MILLION IN FY 2022-2023 ASSOCIATED WITH THE CSR PROGRAM FROM B/A 101-2610 TO B/A 101-2609 TO SUPPORT THE IMPLEMENTATION OF THE PCFP AS DISCUSSED ON PAGES 48-50 OF [EXHIBIT B](#) WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

SENATOR KIECKHEFER:

Rolling funding for the CSR program into the base budget of B/A 101-2609 will keep PCFP support artificially low. The decision may hinder the ability of school districts to fund the CSR targets outlined in statute. It does not make sense to think school districts will be able to meet CSR goals if they do not have enough funding to do so. The lack of funds is a legitimate reason for failing to comply.

I expect every school district and charter school will submit a form saying they cannot meet the CSR goal and the plans they have to do so. Core classes in

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 42

high school are already seeing class sizes above 40 students. That cannot happen for kindergarten, Grade 1, Grade 2 and Grade 3. We need to look at CSR restorations in the future.

I reserve the right to change my vote on this decision when it is considered in the future.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Major closing issue 2 in B/A 101-2610 begins on page 50 of [Exhibit B](#) and pertains to decision unit E-275.

E-275 Elevating Education — Page K-12 EDUCATION-28

The Governor recommends General Fund appropriations of \$28.6 million in FY 2021-2022 and \$33.6 million in FY 2022-2023 to provide a funding enhancement for the Nevada Plan funding formula. This is based on projected revenue from the 10 percent excise tax imposed on the retail sales of recreational marijuana products.

During the Eightieth Session, legislators approved allowing this funding to be used as a budget enhancement for the Nevada Plan funding formula in B/A 101-2610. The 10 percent excise tax imposed on the retail sales of recreational marijuana products is projected to generate revenues of \$89.8 million in FY 2021-2022 and \$94.9 million in FY 2022-2023 as reflected in the Executive Budget. Past budget practices under the Nevada Plan funding formula would allow for an offset or reduction in General Fund appropriations due to increases in non-General Fund revenue sources since the General Fund provides final funding for the Nevada Plan.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 43

The Governor recommends an enhancement instead be provided for the Nevada Plan funding formula based on the projected increase for this revenue when compared to the amount legislatively approved for FY 2020-2021. The table at the top of page 51 of [Exhibit B](#) details the calculation in decision unit E-275 for the Nevada Plan funding formula. Projected revenues from the recreational marijuana excise tax are \$89,839,000 in FY 2021-2022 and \$94,862,000 in FY 2022-2023. The legislatively approved projection for the excise tax was \$61,253,900 in FY 2020-2021. Updated projections have been made as seen on page 51 of [Exhibit B](#). The updated projections show an additional \$28,585,100 in FY 2021-2022 and \$33,608,100 in FY 2022-2023 when compared to the legislatively approved projections for FY 2020-2021.

Although legislators approved using the revenue from the recreational marijuana excise tax as a funding enhancement during the Eightieth Session, continuing to do so is not required by statute.

Members of the Subcommittees asked the NDE why decision unit E-275 was recommended in light of budget reductions in other areas of K-12 education. The NDE indicated the Executive Budget reflected a point-in-time and included budget restorations, reductions and enhancements that allowed the budget to be balanced. Decision unit E-275 was identified to provide additional funding for pupils under the Nevada Plan funding formula.

A decision for the Subcommittees is on page 51 of [Exhibit B](#). Do the Subcommittees wish to recommend approving the Governor's recommendation for General Fund appropriations of \$28.6 million in FY 2021-2022 and \$33.6 million in FY 2022-2023 to provide a funding enhancement for the Nevada Plan funding formula?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2610 DECISION UNIT E-275 FOR GENERAL FUND APPROPRIATIONS OF \$28.6 MILLION IN FY 2021-2022 AND \$33.6 MILLION IN FY 2022-2023 TO PROVIDE A FUNDING ENHANCEMENT FOR THE NEVADA PLAN FUNDING FORMULA AS RECOMMENDED BY THE GOVERNOR AND DISCUSSED ON PAGES 50 AND 51 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Major closing issue 3 in B/A 101-2610 pertains to funding for pupils with disabilities and begins on page 51 of [Exhibit B](#).

The Governor recommends funding for pupils with disabilities continue to be provided through B/A 101-2610, although NRS 387.1214 requires the funding to be provided as weighted funding through B/A 101-2609 beginning in FY 2021-2022. The Executive Budget recommends General Fund appropriations of \$223.2 million in FY 2021-2022 and \$228.8 million in FY 2022-2023 to support the education of pupils with disabilities. These amounts include adjustments for salaries, benefits and enrollment changes discussed further in [Exhibit B](#).

Historically NRS 387.122 limited the amount of funding for pupils with disabilities to no more than 13 percent of the total pupil enrollment for a given school district or charter school. *Nevada Revised Statutes* 387.122 further allowed school districts and charter schools with enrollment of pupils with disabilities that exceed 13 percent of total pupil enrollment to receive one-half of the additional funding provided by the State or pupils with disabilities for those pupils who exceed the 13 percent threshold.

During the Eightieth Session, legislators approved \$1.5 million in each year of the 2019-2021 biennium to fund one-half of the per-pupil amounts for pupils with disabilities to school districts and charter schools with enrollment of pupils that exceed the 13 percent threshold. The Governor recommends General Fund appropriations of \$1.5 million in each year of the 2021-2023 biennium for the same purpose.

Senate Bill No. 543 of the 80th Session repealed NRS 387.122 effective July 1, 2021, as part of the implementation of the PCFP. Under current law, the 13 percent cap on funding for pupils with disabilities is no longer in effect for the 2021-2023 biennium. *Nevada Revised Statutes* 387.1214 requires funding for pupils with disabilities to be provided as weighted funding through B/A 101-2609. The CSF, established to assist with implementation of the PCFP, recommends the requirement to determine a weighted per-pupil amount for special education be removed from statute. The Executive Budget recommends funding for pupils with disabilities continue to be funded as specified in NRS 387.122.

There is a State and local maintenance of effort requirement associated with funding for pupils with disabilities. Generally, the State must budget and expend at least the same amount for these pupils from one fiscal year to the next. School districts and charter schools must generally expend the same amount of local and State funding—either in aggregate or on a per-pupil basis—from one fiscal year to the next.

The NDE indicated providing a weight for special education pupils would not reflect differing costs associated with providing services to these pupils, which varies based on the severity of the pupil's disability. Providing special education students with a weight tied to the Statewide base per-pupil funding amount, which is intended to grow each year based on inflation and enrollment, would cause the State's maintenance of effort to increase each year regardless of the number of students needing services or the cost of those services.

The GFO submitted S.B. 439 which proposes to remove special education pupils as a weight under the PCFP. Although special education pupils would be removed as a weight under the Governor's recommendation, the pupils would not receive other weighted funding as the special education multiplier will be greater than other weights. This is somewhat consistent with statutory requirements that indicate a pupil who belongs to more than one category only receives weighted funding for the single category which has the largest multiplier.

The NDE provides special education funding through both B/A 101-2610 and B/A 101-2619.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 46

NDE - Contingency Account for Special Ed Services — Budget Page K-12
EDUCATION-154 (Volume I)
Budget Account 101-2619

Budget account 101-2619 is used to fund extraordinary program expenses. The Subcommittees may wish to consolidate all State special education funding into a single budget. If this consolidation is recommended, special education funding from B/A 101-2610 could be transferred to B/A 101-2619. Budget account 101-2619 could be renamed in statute as the Account for State Special Education Services. The consolidation is included in S.B. 439.

Decisions for the Subcommittees are on page 53 of [Exhibit B](#). Do the Subcommittees wish to recommend approving the Governor's recommendation for General Fund appropriations of \$223.2 million in FY 2021-2022 and \$228.8 million in FY 2022-2023 to support the education of pupils with disabilities and providing this funding outside the PCFP contingent upon passage of S.B. 439 or other enabling legislation?

Do the Subcommittees also wish to recommend approving 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 PCFP, contingent upon passage of S.B. 439 or other enabling legislation?

Do the Subcommittees wish to recommend excluding special education pupils who belong to other weighted pupil categories from receiving other weighted funding?

Do the Subcommittees wish to recommend transferring all funding associated with pupils with disabilities to B/A 101-2619?

Do the Subcommittees further wish to recommend enabling legislation to change the name of B/A 101-2619 from the Contingency Account for Special Education Services to the Account for State Special Education Services?

Fiscal staff requests authority to enter technical adjustments as necessary.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 47

SENATOR KIECKHEFER:

Are the increases for special education funding between the 2019-2021 biennium and the 2021-2023 biennium driven by enrollment growth? I understand enrollment growth is not substantial at the moment.

MR. DROST:

Other closing items in B/A 101-2610 contain discussions on the 2 percent rollup increase reflecting educators moving up the salary scale based on years of service or attainment of additional educational credits. The increase also reflects benefit changes due to increased health insurance costs and an increase in the Public Employees' Retirement System rate.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS OF \$223.2 MILLION IN FY 2021-2022 AND \$228.8 MILLION IN FY 2022-2023 TO SUPPORT THE EDUCATION PUPILS WITH DISABILITIES AND PROVIDE THIS FUNDING OUTSIDE OF THE PCFP CONTINGENT UPON PASSAGE OF S.B. 439 OR OTHER ENABLING LEGISLATION; TO APPROVE 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 PROVIDE THIS FUNDING OUTSIDE OF THE PCFP CONTINGENT UPON PASSAGE OF S.B. 439 OR OTHER ENABLING LEGISLATION; TO APPROVE EXCLUDING SPECIAL EDUCATION PUPILS WHO BELONG TO OTHER WEIGHTED PUPIL CATEGORIES FROM RECEIVING OTHER WEIGHTED FUNDING; TO APPROVE TRANSFERRING ALL FUNDING ASSOCIATED WITH PUPILS WITH DISABILITIES TO B/A 101-2619 AND TO RECOMMEND ENABLING LEGISLATION TO CHANGE THE NAME OF B/A 101-2619 FROM THE CONTINGENCY ACCOUNT FOR SPECIAL EDUCATION SERVICES TO THE ACCOUNT FOR STATE SPECIAL EDUCATION SERVICES WITH AUTHORITY FOR FISCAL STAFF TO ENTER TECHNICAL ADJUSTMENTS AS NECESSARY AS DISCUSSED ON PAGES 51-53 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 48

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Major closing issue 4 in B/A 101-2610 pertains to decision unit E-917 and begins on page 54 of [Exhibit B](#).

E-917 Transfer DSA to State Ed Funding Acct — Page K-12 EDUCATION-30

The Governor recommends the State share of funding for the Nevada Plan funding formula of \$1,378,000,000 which includes \$830.9 million from the General Fund in FY 2021-2022 and \$1,324,000,000 including \$702.3 million from the General Fund in FY 2021-2023 be transferred to B/A 101-2609 for the phased implementation of the PCFP. Budget account 101-2609 contains a reciprocal decision unit to effectuate this transfer.

E-917 Transfer DSA to State Ed Funding Acct — Page K-12 EDUCATION-16

The Governor recommends the phased implementation of the PCFP, which would only provide State funding through the PCFP through the 2021-2023 biennium. Under the phased implementation, local funding sources such as property taxes, in-State Local School Support Tax and Governmental Services Tax would be retained by the school districts. Local revenue would provide approximately 69.8 percent of the revenue necessary to support the budgets of school districts and charter schools for the 2021-2023 biennium.

Members of the Subcommittees expressed concerns regarding the Governor's recommended phased implementation of the PCFP. The majority of K-12 funding comes from local sources, and some school districts have both greater per-pupil expenditures and a reduced ability to generate local revenue. Because of this, the phased implementation of the PCFP appeared to create an equity issue in K-12 funding provided to school districts across Nevada. To address this issue,

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 49

the Subcommittees discussed full implementation of the PCFP during the 2021-2023 biennium during the April 7, 2021, work session.

The Governor's modified PCFP was largely built on the revenue that would be transferred from B/A 101-2610 based on the development of the Nevada Plan funding formula.

The Subcommittees may wish to consider using the Governor's calculated Nevada Plan funding formula amount to determine a large portion of the revenue that would be provided for the PCFP as a starting point for the implementation of the Plan during the 2021-2023 biennium. For full implementation of the PCFP, the Subcommittees will need to consider the inclusion of all local revenue currently provided to K-12 education.

A decision for the Subcommittees is on page 55 of [Exhibit B](#). Do the Subcommittees wish to recommend approving the Governor's recommendation to transfer the State share of funding for the Nevada Plan funding formula of \$1,378,000,000 including \$830.9 million from the General Fund in FY 2021-2022 and \$1,324,000,000 including \$702.5 million from the General Fund in FY 2022-2023 to B/A 101-2609 for the implementation of the PCFP?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2610 DECISION UNIT E-917 THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE STATE SHARE OF FUNDING FOR THE NEVADA PLAN FUNDING FORMULA OF \$1,378,000,000 INCLUDING \$830.9 MILLION FROM THE GENERAL FUND IN FY 2021-2022 AND \$1,324,000,000 INCLUDING \$702.5 MILLION FROM THE GENERAL FUND IN FY 2022-2023 TO B/A 101-2609 FOR THE IMPLEMENTATION OF THE PCFP AS DISCUSSED ON PAGES 54 AND 55 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Major closing issue 5 in B/A 101-2610 pertains to the transfer of remaining funds and begins on page 55 of [Exhibit B](#).

The Governor recommends General Fund appropriations of \$735,362 in FY 2021-2022 and \$736,362 in FY 2022-2023 to fund transportation costs for certain Native American pupils and the National School Lunch program State match and providing this funding through B/A 101-2610. However, if these items were transferred to other budgets along with the items in major closing issue 3 on pages 51-53 of [Exhibit B](#), B/A 101-2610 could be retired at the end of FY 2020-2021.

Nevada Revised Statutes 392.015 allows a pupil from an Indian reservation located in two or more counties to attend a school nearest the pupil's residence without regard to the school district in which the pupil's residence is located. Effective July 1, 2021, associated costs are to be reimbursed from B/A 101-2609. The Subcommittees may wish to consider transferring this funding from B/A 101-2610 to B/A 101-2609 to comply with the requirements of NRS 392.015. This funding could be provided as auxiliary funding through the PCFP, with funding provided directly to the school district where the pupil attends school, which can then reimburse the pupil's school district of residence for these transportation costs.

The Executive Budget continues the National School Lunch program State match of \$588,732 in each year of the 2021-2023 biennium as a categorical item in B/A 101-2610. The State Department of Agriculture, which administers the National School Lunch program, distributes this funding proportionally to school districts. Accordingly, the Subcommittees could consider transferring the State match funding to B/A 101-2691 to align this funding with the appropriate State agency.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 51

COMMERCE AND INDUSTRY

AGRICULTURE

AGRI - Nutrition Education Programs — Budget Page AGRICULTURE-66
(Volume I)
Budget Account 101-2691

The NDE, GFO and State Department of Agriculture concur with the proposed transfers. The change pertaining to the fund transfer to the State Department of Agriculture is reflected in S.B. 439. Transitory language may also be needed in the K-12 Funding Bill for the Native American pupil transportation costs.

Page 56 of [Exhibit B](#) contains a decision for the Subcommittees. Do the Subcommittees wish to recommend transferring the special transportation funding of \$146,630 in FY 2021-2022 and \$147,630 in FY 2022-2023 for Native American pupils to B/A 101-2609 and providing this funding as separate auxiliary funding in the PCFP; to recommend transferring the National School Lunch program State match funding of \$588,732 in each year of the 2021-2023 biennium to B/A 101-2691 and to recommend enabling legislation be drafted and included in the K-12 Funding Bill to implement these transfers as needed?

Fiscal staff requests authority to make technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2610 TRANSFERRING THE SPECIAL TRANSPORTATION FUNDING OF \$146,630 IN FY 2021-2022 AND \$147,630 IN FY 2022-2023 FOR NATIVE AMERICAN PUPILS TO B/A 101-2609 AND PROVIDING THIS FUNDING AS SEPARATE AUXILIARY FUNDING IN THE PCFP; TO APPROVE TRANSFERRING THE NATIONAL SCHOOL LUNCH PROGRAM STATE MATCH FUNDING OF \$588,732 IN EACH YEAR OF THE 2021-2023 BIENNIUM TO B/A 101-2691 AND TO RECOMMEND ENABLING LEGISLATION BE DRAFTED AND INCLUDED IN THE K-12 FUNDING BILL TO IMPLEMENT THE TRANSFERS AS DISCUSSED ON PAGES 55 AND 56 OF [EXHIBIT B](#)

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 52

WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL
ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN FRIERSON AND
ASSEMBLYWOMAN BENITEZ-THOMPSON WERE EXCUSED FOR
THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The five other closing items in B/A 101-2610 begin on page 56 of [Exhibit B](#). Other closing item 1 pertains to salary and fringe benefit rate adjustments. Decision unit M-101 is a 2 percent roll-up funded with General Fund appropriations of \$62 million in FY 2021-2022 and \$125.3 million in FY 2022-2023 to reflect the cost of school employees earning merit increases due to years of service or the attainment of additional education.

M-101 Agency Specific Inflation — Page K-12 EDUCATION-27

Decision unit M-300 implements fringe benefit adjustments for group insurance costs for school personnel to increase by 3.52 percent in FY 2021-2022 and 3.68 percent in FY 2022-2023. Decision unit M-300 also includes the projected increase for the Public Employees' Retirement System contribution rate increase. To fund these increases, the Governor recommends total General Fund appropriations of \$15.7 million in FY 2021-2022 and \$28.7 million in FY 2022-2023 to fund those increases.

M-300 Fringe Benefits Rate Adjustment — Page K-12 EDUCATION-28

Other closing item 2 in B/A 101-2610 begins on page 57 of [Exhibit B](#) and pertains to projected enrollment growth. Due to the pandemic, enrollments have declined in FY 2020-2021. The Executive Budget reflects FY 2021-2022

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 53

enrollment returning to levels seen in FY 2019-2020. A slight increase of 0.22 percent is projected in FY 2022-2023.

Other closing item 3 on page 58 of [Exhibit B](#) pertains to the transfer of Room Tax Revenue to B/A 101-2619. Fiscal staff requests authority to enter technical adjustments to reflect the Subcommittees' decision in B/A 101-2619.

Other closing item 4 of page 59 of [Exhibit B](#) pertains to the transfer of S.B. No. 551 of the 80th Session block grant funding to B/A 101-2610. Fiscal staff requests authority to enter technical adjustments to reflect the Subcommittees' decision in B/A 101-2615.

Other closing item 5 on page 59 of [Exhibit B](#) pertains to equipment replacement for the Nevada Plan funding formula.

A decision for the Subcommittees is on page 59 of [Exhibit B](#). Fiscal staff recommends other closing items 1, 2 and 5 be closed as recommended by the Governor, other closing item 3 be closed consistent with the Subcommittees' closing action in B/A 101-2617 and other closing item 4 be closed consistent with the Subcommittees' closing action in B/A 101-2615.

Fiscal staff requests authority to make other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2610 AS DISCUSSED ON PAGES 56-59 OF [EXHIBIT B](#) OTHER CLOSING ITEMS 1, 2 AND 5, TO APPROVE OTHER CLOSING ITEM 3 CONSISTENT WITH THE SUBCOMMITTEES' CLOSING ACTION IN B/A 101-2617 AND APPROVE OTHER CLOSING ITEM 4 CONSISTENT WITH THE SUBCOMMITTEES' CLOSING ACTION IN B/A 101-2615 AS RECOMMENDED BY THE GOVERNOR AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 54

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND ROBERTS AND ASSEMBLYWOMAN BENITEZ-THOMPSON WERE EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:
Budget account 101-2609 begins on page 63 of [Exhibit B](#).

As part of the PCFP approved through the passage of S.B. No. 543 of the 80th Session, NRS 387.1212 establishes B/A 101-2609, the State Education Fund, beginning in FY 2021-2022 as a special revenue fund for supporting the operation of Nevada schools. The Governor recommends B/A 101-2609 contain the revenues and expenditures associated with the PCFP.

The Governor recommends a phased implementation of the PCFP which would only provide State funding for the plan during the 2021-2023 biennium. Background and details on S.B. No. 543 of the 80th Session are provided on pages 64-74 of [Exhibit B](#).

Members of the Subcommittees expressed concern with the Governor's recommendation for the phased implementation of the PCFP. Because the majority of K-12 funding is locally provided, and some school districts have greater per-pupil expenditures and a reduced ability to generate local revenue, the phased implementation of the PCFP appeared to create an equity issue for K-12 funding. To address this issue, the Subcommittees expressed interest in full implementation of the PCFP during the 2021-2023 biennium. Under full implementation, State funding and certain local funding earmarked for K-12 education would be provided for the plan beginning in the 2021-2023 biennium as originally contemplated in S.B. No 543 of the 80th Session. If the Subcommittees choose to recommend full implementation, various policy details will need to be discussed in subsequent decisions.

There is a decision for the Subcommittees on page 74 of [Exhibit B](#). Do the Subcommittees wish to recommend full implementation of the PCFP in the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 55

2021-2023 biennium, which would provide State and certain local revenue earmarked for K-12 education through the plan, and provide Fiscal staff with authority to enter technical adjustments as necessary?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2609 FULL IMPLEMENTATION OF THE PCFP IN THE 2021-2023 BIENNIUM, WHICH WOULD PROVIDE STATE AS WELL AS CERTAIN LOCAL REVENUE EARMARKED FOR K-12 EDUCATION THROUGH THE PLAN WITH AUTHORITY FOR FISCAL STAFF TO ENTER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The Subcommittees will consider revenue updates beginning on page 74 of [Exhibit B](#).

The table on page 75 of [Exhibit B](#) reflects new projections for non-General Fund K-12 education revenue, with comparisons between December 2020 estimates and May 2021 estimates prepared by Fiscal staff and the GFO. Non-General Fund revenue increased by approximately \$154.8 million in FY 2021-2022 and approximately \$174.4 million in FY 2022-2023.

Notable revenue changes were seen in the Local School Support Tax, where projections increased by \$130.9 million in FY 2021-2022 and \$139.5 million in FY 2022-2023. Property tax projections increased by approximately \$12.5 million in FY 2021-2022 and approximately \$21.9 million in FY 2022-2023. Revenue from the Governmental Services Tax is projected to increase by approximately \$5.1 million in each year of the 2021-2023 biennium.

Revenue from the net proceeds of minerals is expected to increase by \$4.9 million in FY 2021-2022 and \$6.9 million in FY 2022-2023.

Fiscal staff requests authority to enter technical adjustments to reflect these updated revenue projections in B/A 101-2609 rather than B/A 101-2610, since B/A 101-2610 will reflect the Governor's recommended calculation of the Nevada Plan funding formula as of December 2020.

On April 27, 2021, the Subcommittees recommended the year-end transfers of expired or abandoned gift certificates be transferred to B/A 101-2609. The revenue is projected to total approximately \$148,000 in each year of the 2021-2023 biennium. The change in revenue is also reflected in S.B. 439 as submitted by the GFO.

Nevada Revised Statutes 488.075 requires a portion of the annual boat registration fees paid to the Department of Wildlife to be distributed to school districts. It also requires a portion of the annual boat registration fees paid to the NDE from the Department of Wildlife to be distributed to school districts. This revenue has provided an average of approximately \$729,000 to school districts over the past three fiscal years. Although S.B. No. 543 of the 80th Session attempted to place all revenue generated through statutory provisions in B/A 101-2609 for distribution, it appears the boat registration revenue was overlooked. Accordingly, the Subcommittees could consider redirecting the boat registration revenue to B/A 101-2609 as an additional funding source beginning in FY 2021-2022. This change is reflected in S.B. 439.

Nevada Revised Statutes 387.1212 requires B/A 101-2609 to earn interest on all revenue in the budget account, including General Fund appropriations. The Office of the State Treasurer expressed concerns with providing interest earnings on General Fund appropriations. Accordingly, the full Committees may wish to consider revisions to NRS 387.1212 to only allow interest to be earned on non-General Fund revenue in B/A 101-2609. This change is reflected in S.B. No. 439 of the 80th Session as submitted by the GFO.

A decision for the Subcommittees is on page 76 of [Exhibit B](#). Do the Subcommittees wish to recommend approving the updated projections for the

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 57

non-General Fund revenue sources and reflecting all revenue revisions directly in B/A 101-2609, revising NRS 387.1212 to only allow interest to be earned on non-General Fund money in B/A 101-2609, drafting legislation that would require boat registration revenue to be deposited in B/A 101-2609 beginning in FY 2021-2022?

Fiscal staff requests authority to enter technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE UPDATED PROJECTIONS FOR THE NON-GENERAL FUND REVENUE SOURCES AND REFLECTING ALL REVENUE REVISIONS DIRECTLY IN B/A 101-2609, TO APPROVE REVISING NRS 387.1212 TO ONLY ALLOW INTEREST TO BE EARNED ON NON-GENERAL FUND REVENUE MONIES, DRAFTING LEGISLATION THAT WOULD REQUIRE BOAT REGISTRATION REVENUE TO BE DEPOSITED IN B/A 101-2609 AS DISCUSSED ON PAGES 74-76 OF [EXHIBIT B](#) WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The Subcommittees will consider the hold harmless calculation and application beginning on page 76 of [Exhibit B](#).

Nevada Revised Statutes 387.121 states:

It is the intent of the Legislature to accomplish the transition to the Pupil-Centered Funding Plan without causing an unexpected loss of revenue to any school district which may receive less money under

the Pupil-Centered Funding Plan than the district received during the fiscal year ending on June 30, 2020.

The Governor's recommended phased implementation of the PCFP did not include charter schools and university schools for profoundly gifted pupils in the calculation of hold harmless. However, the CSF recommended charter schools and university schools for profoundly gifted pupils also be included in the calculation of hold harmless. Accordingly, the Subcommittees will need to consider whether charter schools and university schools for profoundly gifted pupils should be included in hold harmless calculations.

During the Eightieth Session, the Legislature indicated its intent that hold harmless calculations were to be based on amounts provided in FY 2019-2020. The pandemic forced many sectors of the economy to temporarily shut down. Budget reductions were implemented in K-12 education for FY 2019-2020. The NDE indicates it works with school districts to identify various K-12 education categorical programs that could provide expenditure reductions. The conversations the NDE had with school districts occurred late in FY 2019-2020. Some school districts were able to provide savings. Other school districts were not able to since funding was already committed or expended. If the amount expended in FY 2019-2020 is used to calculate hold harmless amounts, inequities may result as some school districts experienced larger budget reductions than others.

To address possible inequities, the NDE calculated the FY 2019-2020 hold harmless amounts for each school district and charter school based on the amount of revenue provided through the Nevada Plan funding formula and the amounts awarded in the categorical programs prior to pandemic-caused budget reductions. The FY 2019-2020 awarded amounts were used in the NDE model drafted to calculate the amounts that will meet the legislative intent for hold harmless. However, since funding in FY 2019-2020 was greater than the annual available funding amounts in the 2021-2023 biennium, it is not possible to balance the funding model without possibly reducing the FY 2019-2020 revenue received/awarded amounts.

Accordingly, the draft model prepared by the NDE reduces the FY 2019-2020 revenue received/awarded amounts for each school district and charter school

proportionally. However, the Subcommittees could choose to use additional revenue projected for B/A 101-2609 to decrease this reduction to the FY 2019-2020 revenue received/awarded amounts by not reducing General Fund appropriations in the budget due to the increased revenue projections.

There are various ways to meet the legislative intent of hold harmless provisions. The Subcommittees could recommend that hold harmless be provided based on the total amount of funding provided to school districts in FY 2019-2020, which would ensure no school district receives less funding than it received in FY 2019-2020. The FY 2019-2020 hold harmless amount would effectively serve as a floor. It would need to be determined which school districts would receive funding under the PCFP and which districts would receive funding under the hold harmless provisions.

If a school district was placed on the PCFP plan and subsequently experienced a decrease in enrollment compared to what was projected, it may cause the district to receive less funding than the hold harmless amount. Accordingly, true ups of funding may be required so school districts at the end of fiscal years would be assured they would not receive less money than they received at the end of FY 2019-2020. That may create additional administrative tasks for the NDE.

Providing hold harmless funding as a total amount provided to each school district would not consider any changes that may occur in district enrollment. School districts with enrollment decreases would continue to be provided with funding based on the higher enrollment reflected in FY 2019-2020. If school districts receiving hold harmless funding see enrollment increases, the funding on a per-pupil basis would be diluted as the funding would need to cover additional students.

The PCFP provides funding on a per-pupil basis. The Subcommittees may wish to consider applying hold harmless provisions based on the per-pupil amounts provided to school districts in FY 2019-2020. This would be consistent with the funding distribution that would be used by the Plan.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 60

The Subcommittees may also wish to apply inflationary increases to hold harmless calculations. This would allow school districts that receive funding based on the hold harmless amounts to receive additional funding recognizing cost increases since FY 2019-2020. If this were to be considered, the Subcommittees could apply the Consumer Price Index (CPI) of 1.74 percent calculated for the model. The Index would be applied based on compounding in FY 2021-2022 and FY 2022-2023.

Decisions for the Subcommittees are on page 78 of [Exhibit B](#). Do the Subcommittees wish to recommend directing Fiscal staff to calculate the additional General Fund appropriations needed to eliminate the reduction to the FY 2019-2020 hold harmless amounts based on the final recommendations of the Subcommittees? This information would be provided when B/A 101-2609 is closed by the full Committees.

ASSEMBLYWOMAN CARLTON:

There was agreement among members of the Subcommittees to include charter schools and university schools for the profoundly gifted. There were conversations about not applying inflationary increases to hold harmless calculations.

Page 78 of [Exhibit B](#) contains a decision for the Subcommittees on the application of hold harmless calculations. Are options A and B under that decision mutually exclusive? I understood FY 2019-2020 numbers could be used for hold harmless calculations with the ability to adjust them to ensure our base was solid.

MR. DROST:

The options are mutually exclusive. Option A would provide hold harmless amounts based on the amount of FY 2019-2020 revenues received/awarded. Option B would apply the hold harmless amount on a per-pupil basis based on FY 2019-2020 revenues accounting for changes in enrollment over the 2021-2023 biennium.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 61

ASSEMBLYWOMAN CARLTON:

To use FY 2019-2020 numbers for hold harmless calculations with the ability to adjust figures based on enrollment changes over the 2021-2023 biennium, would I move for option B?

MR. DROST:

The motion would be to apply the hold harmless amount on a per-pupil basis based on the amount of FY 2019-2020 revenues received/awarded that would account for enrollment changes over the 2021-2023 biennium.

ASSEMBLYWOMAN CARLTON:

That motion would fulfill my intent.

SENATOR KIECKHEFER:

Do FY 2019-2020 revenues received/awarded reflect per-pupil amounts?

MR. DROST:

Option B would base hold harmless calculations on the amounts from FY 2019-2020. Enrollment changes during the 2021-2023 biennium would be accounted for.

SENATOR KIECKHEFER:

I understand the motion for option B would be to use FY 2019-2020 per-pupil amounts to calculate hold harmless calculations.

MR. DROST:

Yes, based on FY 2019-2020 revenue received/awarded.

CHAIR DONDERO LOOP MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2609 DIRECTING FISCAL STAFF TO CALCULATE THE ADDITIONAL GENERAL FUND APPROPRIATIONS NEEDED TO ELIMINATE THE REDUCTION TO THE FY 2019-2020 HOLD HARMLESS AMOUNTS BASED ON THE FINAL RECOMMENDATIONS OF THE SUBCOMMITTEES WITH INFORMATION BEING PROVIDED TO THE FULL COMMITTEES WHEN CLOSING B/A 101-2609; TO APPROVE INCLUDING CHARTER SCHOOLS AND UNIVERSITY SCHOOLS FOR PROFOUNDLY GIFTED PUPILS IN THE CALCULATIONS OF HOLD

HARMLESS; TO APPROVE APPLYING THE HOLD HARMLESS AMOUNT ON A PER-PUPIL BASIS BASED ON FY 2019-2020 AMOUNTS RECEIVED AND AWARDED AND ACCOUNTING FOR ENROLLMENT CHANGES OVER THE 2021-2023 BIENNIUM AND TO NOT APPLY INFLATIONARY INCREASES TO THE HOLD HARMLESS AMOUNT AS DISCUSSED ON PAGES 76-78 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

JAIMARIE MANGOBA (Program Analyst):

The Subcommittees will discuss transportation and food services funding in B/A 101-2609 beginning on page 78 of [Exhibit B](#).

Transportation and food services are on a separate tier and funded first through the PCFP. Funding is provided to each school district, as determined to be sufficient by the Legislature, to provide food services and transportation for pupils. If the PCFP were to be implemented, the NDE could budget for transportation and food services costs by using a four-year average of actual costs reported by school districts through FY 2019-2020. If this methodology is used, the NDE indicates annual transportation costs would total \$201.6 million and the annual food services costs would total \$1.8 million. The NDE indicates it plans to distribute the budgeted transportation and food services amounts back to school districts based on monthly payments equal to one-twelfth of the annual budgeted amount.

Since S.B. No. 543 of the 80th Session does not require inflation to be applied to transportation costs, the Subcommittees may wish to consider not applying an inflationary increase to transportation costs as school districts could use base per-pupil funding to offset additional transportation costs that may be incurred.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 63

The Subcommittees may also wish to apply an inflationary increase for transportation costs using the CPI of 1.74 percent used in the funding model. If the Subcommittees choose option B, the compounded inflationary adjustment would be applied in FY 2021-2022 and FY 2022-2023.

Decisions for the Subcommittees are on page 79 of [Exhibit B](#). Do the Subcommittees wish to recommend budgeting for transportation and food services costs based on the four-year average of actual expenditures and providing this funding to school districts based on the budgeted amount with the annual amount paid on a monthly basis?

Option A on page 79 of [Exhibit B](#) is for the Subcommittees to recommend not applying the CPI to the annual budgeted cost for transportation. Option B is for the Subcommittees to recommend applying the CPI to the annual budgeted cost for transportation.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE BUDGETING FOR TRANSPORTATION AND FOOD SERVICES COSTS BASED ON THE FOUR-YEAR AVERAGE OF ACTUAL EXPENDITURES AND PROVIDING THIS FUNDING TO SCHOOL DISTRICTS BASED ON THE BUDGETED AMOUNT WITH THE ANNUAL AMOUNT PAID ON A MONTHLY BASIS; AND TO APPROVE NOT APPLYING THE CPI TO THE ANNUAL BUDGETED COST FOR TRANSPORTATION AS DISCUSSED ON PAGES 78 AND 79 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. MANGOBA:

The Subcommittees will consider base per-pupil funding as discussed on page 79 of [Exhibit B](#).

Senate Bill No. 543 of the 80th Session did not specify the calculation of initial amounts for the model in the PCFP's first year of implementation. As a starting point for its full implementation model draft, the NDE calculated the FY 2020-2021 average Statewide base per-pupil amount as \$6,835. The NDE indicates this amount was calculated as the amount detailing the approximate weights provided in FY 2019-2020 while allocating all available revenue. This amount would be increased by the CPI of 1.74 percent, which would provide a FY 2021-2022 average Statewide base per-pupil amount of \$6,954. The NDE calculates the FY 2022-2023 average Statewide base per-pupil amount as \$7,075, calculated by multiplying the FY 2021-2022 average Statewide base per-pupil amount of \$6,954 and adding a CPI inflation increase of 1.74 percent. However, NRS 387.12455 requires the Governor to include enrollment growth in the calculation. Enrollment is projected to increase by 0.22 percent in FY 2022-2023. Accordingly, the Subcommittees may wish to include a projected enrollment growth in the calculation, which would increase the amount to \$7,090 in FY 2022-2023.

A decision for the Subcommittees is near the bottom of page 79 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of the NDE's calculation of the average Statewide base per-pupil amount of \$6,954 in FY 2021-2022 and \$7,090 in FY 2022-2023, which would be used to establish the PCFP for the 2021-2023 biennium? Fiscal staff requests authority to enter technical adjustments based on the final decisions of the Subcommittees.

SENATOR KIECKHEFER:

This calculation will be used for future biennia. The calculation would be multiplied by caseload growth and inflation. If the Subcommittees approve the decision, would the full Committees still have a chance to change the calculations?

If we were to restore CSR and Read by Grade 3 funding and roll those monies into base, how is that accounted for? Do we adjust per-pupil base funding based on the formula proposed in the decision?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 65

MS. MANGOBA:

The Subcommittees retain the ability to add funding to increase base per-pupil funding. Additional funding would have to be calculated through the formula and presented to the full Committees.

SENATOR KIECKHEFER:

I understand we are incorporating Read by Grade 3 and CSR monies in the base budget. If we restore cuts in those programs, the additional funding would go into the base budget in B/A 101-2609.

Is there an alternative path for dollars within any funding restorations? Would the monies in the restorations have to drive the base per-pupil funding amount in order to be distributed equitably through the PCFP?

MR. DROST:

Under the PCFP, any additional monies would be applied to weights. The Legislature has discretion to modify base funding or weighted funding as it sees fit.

MS. WALLER:

Additional funding the Legislature approves for B/A 101-2609 could also be directed to the Education Stabilization Account to provide seed monies for access by school districts during revenue declines.

The monies could be used as a cushion for the 2021-2023 biennium as the PCFP is established. The money would not be put into base or weights in B/A 101-2609, but it would provide security if revenue projections do not materialize. The dollars would be available to make the per-pupil weighted funding whole. If revenue projections come in higher than expected, the extra monies would roll forward and be transferred to the Education Stabilization Account.

SENATOR KIECKHEFER:

I have reservations with how the model is setup and how additional funding goes exclusively to weights. At the time S.B. No. 543 of the 80th Session was passed, my understanding was there was a relationship between weights and base per-pupil funding per section 4 of the legislation. I do not believe the PCFP

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 66

was designed such that if legislators decided to put \$200 million into the formula, it would all go to weights.

MS. WALLER:

For the first year of implementation for the PCFP, the Legislature has discretion as to what the initial base per-pupil funding should be. Senate Bill No. 543 of the 80th Session provides directives on how base and weighted funding will be calculated.

Until the weights are funded entirely, any additional funding will go to the weights. Proportional increases are applied afterwards. Because this is the first year of implementation for the PCFP, the Legislature can direct additional funding proportionally to the base and weights, all to the weights, all to the base, or to the Education Stabilization Account.

SENATOR KIECKHEFER:

I believe section 4, subsection 5 of S.B. No. 543 of the 80th Session indicates that if the multipliers of all categories of pupils in a fiscal year are increased, a proportional increase is considered for the Statewide base per-pupil funding amount. The parts move together in subsequent years.

It is important we look at base funding. This is how we will bring school districts out of the need for hold harmless monies. If we want to have the PCFP allocating funds equitably on a per-pupil basis as intended, getting districts out of the need for hold harmless as soon as possible is the best way to do that. Allocating money to the base budget is how we accomplish that.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2609 THE NDE CALCULATION OF THE AVERAGE STATEWIDE BASE PER-PUPIL AMOUNT OF \$6,954 IN FY 2021-2022 AND \$7,090 IN FY 2022-2023, WHICH WOULD BE USED TO ESTABLISH THE PCFP FOR THE 2021-2023 BIENNIUM AS DISCUSSED ON PAGES 78 AND 79 OF [EXHIBIT B](#) WITH AUTHORITY FOR FISCAL STAFF TO ENTER TECHNICAL ADJUSTMENTS BASED ON THE FINAL DECISIONS OF THE SUBCOMMITTEES.

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. MANGOBA:

Adjustment factors in B/A 101-2609 will be considered by the Subcommittees as discussed beginning on page 79 of [Exhibit B](#).

The first adjustment factor is the Nevada Cost of Education Index (NCEI). The NCEI is a Nevada-specific index intended to adjust funding based on variations for the cost of wages and goods across the 17 counties in the State. The NCEI includes the Comparative Wage Index and Regional Price Index. The Governor's recommended calculation of the NCEI was based on the actual distribution of salaries, benefits and operational expenses for all school district and charter school operating funds. The operational expenses come from General Fund dollars, special education funds, governmental funds, State grant funds and federal grants. Special education funds and federal grant funds were not recommended to be transferred to B/A 101-2609.

The Governor's recommended calculation included outdated Regional Price Parities Index data from 2017. Fiscal staff requested revisions to the calculation of the NCEI by recalculating the distribution of the included indices based only on salaries, benefits from FY 2019-2020 and operational expenses only from the funding sources included in the PCFP. Fiscal staff also requests revisions so the NCEI reflects Regional Price Parities Index data from 2019. The table on page 80 of [Exhibit B](#) provides updated calculations of the NCEI with the Governor's recommended floor of 1.0 being retained. Five school districts in the table on page 80 of [Exhibit B](#) came in under the 1.0 floor, which would have decreased their funding.

The second adjustment factor pertains to size adjustments. Senate Bill No. 543 of the 80th Session approved both a small district and a necessarily small schools adjustment. However, the CSF and Governor instead recommended a size adjustment factor be applied at the attendance area based on consultation

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 68

with Augenblick, Palaich and, Associates. The change to use an attendance area adjustment factor is included in S.B. 439.

A decision for the Subcommittees is on page 81 of [Exhibit B](#). Do the Subcommittees wish to recommend approval of the revised NCEI that reflects updated Regional Price Parities Index data and the distribution based on the funding that would be provided through the PCFP?

Do the Subcommittees wish to recommend the use of a floor of 1.0 for the NCEI for the 2021-2023 biennium?

Do the Subcommittees wish to use the attendance area size adjustment developed by the subject matter experts—as recommended by the Governor and CSF—that would be used instead of the small district and necessarily small schools adjustments?

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I do not believe the decision on page 81 of [Exhibit B](#) works. I do not see how we move forward saying that high housing costs cannot be accounted for in cost-of-living analyses. It makes sense to leave this piece out of the models so revenues flow naturally through the base and weights.

The decision would be arbitrary. We are mixing indices together to create adjustment factors that meet needs. I have lost sight of what those needs are.

SENATOR SEEVERS GANSERT:

Leaving housing out of the Comparative Wage Index—an important aspect of the adjustment factors—does not make sense. The cost of living across Nevada varies significantly.

With respect to the size adjustment, my understanding is charter schools were left out of some of these adjustments. Charter schools are unique in that some are sponsored by school districts and others are sponsored by the State. They operate independently. Charter schools are small across the board.

The student population in the WCSD is around 64,000 students, compared with 66,000 students in Nevada charter schools.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 69

Leaving charter schools out of the size adjustment and a number of the other adjustments does not make sense. Neither does leaving housing out of price indices. Housing costs are the largest expense for many households.

MS. MANGOBA:

Charter schools are not provided with the small school or attendance area district adjustment.

Page 86 of [Exhibit B](#) contains a recommendation for the CSF to revisit or review the cost adjustment factors to assess possible changes, including the elimination of the 1.0 floor.

To establish the PCFP, the Subcommittees may choose to go with what is outlined in the decisions today.

SENATOR SEEVERS GANSERT:

The choices we make are critical. We are setting the standard. Leaving charter schools out does not make sense given their size. The housing issue also makes a difference.

ASSEMBLYWOMAN CARLTON:

We need more information to make this decision. The Assembly Subcommittee would prefer not to close this decision at this hearing. We would prefer to collect more information for consideration by the full Committees.

CHAIR DONDERO LOOP:

Should we implement a 1.0 floor across the board?

ASSEMBLYWOMAN CARLTON:

That is in the decision on page 81 of [Exhibit B](#). We want to compare projections of having the NCEI implemented and letting dollars flow naturally in the PCFP. If Churchill County was at 1.027 versus 1.0, what will that look like for Churchill? If Lyon was at 0.965 versus 1.0, what does that look like for Lyon? The Subcommittees have a good idea of how the adjustments factors will work, but we want to know what the actual numbers will be before making our decision.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 70

CHAIR DONDERO LOOP:

Would the motion be for us to request that Fiscal staff run projections with a universal 1.0 index for further consideration by the full Committees?

ASSEMBLYWOMAN CARLTON:

We want to compare these numbers between the PCFP with the NCEI and without the NCEI.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I do not want to walk down a path where we do harm. I propose having Fiscal staff look at how the money will flow through the PCFP without the NCEI component.

WAYNE THORLEY (Senate Fiscal Analyst):

If the instruction for Fiscal staff is to run the PCFP model without the NCEI, the best way to do that would be to make every school district a 1.0 rather than trying to pull that out of the model because it is so integrated into all the other parts of the model. Forcing all school districts to 1.0 on the NCEI essentially gets rid of the Index. Fiscal staff can run those numbers and present them to the full Committees.

ASSEMBLYWOMAN CARLTON:

The Assembly Subcommittee concurs with Mr. Thorley's statement. We are making significant decisions on how the PCFP model will be implemented. There have been several conversations around adjustment factors. The conversations have not quieted down. Having real numbers would allow us to address this issue in the full Committees.

ASSEMBLYWOMAN CARLTON MOVED TO REQUEST FISCAL STAFF PROVIDE FOR B/A 101-2609 PCFP BUDGET PROJECTIONS FOR SCHOOL DISTRICTS WITH A UNIVERSAL 1.0 STANDARD AND WITH THE IMPLEMENTATION OF THE NCEI FOR THE FULL COMMITTEES' CONSIDERATION, AND TO HOLD THE ADJUSTMENT FACTORS ITEM DISCUSSED ON PAGES 79-81 OF [EXHIBIT B](#) UNTIL THE FULL COMMITTEES CONSIDER B/A 101-2609.

SENATOR RATTI SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 71

SENATOR RATTI:

Comparing the numbers with and without the NCEI will provide clarity. This will be helpful.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The Subcommittees will discuss enrollment and weighted-pupil counts in B/A 101-2609 beginning on page 81 of [Exhibit B](#).

The pandemic caused enrollment decreases during FY 2020-2021. The Governor's recommended budget projects enrollment returning to FY 2019-2020 levels in FY 2021-2022 with a 0.22 percent increase in FY 2022-2023. Due to the lack of better information, the Subcommittees may wish to recommend approval of the Governor's recommended enrollment projections. *Nevada Revised Statutes* 387.1223 allows school districts and charter schools to use quarterly enrollment from the prior school year if they experience a decrease in enrollment of 5 percent or more.

Given enrollment uncertainties as Nevada recovers from the pandemic, the Subcommittees may wish to recommend back language be included in the K-12 Funding Bill to temporarily revise the provisions of NRS 387.1223 for FY 2021-2022 only, to allow school districts and charter schools to base this enrollment comparison on a two-year period. School districts and charter schools could then receive the high enrollment count from either FY 2019-2020 or FY 2020-2021 if their enrollment decrease is greater than 5 percent in FY 2021-2022 when compared to either of the years in the 2019-2021 biennium.

This would provide additional flexibility to school districts and charter schools during pandemic recovery as enrollment begins to stabilize. This would also complement the earlier decision basing per-pupil hold harmless funding on the

per-pupil amount allowing school districts to use the FY 2019-2020 amount if their enrollment falls greater than 5 percent.

For the weighted pupil counts, NRS 387.1214 provides weighted funding for English learners, at-risk pupils, pupils with disabilities and GATE pupils that would be provided to each school district and charter schools. Pursuant to statute, a pupil who belongs to more than one category is required to receive weighted funding based on the category with the largest multiplier.

The Governor recommends funding for special education be provided outside the PCFP. This recommendation is reflected in S.B. 439. Because statute does not specify how pupils belonging to these various categories would be counted, the Subcommittees may wish to consider clarifying the counts that would be used to distribute weighted funding. The NDE determines final audited pupil counts for the various weighted categories on October 1 in the subsequent spring. Since these counts are audited and reflect actual enrollment, these counts could be used to distribute weighted funding for the following fiscal year.

Nevada Revised Statutes 387.1211 defines an at-risk pupil as a student who is eligible for free or reduced-price lunch or an alternative measure prescribed by the State Board of Education. The CSF recommended an alternative measure to define "at-risk pupils" be developed using data from the Infinite Campus system. The State Board of Education approved a revised definition of at-risk pupil at its November 2020 meeting to follow the CSF recommendation.

In April 2021, the Interim Finance Committee (IFC) approved the NDE's request to use federal Governor's Emergency Education Relief funding to extract data from the Infinite Campus system to identify at-risk pupils based on the revised definition. Given the new definition and the process to identify at-risk pupils is untested at this time, the Subcommittees may wish to consider providing weighted funding to at-risk pupils, defined as those eligible for free or reduced-price lunch. That recommendation would allow the PCFP to be implemented while allowing the revised at-risk pupil definition and identification to possibly be considered by the Legislature in 2023.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 73

The final paragraph on page 82 of [Exhibit B](#) contains a discussion on GATE funding. The Subcommittees already made a recommendation to use a 0.12 weight for GATE.

A set of decisions for the Subcommittees is on page 83 of [Exhibit B](#). Do the Subcommittees wish to recommend the Governor's recommended enrollment projections for FY 2021-2022 and FY 2022-2023; to recommend back language be included in the K-12 Funding Bill to temporarily revise the provisions of NRS 387.1223 for FY 2021-2022 to allow school districts and charter schools to base the enrollment comparison on a two-year period; to recommend the use of audited enrollment counts on October 1 to determine the weighted funding that would be allocated to pupils in the following fiscal year and the use of eligibility for free or reduced-price lunch to identify at-risk students in the 2021-2023 biennium?

The Subcommittees already made a decision to use a 0.12 weight for GATE.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-2609 PROJECTIONS FOR FY 2021-2022 AND FY 2022-2023 ENROLLMENT AS RECOMMENDED BY THE GOVERNOR, TO APPROVE INCLUDING BACK LANGUAGE IN THE K-12 FUNDING BILL TO TEMPORARILY REVISE THE PROVISIONS OF NRS 387.1223 FOR FY 2021-2022 TO ALLOW SCHOOL DISTRICTS AND CHARTER SCHOOLS TO BASE THE ENROLLMENT COMPARISON ON A TWO-YEAR PERIOD, TO APPROVE THE USE OF AUDITED ENROLLMENT COUNTS ON OCTOBER 1 TO DETERMINE THE WEIGHTED FUNDING THAT WOULD BE ALLOCATED TO PUPILS IN THE FOLLOWING FISCAL YEAR, TO APPROVE THE USE OF ELIGIBILITY FOR FREE OR REDUCED-PRICE LUNCH TO IDENTIFY AT-RISK STUDENTS IN THE 2021-2023 BIENNIUM AND TO APPLY A WEIGHT OF 0.12 FOR THE GATE PROGRAM AS RECOMMENDED IN THE EXECUTIVE BUDGET AND DISCUSSED ON PAGES 81-83 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The Subcommittees will discuss the Education Stabilization Account for B/A 101-2609 as shown beginning on page 83 of [Exhibit B](#).

Pursuant to NRS 387.1213, the Education Stabilization Account would provide funding to the NDE for distribution to school districts and charter schools when the IFC determines B/A 101-2609 will receive 97 percent or less of its projected revenue in a fiscal year. However, the Education Stabilization Account would not have any funding as the PCFP is initially implemented and the Governor's recommended budget does not provide any initial funding for the account for the 2021-2023 biennium.

Effective July 1, 2021, NRS 387.1213 requires school districts' ending fund balances that are greater than 16.6 percent of total actual expenditures to be transferred to the Education Stabilization Account. Section 77 of S.B. No. 543 of the 80th Session also generally allows school districts that have a greater ending fund balance at the end of FY 2019-2020 to retain that greater ending fund balance. No transfers would occur prior to FY 2022-2023 and as of May 11, 2021, it is unknown if any transfers would occur during the 2021-2023 biennium to provide monies for the Education Stabilization Account. *Nevada Revised Statutes* 387.1213 generally requires the balance remaining in B/A 101-2609, excluding the balance remaining in the Education Stabilization Account, that has not been committed for expenditure on or before June 30 of each fiscal year be transferred to the Education Stabilization Account. This may provide additional funding for the Education Stabilization Account in future fiscal years. However, the Subcommittees may wish to consider revising the statute to require the funding be transferred to the Education Stabilization Account at the end of a biennium rather than at the end of each fiscal year. This would allow any remaining funding be used in that second year if needed.

Given the Education Stabilization Account may not have initial funding for the 2021-2023 biennium, the Subcommittees may wish to consider various options on page 84 of [Exhibit B](#).

Option A on page 84 of [Exhibit B](#) is to allow General Fund appropriations in B/A 101-2609 to be transferred between fiscal years in the biennium and provide a supplemental General Fund appropriation in FY 2022-2023 if additional funding is necessary. This mechanism exists under the Nevada Plan funding formula. Option A would reflect a departure from the funding concepts established by S.B. No. 543 of the 80th Session. That bill created a separate State Education Fund in B/A 101-2609 that does not revert monies to the General Fund and was intended to operate only with money provided in B/A 101-2609. The PCFP does not guarantee any revenue sources, so providing supplemental General Fund appropriations may create a legislative precedent that contradicts the intent established by S.B. No 543 of the 80th Session for ongoing K-12 education funding.

Option B is to provide the Education Stabilization Account with a General Fund loan to provide initial funding. The loan could be repaid from the Education Stabilization Account in annual installments equal to future amounts that are transferred into the Account. Per U.S. Department of the Treasury guidance released May 10, 2021, relief monies from the American Rescue Plan Act (ARPA) of 2021 cannot be used to provide funding for the Education Stabilization Account at this time. Although it is difficult to estimate the loan amount needed to fund the Education Stabilization Account, the Subcommittees may wish to consider basing it on prior supplemental General Fund appropriations provided to the Nevada Plan funding formula. Over the past ten Legislative Sessions, the Legislature has approved—on average—about \$50 million in supplemental General Fund appropriations for the Nevada Plan funding formula.

Option C is to approve the Education Stabilization Account with a General Fund appropriation to provide initial funding. Unlike option B, option C would not require a repayment of funds to the General Fund.

Option D is deferring any decision until a later date, including any special session that may be called to address American Rescue Plan Act funding. Funding the Education Stabilization Account is not a requirement to implement the PCFP, so this decision could be deferred to a later date.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 76

Options A, B, C and D on page 84 of [Exhibit B](#) are repeated on page 85 of [Exhibit B](#). Page 85 of [Exhibit B](#) also includes another decision for the Subcommittees. Do the Subcommittees wish to recommend approval to revise NRS 387.1213 to require remaining funding in B/A 101-2609 to be transferred to the Education Stabilization Account at the end of each biennium rather than each fiscal year? In addition, the Subcommittees may wish to recommend approval of one of the following: options A, B, C and D on pages 84 and 85 of [Exhibit B](#).

ASSEMBLYWOMAN CARLTON:

We need to establish the Education Stabilization Account. I agree with allowing funds to be transferred between the State Education Fund and the Education Stabilization Account at the end of each biennium rather than the end of each fiscal year.

I believe option B to provide the Education Stabilization Account with a loan of \$50 million should be approved. Under option B, I understand monies that are put into the Education Stabilization Account through regular processes would be used to pay back the \$50 million. The \$50 million would always be available to help stabilize the PCFP. After the loan is repaid, the monies would begin accumulating in the Education Stabilization Account.

MR. DROST:

That is correct.

ASSEMBLYWOMAN CARLTON:

I do not believe the Subcommittees need to recommend back language in the K-12 Funding Bill pertaining to the ARPA. I understand members of the Subcommittees are leaning toward the loan.

CHAIR DONDERO LOOP:

To clarify, would you make a motion for option B on page 85 of [Exhibit B](#) without including back language in the K-12 Funding Bill for funds related to the ARPA?

ASSEMBLYWOMAN CARLTON:

Yes.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 77

SENATOR KIECKHEFER:

If we use General Fund monies, is there any requirement for what year those General Fund dollars come out of? Could we spend them out of our current fiscal year ending fund balance rather than dedicating next biennium's anticipated revenue?

SARAH COFFMAN (Assembly Fiscal Analyst):

There are concerns because the Education Stabilization Account is not yet established. Mechanically, the Education Stabilization Account would have to be established in FY 2020-2021. It could be funded with FY 2020-2021 dollars. Fiscal staff would work with the Office of the State Controller to get the funding mechanisms established.

ASSEMBLYWOMAN CARLTON:

Because the Education Stabilization Account does not have to be setup to begin implementation of the PCFP, we could use FY 2022-2023 General Fund dollars for the loan under option B on page 85 of [Exhibit B](#). That would allow legislators to have additional conversations about this topic.

SENATOR KIECKHEFER:

This is not an ongoing expense. I disagree with using General Fund dollars from the 2021-2023 biennium for the loan.

ASSEMBLYWOMAN CARLTON:

I understand Senator Kieckhefer's perspective. I am not sure when the best time for drawing this one-time expense is. I do not want to draw down funds right now in light of State budget cuts and the commitments legislators have made to restore funding for Medicaid, child welfare and other services.

What we are discussing now is whether to commit to the loan. There will be further conversations on when the money would be drawn.

CHAIR DONDERO LOOP:

I agree with option B without adding language to the K-12 Funding Bill regarding ARPA monies.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 78

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE REVISING NRS 387.1213 TO REQUIRE REMAINING FUNDING IN THE STATE EDUCATION FUND BE TRANSFERRED TO THE EDUCATION STABILIZATION ACCOUNT AT THE END OF EACH BIENNIUM RATHER THAN THE END OF EACH FISCAL YEAR; AND TO APPROVE PROVIDING THE EDUCATION STABILIZATION ACCOUNT WITH A LOAN OF \$50 MILLION FROM THE GENERAL FUND TO PROVIDE INITIAL FUNDING WHICH WOULD BE REPAID FROM THE EDUCATION STABILIZATION ACCOUNT IN ANNUAL INSTALLMENTS EQUAL TO FUTURE AMOUNTS THAT ARE TRANSFERRED INTO THE EDUCATION STABILIZATION ACCOUNT AS DISCUSSED ON PAGES 83-85 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLYWOMAN CARLTON:

I am committed to a conversation around when the one-time funding for the \$50 million loan would be drawn. I will follow up with Senator Kieckhefer on his concerns.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

The Subcommittees will discuss a potential letter of intent on pages 85 and 86 of [Exhibit B](#).

The NDE could provide a report detailing its findings to the IFC no later than August 31, 2022, to allow these findings to be considered by the Governor as the Executive Budget is prepared for the 2023-2025 biennium.

A decision for the Subcommittees is on page 86 of [Exhibit B](#). Do the Subcommittees wish to recommend the issuance of a letter of intent to the NDE requiring the NDE and the CSF to study various topics over the

2021-2022 interim, including: a plan and timeline to eliminate the floor of 1.0 for the NCEI; 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, with the comparison considering the effect this change would have on the unduplicated counts for students who may belong to another weighted category; a review of high school dual enrollment programs and any recommendations for the funding provided to 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; and 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 NDE could provide a report detailing its findings to the IFC no later than August 31, 2022, to allow these findings to be considered by the Governor as the Executive Budget is prepared for the 2023-2025 biennium.

ASSEMBLYWOMAN CARLTON:

One of the topics in the proposed letter of intent pertains to the 1.0 floor for the NCEI. The Subcommittees held that item. I would defer the decision to include the 1.0 floor in the letter of intent.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO ISSUE A LETTER OF INTENT TO THE NDE REQUIRING THE NDE AND THE CSF STUDY VARIOUS TOPICS OVER THE 2021-2023 INTERIM INCLUDING A REVIEW AND COMPARISON OF STUDENTS IDENTIFIED AS AT-RISK BASED ON ELIGIBILITY FOR FREE OR REDUCED-PRICE LUNCH AND THE REVISED METHODOLOGY USING DATA FROM THE INFINITE CAMPUS SYSTEM, WITH INFORMATION ON THE EFFECT THIS CHANGE WOULD HAVE ON THE UNDUPLICATED COUNTS FOR THESE STUDENTS WHO MAY BELONG TO ANOTHER WEIGHTED CATEGORY; A REVIEW OF HIGH SCHOOL DUAL ENROLLMENT PROGRAMS AND ANY RECOMMENDATIONS FOR THE FUNDING PROVIDED TO 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 FUNDING

PROVIDED TO ONLINE CHARTER SCHOOLS, WHICH ONLY RECEIVE THE STATEWIDE BASE PER-PUPIL FUNDING AMOUNT; AND A REVIEW OF THE FUNDING PROVIDED FOR TRANSPORTATION AND FOOD SERVICES AND ANY RECOMMENDATIONS FOR REVISIONS TO HOW THIS FUNDING IS BUDGETED AND ALLOCATED WITH THE NDE PROVIDING A REPORT DETAILING ITS FINDINGS TO THE IFC NO LATER THAN AUGUST 31, 2022, TO ALLOW THESE FINDINGS TO BE CONSIDERED AS THE GOVERNOR PREPARES THE EXECUTIVE BUDGET FOR THE 2023-2025 BIENNIUM AS DISCUSSED ON PAGES 85 AND 86 OF [EXHIBIT B](#).

SENATOR RATTI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

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

Nevada was ecstatic when Juliana Urtubey was selected as National Teacher of the Year. Ms. Urtubey teaches and serves as a learning strategist at Booker Elementary School, a Victory School. She previously taught at Crestwood Elementary School, a Zoom School. Zoom Schools and Victory Schools offer additional resources and supports for amazing teachers like her. It is disappointing to watch these model equity programs get watered down and to see resources removed from our most inspiring educators.

I will now read comments on behalf Selena La Rue Hatch, a high school social studies teacher for the WCSD:

I am a teacher and a member of the Nevada State Education Association and the Washoe Education Association. I ask legislators to make critical adjustments to the PCFP prior to full implementation. Under the Plan, most school districts across the State, including the WCSD, will be frozen at our current amounts for

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 81

years to come. With inflation, this effectively cuts the WCSD's budget for the foreseeable future, which would be incredibly harmful to our students.

I am set to have class sizes of 40 or more next year. That equates to just six minutes of weekly instructional time per student. This is the norm for classrooms across Nevada. My geography textbook states the September 11, 2001, attacks as a current event. My world history textbook mentions the internet as if it were a new development. How are we supposed to teach when classrooms are overcrowded and materials are out of date?

The new PCFP must have a hold harmless calculation that accounts for increasing student counts and the cost of doing business in each school district. Not including housing in cost-of-living calculations would be laughable if it were not so devastating. Teachers in the WCSD cannot afford to buy homes. According to current calculations, we live in a low-cost area.

I urge you to end anti-union ending fund balance language that allows school districts to wall off up to 16.6 percent of their budgets from collective bargaining. There is no reason this needs to be a part of the PCFP. It only ensures educators across the State will no longer be able to collectively bargain for improvements to education or the profession. Educators have already been pushed past their limits in the past year. Workloads have doubled. We have risked our lives and health to keep students learning.

Teachers' voices have been silenced as we have been shut out of every major policy decision. Budgets have been slashed. The absurd ending fund balance language demonstrates a lack of caring or understanding about the position of educators. People can only be pushed so far before they break.

HAWAH AHMAD (Clark County Education Association):

The Clark County Education Association (CCEA) represents over 18,000 licensed educators and is the largest independent teachers' union in the United States. We are engaged in bipartisan advocacy to advance public education in Nevada. The CCEA thanks the Subcommittees for their work on the education budget. We appreciate funding restorations and actions taken to implement the PCFP. The CCEA supports the PCFP's implementation. Today's budget hearing is the first step in that direction.

Additional funding is needed to implement the PCFP. Given that, we are optimistic that with the leadership of the Governor and bipartisan support from the Legislature, we will be able to find and earmark new revenue for education during the Eighty-first Session. We must take advantage of funding given to Nevada by the ARPA. The CCEA looks forward to working with stakeholders to support the full implementation of the PCFP.

JENN BLACKHURST (President, Honoring Our Public Education):
I will read from written testimony ([Exhibit C](#)) on public education.

I thank the Subcommittees for recognizing how detrimental the phased-in approach for the PCFP would be for students, and for maintaining the 0.12 weight for GATE students.

ED GONZALES:

I am a member of the Hickey Elementary School Organizational Team. I have concerns about the future implementation of the PCFP, especially as it pertains to funds for initiatives established by S.B. No. 178 of the 79th Session.

While I am thankful the CCSD used its federal dollars on academic support funds—similar to programs established by S.B. No. 178 of the 79th Session—it is surprising to see Bailey Middle School in Sunrise Manor only receive half of the monies it saw in previous years without any evidence of substantial improvement in the student population. As someone who was part of the working group that came up with the criteria for S.B. No. 178 of the 79th Session, I was confused. The CCSD seems to have expanded the definition of students eligible for these funds. That is what we are led to believe as the CCSD has not been transparent about the criteria used to define which students are at risk. My fear as we transition to the PCFP is that more of these situations could occur with the expansion of the definition of at-risk students approved by the State Board of Education.

We heard Infinite Campus, with its many data points, could be used to help come up with a better metric for at-risk students. My concern about the possible change is the lack of transparency. The information would not be accessible to parents and constituents due to complexity. No other state uses Infinite Campus for this purpose. Some of my concerns were mentioned by the

CSF. There is a real fear that funding will be moved from at-risk communities to magnet schools and CTE academies. We will not have the transparency to know why these funding transfers would take place. We have seen this issue with federal dollars that have gone to the CCSD. The Subcommittees must keep these issues in mind when assessing the PCFP. The formula for at-risk students must be transparent for the community.

BENJAMIN SALKOWE:

I am the principal of Equipo Academy in east Las Vegas near Sunrise Manor. I have concerns about the implementation of the PCFP. I support protecting funding for Zoom Schools and Victory Schools. These monies are important for schools like Equipo Academy that work with special student populations. The funds ensure students have access to assistive materials they may not otherwise have. The funds also help create coordinator roles that help coach and support teachers to better serve students such as emerging bilingual pupils.

Please ensure there is equity in funding between public school students, regardless of which public school they go to. Students in Clark County should receive the same dollars for their education, whether they go to magnet schools, career schools, traditional public schools or charter schools. All students deserve the same supports to pursue their educations and achieve their goals.

MICHELLE BOOTH (Communications Director, Educate Nevada Now):

During the Eighty-first Session, Educate Nevada Now members identified several concerns associated with transitioning to the PCFP without sufficient funding. This was exacerbated by the pandemic-caused economic crisis. The ARPA gave the Legislature an opportunity to implement the PCFP in a way that remedies the effects of the budget crisis and provides sufficient resources to serve, support and invest in our most vulnerable student populations.

We urge lawmakers to consider using a portion of the State's ARPA funds to implement the PCFP as intended, including appropriately transitioning to weights for students in need, honoring the hold harmless commitment and avoiding the harmful phased-in approach that would jeopardize school districts' fiscal security. The State can use federal monies to make up for funding shortfalls and properly implement the PCFP. This could reverse the trend of growing class

sizes and put students on a path to success. Recent guidance from the U.S. Department of the Treasury makes it clear that austerity after the Great Recession hampered growth. Nowhere is that more apparent than in public education.

Nevada lagged 16 percent behind pre-Great Recession education funding levels, even before the pandemic. There is wide latitude to use recovery dollars. We can use ARPA monies to address budget deficits and educational services. Direct federal aid for school districts is meant to support critical initiatives such as addressing learning loss, opening schools safely and helping close equity gaps widened by the pandemic. Moving these dollars to cover general operating expenses or State funding shortfalls would come at the cost of these key initiatives.

During the Eightieth Session, legislators passed reforms to the outdated Nevada Plan. The reforms are diminished without commitments to fund it. Federal dollars are the lifeline our students desperately need and deserve.

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

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on K-12/Higher Education/CIP
May 11, 2021
Page 85

CHAIR DONDERO LOOP:
I adjourn this meeting at 12:11 p.m.

RESPECTFULLY SUBMITTED:

Joko Cailles,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
	B	1	Julie Waller / Legislative Counsel Bureau	K-12 Closing List #7
	B	43	Adam Drost / Legislative Counsel Bureau	K-12 Closing List #7
	B	78	Jaimarie Mangoba / Legislative Counsel Bureau	K-12 Closing List #7
	C	1	Jenn Blackhurst / Honoring Our Public Education	Jenn Blackhurst HOPE Public Comment