

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

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

The Senate Committee on Finance was called to order by Chair Chris Brooks at 6:10 p.m. on Tuesday, May 11, 2021, Online and in Room 1214 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.

COMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Tom Weber, Committee Secretary

OTHERS PRESENT:

Jhone Ebert, Superintendent of Public Instruction, Nevada Department of Education
Heidi Haartz, Deputy Superintendent for Business and Support Services, Nevada Department of Education
Brad Keating, Clark County School District
Marie Neisess, President, Clark County Education Association
Karl Byrd, Clark County Education Association
Jessica Jones, Clark County Education Association
Robert Hollowood, Clark County Education Association
Hawah Ahmad, Clark County Education Association

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Angie Joye, Clark County Education Association
Cheri Griggs, Clark County Education Association
James Frazee, Clark County Education Association
Kenny Belknap, Clark County Education Association
Jeremy Aguero, Principal Analyst, Applied Analysis
Brian Lee, Executive Director, Nevada State Education Association
Chris Daly, Nevada State Education Association
Annette Magnus-Marquart, Executive Director, Battle Born Progress
Alexander Marks, Nevada State Education Association
Victor Salcido, Charter School Association of Nevada
Cecia Alvarado, State Director, Mi Familia Vota
Phillip Kaiser, President, Washoe Education Association
Tom Wellman
Andrea Morency, Executive Director, Honors Academy of Literature
Steven Horner
Benjamin Salkowe, Principal, Equipo Academy
Selena La Rue Hatch, Nevada State Education Association; Washoe Education Association
Yelsse Bahena, Teacher, Equipo Academy
Ashley Perkins, Administrator, Elko Charter School
Emma Davis, Teacher, Equipo Academy
David Blodgett, Executive Director, Nevada Prep Charter School
Susan Kaiser, Nevada State Education Association
Lindsay Anderson, Government Affairs Director, Washoe County School District
Brian Rippet, President, Nevada State Education Association
Rebecca Feiden, Executive Director, State Public Charter School Authority

CHAIR BROOKS:

I request a Committee introduction of Bill Draft Request (BDR) 18-1072 and BDR 18-1094.

BILL DRAFT REQUEST 18-1072: Revises provisions relating to the Western Regional Education Compact. (Later introduced as [Senate Bill 446.](#))

BILL DRAFT REQUEST 18-1094: Revises provisions relating to deceptive trade practices. (Later introduced as [Senate Bill 447.](#))

SENATOR DENIS MOVED TO INTRODUCE BDR 18-1072 AND BDR 18-1094.

SENATOR DONDERO LOOP SECONDED THE MOTION.

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

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CHAIR BROOKS:

The Committee will now hear Senate Bill (S.B.) 439 which revises provisions relating to education. The bill as introduced also revises provisions relating to the Education Gift Fund, revises the sources of revenue for budget account (B/A) 101-2609, revises the method for determining the amount of and distributing money to support the operation of the public schools in the State and revises the method for providing additional money to support pupils with disabilities.

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

EDUCATION

K-12 EDUCATION

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

Budget Account 101-2609

Senate Bill 439 transfers responsibility for apportioning money relating to the U.S. Department of Agriculture, Food and Nutrition Service, National School Lunch Program (NSLP) from the Nevada Department of Education (NDE) Superintendent of Public Instruction Jhone Ebert to the director of the Nevada Department of Agriculture (NDA); eliminates requirements for the NDE to prepare and submit certain reports; eliminates certain accounts and provides other matters properly relating thereto.

JHONE EBERT (Superintendent of Public Instruction, Nevada Department of Education):

Senate Bill No. 543 of the 80th Session laid the groundwork for the Pupil-Centered Funding plan (PCFP) and established the NDE Commission on School Funding. The Commission is a group of 11 experts on education and

finance charged with making recommendations to Governor Steve Sisolak and the Legislature regarding kindergarten through 12th grade funding (K-12). Its duties include recommending cost adjustments for each Nevada county and necessarily small districts, reviewing per-pupil funding (PPF) amounts and recommending changes to create an optimal level of funding for public schools in Nevada.

When recommending a change that would require more money to implement than was appropriated in the previous two years, the Commission identifies methods to fund the recommendation within ten years. The Commission also reviews laws and regulations related to education and makes recommendations for changes to improve the public education system in Nevada. Finally, the Commission provides guidance and monitoring and makes recommendations to improve the implementation of the PCFP by the NDE, school districts and the NDE State Public Charter School Authority.

The Commission has met 22 times since September 2019 to meet its charge and undertakes incredibly complex and challenging work. The Commission is committed to meeting the NDE's guiding principles of equity, transparency, accountability and flexibility. In all of the Commission's conversations, students have been the first priority. Commission members are supported throughout their work by the NDE's staff and subject-matter experts from Augenblick, Palaich and Associates (APA), Applied Analysis and WestEd. In addition to regular open meetings at which public comment was accepted in accordance with open meeting law, the Commission held two afternoon sessions dedicated exclusively to public comment. One of the sessions related to weighted funding for categories of pupils, and the other session focused on defining optimal funding.

In alignment with the requirements of S.B. No. 543 of the 80th Session, the Commission submitted its first set of recommendations regarding the implementation of the PCFP to the Governor and Legislature in July 2020. These recommendations included redefining at-risk students, removing special education from the weighted-funding formula, promoting flexibility and alignment in reporting and expanding Nevada's hold harmless provision to include charter schools and university schools for profoundly gifted pupils. The PCFP seeks to provide all students with a base level of resources and to provide greater support to students in need. For the first time, Nevada's education

funding formula accounts for the adjusted costs of providing education in urban, rural, large and small school districts and school settings across the State.

The PCFP is not a reconfiguration of the Nevada Plan; it is a brand new approach to funding K-12 education in Nevada. Rather than asking public schools and districts to cobble together budgets through categorical and competitive grants, the PCFP provides a systematic and flexible approach to K-12 education funding which promotes equitable access to high-quality education opportunities for all students. Under the Nevada Plan, a limited Statewide education allocation was divided and reallocated as necessary to determine the PPF amount. Through the PCFP, a Statewide base PPF amount is determined and then funding is added to account for regional cost adjustments and student characteristics. The Nevada Plan was funded based on prior years' expenditures. The PCFP is funded based on available State and local revenues dedicated to education and combined into a single, transparent account. This is difficult work, but at this moment we are redesigning the future of education. The 54-year-old Nevada Plan no longer works for Nevada's students and schools.

The Nevada Plan has never been flexible enough to accommodate changes in demographics and circumstances which has forced policymakers to add grant programs and funding streams to make up for its shortcomings. Senate Bill 439 presents revisions to *Nevada Revised Statutes* (NRS) to support the successful implementation of the PCFP.

Section 1 of S.B. 439 allows interest and income to be earned on the Education Gift Fund and allows funding in the Education Gift Fund to balance forward to future fiscal years. Section 2, subsection 1 of the bill clarifies interest and income earned on State General Fund revenue will not be transferred to B/A 101-2609. Section 2, subsection 2 of the bill adds additional revenue sources found within existing NRS to be allocated through the PCFP, including revenue received through abandoned gift certificates, which will be transferred to B/A 101-2609.

Revenue sources within existing NRS to be allocated through the PCFP includes money derived from the net proceeds of minerals as provided in NRS 387.195. Subsection 6, paragraph (d) of NRS 278C.250 states the portion of the taxes levied each year in excess of the amount determined pursuant to subsection 1, paragraph (a) subparagraph (1) of NRS 278C.250 attributable to any tax rate

levied by a taxing agency for the support of the public schools within a county school district pursuant to NRS 387.195 must be allocated to, and when collected must be paid into, the appropriate fund of the taxing agency. Administrative fines collected by B/A 101-4149 will be transferred to B/A 101-2609 and 50 percent of boat registration fees collected by the Department of Wildlife will be transferred to B/A 101-2609.

COMMERCE AND INDUSTRY

TOURISM AND CULTURAL AFFAIRS

DCNR - Dep State Environmental Commission — Budget Page DCNR-130
(Volume III)
Budget Account 101-4149

Section 2, subsection 5 of S.B. 439 removes the Superintendent's authority to establish other accounts within B/A 101-2609, specifically through the use of federal funds. This change impacts additional sections within the bill. Section 3 of the bill makes conforming changes from section 2.

Section 4, subsection 2 of S.B. 439 removes the State Board of Education and the NDE from the allocation of funding through the PCFP model. This ensures NDE budgets are built in alignment with the State budget instructions for all Executive Branch agencies. Section 4, subsection 2 of the bill also removes pupils with disabilities from the additional weighted-funding portion of the PCFP, as the Commission recommended General Fund revenues for special education services be funded outside of the PCFP. Section 4, subsection 3 of the bill removes the adjustment for necessarily small schools and changes the name of the adjustment for the small district equity adjustment to "district equity adjustment", as the Commission recommended these adjustments be consolidated into a single adjustment.

With the implementation of the PCFP, section 4, subsection 5 of S.B. 439 ensures students qualifying for more than one weighted-funding category will receive funding for the highest weighted-funding category they fall into. This section of the bill has been revised to include funding for special education services. Additionally, changes made to this section of the bill reflect the revision included in section 2 regarding federal funds.

Section 6, subsection 1 of S.B. 439 clarifies interest and income earned on General Fund revenue will not be transferred to B/A 101-2609. Section 6, subsections 1, 2 and 5 of the bill remove language specific to the development of the Nevada Plan and the corresponding equity allocation model.

Section 6, subsection 3 of the bill adds clarifying language regarding State funding for pupils with disabilities.

Section 7 of S.B. 439 renumbers sections of NRS 387.1233 related to the determination of Statewide base PPF.

Section 9, subsections 1 and 2 of S.B. 439 edit language and renumber references in alignment with changes made in section 2 of the bill.

Sections 10 and 11 of S.B. 439 incorporate changes made in section 4 of the bill by renumbering sections of NRS 387 and shifting the tiered-funding level references because the NDE is removed from Tier level A.

Section 12 of S.B. 439 clarifies monthly payments from the NDE do not include the NSLP, matching funds or possible withholdings.

Section 13, subsection 1 of S.B. 439 removes the reference to the necessarily small school adjustment. Section 13, subsection 3 of the bill adds clarifying language regarding weighted funding, as funding will be allocated to where a student is estimated to be enrolled. Section 13, subsection 4 of the bill incorporates changes made in section 8 by clarifying money received from the Statewide multiplier for special education must be separately accounted for by each school district.

Sections 14 and 15 incorporate changes made in previous sections of S.B. 439.

Section 16, subsections 1 and 3 of S.B. 439 remove the average school report based on the Executive Budget and the legislatively approved budget. Section 16, subsection 2 of the bill eliminates the requirement that the school-specific report be provided in paper copy to the parents or legal guardian of each pupil who attends the school and allows the report to be posted to an internet site maintained by the school district.

Section 17 of S.B. 439 makes conforming changes regarding the transfer of State matching funds for the NSLP from the NDE to the NDA. These changes include allowing the NDA director to process monthly apportionments for the State matching funds and to withhold payment under certain circumstances. This is similar to the authority granted to the Superintendent related to other payments to public schools.

Section 18 of S.B. 439 changes the dates by which the NDE, with consultation with the Legislative Counsel Bureau (LCB) and the Office of the Governor, Office of Finance (GFO), must develop the recommendations for the minimum expenditure amounts for textbooks, instructional supplies, instructional software and instructional hardware. Section 18 of the bill also allows the NDE to provide these recommendations once each biennium, rather than each fiscal year.

Section 19 of S.B. 439 adds language indicating the report prepared by the NDE to identify school districts, charter schools and university schools not meeting the minimum expenditure requirements (MER) recommendation in a fiscal year will be posted to the NDE's website.

Section 21 of S.B. 439 eliminates B/A 101-2704 and the awarding of grants through the account.

NDE - Bullying Prevention Account — Budget Page K-12 EDUCATION-160
(Volume I)
Budget Account 101-2704

Section 23 of S.B. 439 renames B/A 101-2619 to the Account for State Special Education Services. This account will include all General Fund revenue appropriated for the provision of special education services. Section 23 of the bill also includes confirming language regarding the Statewide multiplier for pupils with disabilities.

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

Section 24 of S.B. 439 incorporates changes made in section 9 of the bill related to apportionments for profoundly gifted students and pupils enrolled part-time in a program of distance education and charter schools.

Section 25 of S.B. 439 eliminates B/A 101-2620.

NDE - Instruction In Financial Literacy — Budget Page K-12 EDUCATION-24
(Volume I)
Budget Account 101-2620

Section 26 of S.B. 439 incorporates changes made in section 9 of the bill related to apportionments for profoundly gifted students and pupils enrolled part-time in a program of distance education.

Section 27 of S.B. 439 eliminates reference to grant funds previously provided to school districts and charter schools for the reimbursement of coursework completed by teachers related to computer literacy and computer science.

Section 28 of S.B. 439 removes the requirement for the Board of Education to prescribe priorities for regional training programs for the professional development of teachers and administrators.

Section 29 of S.B. 439 eliminates the Nevada System of Higher Education's (NSHE) ability to award funding previously granted for courses completed related to financial literacy.

Section 30 of S.B. 439 eliminates the opportunity for NSHE to apply for grants funded through B/A 101-2671. This account is repealed in section 39 of the bill.

NDE - Account for Computer Education and Technology — Budget Page K-12
EDUCATION-44 (Volume I)
Budget Account 101-2671

Section 31 of S.B. 439 transfers proceeds from abandoned gift certificates to B/A 101-2609.

Section 33 of S.B. 439 transfers funds collected for violations of the prevention, abatement or control of air pollution to B/A 101-2609.

Section 36 of S.B. 439 repeals sections of NRS related to emergency financial assistance for school districts, the Account for Programs for Innovation and the Prevention of Remediation, B/A 101-2677, sections of NRS related to the net

proceeds of minerals, B/A 101-2617, B/A 101-2717 and waivers related to MER recommendations for school districts and charter schools.

NDE - New Nevada Education Funding Plan — Budget Page K-12
EDUCATION-21 (Volume I)
Budget Account 101-2677

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

NDE - Teachers' School Supplies Assistance Account — Budget Page K-12
EDUCATION-60 (Volume I)
Budget Account 101-2717

Section 37 of S.B. 439 allows the LCB staff to make corresponding changes to NRS and *Nevada Administrative Code*.

Section 38 of S.B. 439 accounts for unexpended balances at the end of fiscal year (FY) 2020-2021 for certain accounts.

Section 39 of S.B. 439 repeals certain sections of NRS.

Section 40 of S.B. 439 provides for the effective dates of each section of the bill.

CHAIR BROOKS:

I am glad we are modernizing the State's education funding formula away from the Nevada Plan as it no longer works for the majority of children in Nevada.

SENATOR DONDERO LOOP:

I am also grateful Superintendent Ebert is leading the move away from the Nevada Plan. Section 2, subsection 1 of S.B. 439 states interest and income earned on money in B/A 101-2609, excluding the direct legislative appropriation from the General Fund required by subsection 3 of the bill, must, after deducting any applicable charges, be credited to B/A 101-2609. Can you explain how this process works?

HEIDI HAARTZ (Deputy Superintendent for Business and Support Services, Nevada Department of Education):

This bill language is intended to address concerns previously raised by State Treasurer Zach Conine as S. B. No. 543 of the 80th Session indicated all revenue in B/A 101-2609 earning interest and income would be retained within the account. The Office of the State Treasurer was concerned regarding how interest and income earned on General Fund appropriations are often invested in other areas in the Executive Budget. The intent of section 2, subsection 1 of S.B. 439 is to add clarifying language to the bill indicating interest and income earned on General Fund appropriations would not be reflected in funding made available in B/A 101-2609.

SENATOR HAMMOND:

Section 4, subsection 5, paragraph (d) of S.B. 439 discusses weighted-funding categories and the eligibility of a pupil who belongs to more than one category to receive funding. Can you explain the intent of this language? Originally the Legislature was told if pupils fit into more than one weighted-funding category they would receive funding from every category they belonged to. Will a pupil now receive weighted funding from whichever category the pupil belongs to having the largest multiplier or Statewide multiplier? What is the next step?

Ms. HAARTZ:

Senate Bill No. 543 of the 80th Session indicated students would receive funding from the weighted-funding category with the highest multiplier for which they belong. No change to this methodology is reflected in S.B. 439.

SENATOR HAMMOND:

Once enough money is available, is it the intent of S.B. 439 to make students who are eligible for multiple weighted-funding categories eligible to receive funding from every category they belong to?

Ms. HAARTZ:

There is nothing in S.B. 439 aborting this concept. Moving forward, the Commission on School Funding, the Legislative Committee on Education, the Governor and the Legislature have opportunities to make recommendations regarding further revisions to the PCFP during each interim period.

SENATOR HAMMOND:

We are unsure how this will play out in the future, and it will be left up to future commissions and legislatures to make these decisions. Even though it is not currently made clear in S.B. 439, I was previously told pupils who fall into multiple weighted-funding categories would be eligible to receive funding from each category.

SENATOR DENIS:

I worked on bringing forward S.B. 439. Discussions were had regarding pupils falling into multiple weighted-funding categories, and we made the decision that future bodies could determine if a pupil will receive funding from multiple categories. There will need to be more money available in S.B. 439 to fully fund the education of pupils falling into multiple categories. Even if a pupil is currently only eligible to be funded from one funding category, it will still take several years to ensure enough funding is available in B/A 101-2609. Future legislatures will need to discuss funding as the cost of education will continue to climb.

SENATOR SEEVERS GANSERT:

The language in section 35 of S.B. 439 is changed to say "actual" rather than "budgeted" expenditures regarding ending fund balances over 16.6 percent. Why was this language changed? Has the timing changed regarding when budgets are due?

MS. HAARTZ:

The proposed language in section 35 of S.B. 439 does change existing language from "budgeted expenditures" to "actual expenditures". This aligns ending fund balances with expenses incurred during the fiscal year. This was done with the understanding budgets can change throughout the course of a fiscal year. The bill does not propose changes to the timeframe by which school districts must prepare and submit their budgets.

SENATOR SEEVERS GANSERT:

Section 5 of S.B. 439 discusses a regulation regarding district equity adjustments and how these adjustments are intended to be based on having relatively fewer pupils enrolled in a school. How were these numbers devised and formulated?

MS. HAARTZ:

The Commission on School Funding worked with the APA to review the two adjustments included in S. B. No. 543 of the 80th Session. These included the necessarily small schools adjustment and the small school district equity adjustment. In reviewing these adjustments, subject-matter experts provided an opportunity for the Commission to consider consolidating the adjustments into a single adjustment. The net result was very similar in nature, and it was felt combining the adjustments created more transparency within the PCFP. This makes it easier to run the PCFP and explain to the public how these adjustments are implemented. The Commission adopted a recommendation stating the two adjustments be consolidated into the district-size adjustment which is based on attendance area data. This recommendation was included in the Executive Budget.

SENATOR SEEVERS GANSERT:

I have not yet seen the formula being used in these calculations, and I would like more information on those numbers. Charter schools are comparable to schools within small attendance areas as charter school students are distributed Statewide. Why were charter schools left out of this formula?

MS. HAARTZ:

The NDE has shared information developed by the Commission and subject-matter experts with the LCB Fiscal Analysis Division. If this is insufficient, the NDE can provide additional information. Fiscal staff has the actual models used in the PCFP in which this adjustment calculation is included. Charter schools are not eligible to receive the district-size adjustment within enabling legislation. When identifying funding available to charter schools and how the adjusted base PPF amount is to be calculated, S. B. No. 543 of the 80th Session indicated the Statewide base PPF amount is to be paid to those charter schools providing full-time distance education programs to students. The calculations used in the adjusted base PPF amount for all other students physically attending school and the adjusted base PPF amount for charter schools applies the Commission's Nevada Cost of Education Index to the Statewide base PPF amount. Senate Bill 439 does not currently include an adjustment based on school size.

SENATOR DONDERO LOOP:

Section 20, subsection 3 of S.B. 439 deletes expenditures and revenues based on merit salary increases and cost of living adjustments. What is the rationale behind this?

Ms. HAARTZ:

Section 20, subsection 3 of S.B. 439 pertains to language being recommended for removal from NRS. The salary increases and cost of living adjustments are part of the calculations used for the Nevada Plan and are not part of the PCFP. This is due to the Nevada Plan using an expenditure-driven model and methodology while the PCFP uses a revenue-driven model and methodology. When allocating revenue through the PCFP, it is not necessary to calculate adjustments specific to anticipated and traditional growth in salary and benefit increases as employees move across pay scales. It is also not necessary to calculate adjustments specific to when school districts experience higher rates or costs related to benefits for their employees.

SENATOR KIECKHEFER:

Section 6 of S.B. 439 discusses a Statewide multiplier for pupils with disabilities. Where in the process does this funding come into play? Using the PCFP, is funding for special education carved out of B/A 101-2609, or does it come from a separate allocation based on amendatory language in the bill?

Ms. HAARTZ:

Special education in Nevada is funded through three distinct areas of funding. One of these areas is federal funding, which is not being allocated through the PCFP or B/A 101-2609. Federal funding will continue to be allocated for education through separate budget accounts of the NDE. Similarly, General Fund appropriations intended to be used for maintenance of effort (MOE) requirements for federal funds are not allocated through the PCFP or B/A 101-2609. This funding will be allocated in the same manner it is currently allocated. Based on earlier conversations, these funding sources will be brought together under a single budget account to better track General Fund appropriations being allocated to special education in the State. The third area of funding supporting special education services in Nevada comes from a local contribution from each county's school district. The amount of funding expended year-to-year pertaining to the MOE requirement for a school district is unique to each school district and will be funded through the school district's adjusted base PPF amount.

The Commission and the GFO recommended General Fund revenue not be allocated through the PCFP because this would make it very difficult to ensure the State could meet the MOE requirement from one year to the next. This recommendation is based on the understanding that as the Statewide base PPF amount increases, the weighted funding will increase as well. Therefore, the MOE requirement for the State is estimated to increase every fiscal year. Additionally, the funding derived from local contributions is currently being recommended to be paid for by school districts through their adjusted base PPF amount. This was done in recognition of each school district expending a different amount of money for each student based on students' individual needs and the needs of those students eligible to receive additional supports and services specific to special education.

SENATOR KIECKHEFER:

Did the Commission suggest the special education funding allocation be made through B/A 101-2609 after the base PPF amount was determined?

Ms. HAARTZ:

The Commission ultimately made this recommendation after the Eighty-first Legislative Session had begun. There is not a clear mechanism to validate the fiscal impact of making this change.

SENATOR KIECKHEFER:

If we start allocating funding for special education in the way this is included in the Executive Budget, would anything prevent the Legislature from changing the way this is done in future years? Would this result in long-term MOE implications?

Ms. HAARTZ:

The Commission has a responsibility, identified in NRS, to monitor the implementation of the PCFP and to provide recommendations to the Legislative Committee on Education. The Legislative Committee on Education would in turn provide these recommendations, with or without additional support and guidance, to the Governor and the Legislature. Additionally, the Governor and the Legislature would also have the authority to make changes to any component of the PCFP moving forward.

SENATOR KIECKHEFER:

Section 18 of S.B. 439 changes the dates by which the NDE, with LCB and the GFO consultation, must develop the recommendations for the minimum expenditure amounts for textbooks, instructional supplies, instructional software and instructional hardware. Has this language been struck from section 1 or any other area of the bill? It is hard to keep track of MERs as they have been changed several times during the previous two years.

MS. HAARTZ:

Based on enabling legislation included in S.B. No. 543 of the 80th Session, the MER will become a minimum expenditure recommendation instead of a requirement beginning in FY 2021-2022. Senate Bill 439 proposes the date be extended by which the NDE, in collaboration with the GFO and Fiscal staff, must develop this calculation. This will allow more time for this calculation to be prepared and provided to school districts. This is a recommendation and not a requirement. Senate Bill No. 543 of the 80th Session also requires the NDE to develop a report every year identifying school districts not meeting the minimum expenditure recommendation for the previous fiscal year. Senate Bill 439 includes a revision to this language indicating this report will be posted to the NDE's website.

SENATOR KIECKHEFER:

The Commission had also recommended including charter schools and information on the hold harmless provision into the language of S.B. 439. Does this recommendation need to be included as an amendment for the bill, considering the Legislature is moving towards incorporating MERs into education funding?

MS. HAARTZ:

It does appear a revision to NRS would be appropriate to avoid confusion regarding which entities are included in the hold harmless provision.

SENATOR KIECKHEFER:

Regarding base and weighted-PPF amounts, section 4, subsection 5, paragraph (a), subparagraph (1) of S.B. 439 states funding implications should be proportional whether or not there is a decrease in funding also requiring a decrease in weighted funding. It is also stated if this happens, a proportional amount of decreased funding must also be taken from the base funding amount. Additionally, section 4, subsection 5, paragraph (c) of the bill states if the

multipliers for all categories of pupils in a fiscal year are increased from the multipliers used in the immediately preceding fiscal year, a proportional increase must be considered for the Statewide base PPF amount. Am I interpreting this correctly?

MS. HAARTZ:

The Legislature has latitude regarding establishing the Statewide base PPF amount and the weighted-funding amount in FY 2021-2022, as this will be the first year of the PCFP's implementation. Through this first year of implementation, it is intended all funding will be used to maximize the Statewide base PPF amount while maintaining historical funding for weighted funding. If the Legislature wanted to increase funding for weighted funding in FY 2021-2022, it could result in additional funds being allocated through the PCFP targeted specifically to weighted funding rather than increasing the Statewide base PPF amount.

SENATOR KIECKHEFER:

In subsequent years, how should section 4, subsection 5, paragraph (a), subparagraph (1) of S.B. 439 be interpreted?

MS. HAARTZ:

As budgets are built in subsequent biennia, the parameters existing within NRS identifying the Governor's option to adjust funding for the PCFP, based on projections from the GFO Economic Forum or other alternatives recommended by the Governor, would tie into and build off of the baseline of funding established in FY 2021-2022.

SENATOR KIECKHEFER:

I agree with this interpretation. If the Legislature were to appropriate money increasing weighted funding, would it then need to also consider a proportional increase in base funding? The Governor or Legislature may recommend changes later on, but the intent of current NRS is that these funding categories move up or down together.

MS. HAARTZ:

It appears to be the intent of S.B. 439 that once the implementation of the PCFP moves forward, if there is additional funding available beyond the prescribed adjustments for the Statewide base PPF amount due to the rate of inflation and the costs associated with enrollment growth, the funding will then

flow through the PCFP and would be allocated to weighted funding. If any funding remains unobligated or unallocated as this funding flows through the PCFP, it would be invested in increasing the funding available within the three weighted-funding categories until the targeted weights within these categories have been achieved. Once the targeted weights have been achieved, the unobligated funds would be reinvested proportionally in the Statewide base PPF amount and in the weighted-funding categories.

If there were to be a reduction in funding available for allocation through the PCFP, S.B. 439 does indicate this reduction should be proportionally applied to the Statewide base PPF amount and the weighted-funding categories. The Governor and Legislature can make recommendations modifying the language currently included in S.B. 439.

CHAIR BROOKS:

In the Commission and Legislature's recommendations, it was decided the hold harmless provision should also apply to charter schools. Was this provision meant to be included in S.B. No. 543 of the 80th Session? Considering the provision is not discussed in S.B. 439, is an amendment or additional legislation needed to codify the decision to apply the hold harmless provision to charter schools?

MR. HAARTZ:

The provisions and language of S.B. No. 543 of the 80th Session pertaining to the hold harmless provision became part of the Legislature's intent for the implementation of S.B. 439. I am not sure if an additional amendment is required to codify the Commission and Legislature's decision to apply the hold harmless provision to charter schools.

MR. THORLEY:

Fiscal staff will need to discuss any possible amendments with the LCB Legal Division. During the meeting of the Senate Committee on Finance and Assembly Committee on Ways and Means, Subcommittees on K-12/Higher Education/Capital Improvement Program earlier this morning, those Subcommittees moved to recommend charter schools and university schools for profoundly gifted pupils be included in the hold harmless provision calculation.

SENATOR SEEVERS GANSERT:

During the meeting this morning, the Subcommittees also made a decision regarding running the hold harmless provision on a per-pupil basis. Should this decision also be included in any possible amendments to S.B. 439?

CHAIR BROOKS:

Will the NDE be proposing an amendment to S.B. 439?

MS. HAARTZ:

Proposed Amendment 3386 for S.B. 439 ([Exhibit B](#)) is reflective of actions taken this morning in the Subcommittee meeting allowing funding within B/A 101-2609 to remain in that account throughout the 2021-2023 biennium before being transferred into the NDE Education Stabilization Account. Funding from B/A 101-2609 will be transferred into the Stabilization Account at the end of each biennium rather than at the end of each fiscal year.

Working collaboratively with the Commission, the GFO and the LCB staff, the NDE has identified current enabling legislation pertaining to the Stabilization Account indicates the only time the NDE can access the Stabilization Account would be in the event revenue is being earned at 97 percent or less than the legislatively-authorized amount. The NDE's accessing the Stabilization Account would require a resolution by the Interim Finance Committee (IFC). In the event enrollment growth is higher than anticipated in the legislatively-approved budget and revenues are not earned beyond what is included in the NDE's budgets, there is currently no provision providing the NDE with an opportunity to receive additional funding. Will this Committee accept an amendment to modify NRS 387.1213 to allow the NDE to request a transfer from the Stabilization Account in the event enrollment growth exceeds the legislatively-approved budget and revenues in B/A 101-2609 are insufficient to meet related unexpected and additional expenses?

SENATOR KIECKHEFER:

Will Proposed Amendment 3386 for S.B. 439 offset the NDE's need for a supplemental appropriation during upcoming legislative sessions?

MS. HAARTZ:

Proposed Amendment 3386 for S.B. 439 could potentially offset the NDE's need for a supplemental appropriation during future legislative sessions,

presuming sufficient funding is available in the Stabilization Account to meet any unexpected expenses.

SENATOR KIECKHEFER:

Would Proposed Amendment 3386 for S.B. 439 allow for the transfer of funding based on enrollment growth if expenses are higher than anticipated? This will account for a shortcoming in the NDE's revenue.

MS. HAARTZ:

Yes, Proposed Amendment 3386 for S.B. 439 would allow for the transfer of funding based on enrollment growth if expenses are higher than anticipated.

CHAIR BROOKS:

The Committee will now hear support testimony for S.B. 439.

BRAD KEATING (Clark County School District):

The Clark County School District (CCSD) supports S.B. 439 and the PCFP. Pupil-centered funding is at the core of the PCFP and was originally proposed and passed by the Legislature in S.B. No. 543 of the 80th Session. This funding formula addresses the needs of all students throughout the State. We urge the Legislature to continue following the recommendations of the Commission, who have been working on this historic formula for the last 18 months.

With experience in education and school financing, the Commission has been working tirelessly to ensure every weight and aspect of the PCFP meets the needs of Nevada's school districts. The Clark County School District looks forward to being included in future conversations regarding S.B. 439, as CCSD has a vested interest regarding the PCFP and how this funding model supports students with disabilities. We want to participate in the implementation of the PCFP to ensure all students receive appropriate funding in a fair and equitable manner. This issue affects all school districts but is of utmost importance to the CCSD. We look forward to working with the Legislature over the next few weeks as the implementation of the PCFP develops and helps to ensure equity and adequacy for all students throughout the State.

MARIE NEISESS (President, Clark County Education Association):

The Clark County Education Association (CCEA) supports S.B. 439. Though the CCEA appreciates the intent behind the NDE Zoom and Victory School

programs, the particular services provided by those schools must be provided to every qualifying limited English proficient student throughout the State. In my experience as a classroom educator at a Las Vegas school receiving funding through Title I of the Elementary and Secondary Education Act, I learned firsthand that an investment in our students would lead to better educational outcomes. I have submitted testimony in support of S.B. 439 which can be found in Support Statement, Marie Neisess, President, CCEA ([Exhibit C](#)).

KARL BYRD (Clark County Education Association):

I am a social studies teacher at Mariachi Los Pumas de K.O. Knudson Middle School and have submitted testimony in support of S.B. 439 which can be found in Support Statement, Karl Byrd, CCEA ([Exhibit D](#)). A recent Las Vegas Sun article noted that a bold post-Covid-19 pandemic plan for revitalizing the economy includes transforming the infrastructure of our State and attracting new industries beyond gaming, tourism and mining is the ticket to greater future stability in Nevada.

JESSICA JONES (Clark County Education Association):

I am a kindergarten teacher at Hickey Elementary School and have submitted testimony in support of S.B. 439 which can be found in Support Statement, Jessica Jones, CCEA ([Exhibit E](#)).

ROBERT HOLLOWOOD (Clark County Education Association):

I am an educator at Ethel W. Staton Elementary School and have submitted testimony in support of S.B. 439 which can be found in Support Statement, Robert Hollowood, CCEA ([Exhibit F](#)).

HAWAH AHMAD (Clark County Education Association):

I have submitted testimony on behalf of Jennifer Seitz with the CCEA in support of S.B. 439 which can be found in Support Statement, Jennifer Seitz, CCEA ([Exhibit G](#)). Ms. Seitz is also a teacher at Bob Miller Middle School.

ANGIE JOYE (Clark County Education Association):

I am a teacher at Ann Lynch Elementary School and have submitted testimony in support of S.B. 439 which can be found in Support Statement, Angie Joy, CCEA ([Exhibit H](#)).

CHERI GRIGGS (Clark County Education Association):

I teach kindergarten at James B. McMillan Elementary School and have submitted testimony in support of S.B. 439 which can be found in Support Statement, Cheri Griggs, CCEA ([Exhibit I](#)).

JAMES FRAZEE (Clark County Education Association):

I have submitted testimony in support of S.B. 439 which can be found in Support Statement, James Frazee, CCEA ([Exhibit J](#)).

KENNY BELKNAP (Clark County Education Association):

I am a teacher at Del Sol Academy of the Performing Arts and have submitted testimony in support of S.B. 439 which can be found in Support Statement, Kenny Belknap, CCEA ([Exhibit K](#)).

JEREMY AGUERO (Principal Analyst, Applied Analysis):

I support S.B. 439 as it continues the work of the PCFP started by the NDE through S.B. No. 543 of the 80th Session.

CHAIR BROOKS:

The Committee will now hear opposition testimony for S.B. 439.

BRIAN LEE (Executive Director, Nevada State Education Association):

Two years ago, S.B. No. 543 of the 80th Session was developed behind closed doors and was not introduced until the 99th day of the Eightieth Legislative Session. There was only one meeting on S.B. No. 543 of the 80th Session during the Eightieth Legislative session, occurring minutes before sine die. Senate Bill 439 is being heard today, the 100th day of the Eighty-first Session, with less fanfare. This bill was also developed behind closed doors without even a preview of its content. The PCFP will fail as it was never built to succeed. Since the introduction of S.B. No. 543 of the 80th Session two years ago, the Nevada State Education Association (NSEA) has expressed policy concerns at every opportunity. We have concerns regarding a lack of educator voice, no new revenue streams, the watering down of Zoom and Victory School funding, school district budgets being tightened and frozen, the giving away of funding to charter schools and the undoing of collective bargaining rules.

Senate Bill 439 fails to address a single issue raised by educators. This shows the bill's sponsors and proponents are not serious regarding developing and delivering a funding plan to benefit all Nevada students. Nevada ranks 45th in

the Nation with respect to education funding, but the PCFP includes no new funding. While the Commission recommended a ten-year plan for Nevada to increase education funding by \$2 billion per year, S.B. 439 completely ignores these recommendations. This bill further moves Nevada backwards by proposing to strike language from NRS 391 referencing merit salary increases and cost of living adjustments.

If the Legislature is intent on moving forward with the PCFP, the NSEA recommends making three changes to the bill to ensure the new funding formula does significantly less harm to Nevada's students and educators. The NSEA's first recommendation is to grandfather-in legislation supporting existing Zoom and Victory Schools located in Nevada's poorest communities, as these schools serve the highest percentage of at-risk students using proven models of education equity.

Secondly, the NSEA believes school districts should be held truly harmless by using the greater amount between the 2020 total funding levels and the PPF amount by school district. These amounts should be adjusted for inflationary costs of doing business.

Thirdly, we believe the anti-union language increasing school district ending-fund balances walled-off from collective bargaining to 16.6 percent of annual operating costs will help preserve the collective bargaining process. Please listen to educators. Any new legislation not bringing new revenue and which does not address these serious policy concerns is doomed to fail Nevada's educators and its students.

CHRIS DALY (Nevada State Education Association):

Two years ago, S.B. No. 543 of the 80th Session was developed behind closed doors and was not introduced until the 99th day of the Eightieth Legislative Session. There was only one meeting on S.B. No. 543 of the 80th Session last Session, occurring minutes before sine die. Senate Bill 439 is being heard today, the 100th day of the Eighty-first Session, with less fanfare. In my 30 years working in education, S.B. No. 543 of the 80th Session was one of the least transparent and inclusive legislative efforts I have ever seen. When asked for their perspective on the process producing S.B. No. 543 of the 80th Session, certain Nevada legislators who voted for the bill actually had this to say:

Unfortunately, the late introduction of S.B. 543 produced a process that legislators and stakeholders felt was not sufficiently transparent and inclusive. I voted for it, although it had some language I thought would be problematic in its implementation. I would like to have seen greater discussion of the bill earlier in the session, as it is a significant piece of legislation that impacts the entire State. We have been discussing changes to the funding formula for some time, and a more inclusive discussion of the bill would have been helpful. While I voted for S.B. 543, I had and still have some serious concerns about the methodology that underlies the budget formula. Regarding the legislative process, whenever possible I believe that policy matters should be heard by policy committees before they are brought before money committees. I had hoped for a more robust and inclusive conversation about S.B. 543 prior to the last days of session, understanding that this is a complicated policy to take on.

Nevada deserves a significantly more inclusive and transparent process when dealing with such a major policy shift. We were promised our voices would be heard during the Eighty-first Legislative Session. Yet, here we are with S.B. 439, developed behind closed doors with no stakeholder input or a preview of its content. The three simple fixes requested by educators are nowhere to be found in the bill. The first request is to grandfather-in legislation supporting existing Zoom and Victory Schools. These schools use proven models of education equity. Stakeholders in communities-of-color Statewide are supportive of Zoom and Victory Schools, but the Legislature is dispensing of them. Secondly, educators believe school districts should be held truly harmless by using the greater amount between the 2020 total funding levels and the PPF amount by school district. These amounts should be adjusted for inflationary costs of doing business. Thirdly, educators believe the anti-union language increasing school district ending-fund balances should be removed from S.B. 439. Language in the bill is very antiunion and compromises collective bargaining. This bill matches language in bills signed by Governor Scott Walker of Wisconsin and is unconscionable. People who claim to be supportive of workers and

organized labor while also supporting S.B. 439 should be ashamed.
Please fix this bill.

ANNETTE MAGNUS-MARQUART (Executive Director, Battle Born Progress):

I have submitted testimony in opposition to S.B. 439 which can be found in Opposition Statement, Annette Magnus, Battle Born Progress ([Exhibit L](#)). I experienced firsthand how the Nevada Plan did not work when I was a student at Centennial High School.

ALEXANDER MARKS (Nevada State Education Association):

The Nevada State Education Association has participated in all 22 of the Commission's meetings. Chair R. Karlene McCormick-Lee of the Commission pointed out the NSEA's consistent opposition to S.B. No. 543 of the 80th Session. Despite the NSEA's presence at all of the Commission's meetings, active educators have no seat on the Commission and were shut out of the process of developing S.B. No. 543 of the 80th Session. The concerns of educators were not subsequently addressed at any of the Commission's meetings.

For two years, educators have rallied outside of the Legislative Building to call on Nevada's leaders to be brave and bold. In 2019, the NSEA began supporting the Red for Ed Movement, with the color red symbolizing the financial hardships and struggles educators and public schools in Nevada experience every day. In 2021, the NSEA began the Red for Revenue Pledge as additional revenue is needed to support education in the State. The approach the State has taken towards education has resulted in Nevada being 48th in the Nation in education spending and 50th overall in the chance of success index from the State and National Highlights Reports. Senate Bill No. 543 of the 80th Session and S.B. 439 will not change these issues.

Despite rallies of educators over the past two years, S.B. 439 ignores the demands of teachers, education support professionals, other licensed professionals, parents and community allies by failing to address a single issue they have raised. We have been urging the Legislature to listen to educators for the past 100 days. We have asked for S.B. 439 to be fully funded and for an educator to have a seat on the Commission. We have asked for legislation supporting Zoom and Victory Schools to be grandfathered-in. We have asked for a true hold harmless provision to prevent a funding freeze and have asked to remove the antiunion ending fund balance provision included in S.B. 439. Our

opposition to the bill comes from a good place. We are trying to make the PCFP work for all Nevada students and educators. It is not too late to listen to us.

VICTOR SALCIDO (Charter School Association of Nevada):

I am grateful for the work the Legislature and Commission have done over the past two years in transitioning to a new education funding formula and for including charter schools under the hold harmless provision as recommended by the Commission. The Legislature voted to have the hold harmless provision fulfill its purpose of holding schools and school districts harmless by basing the provision on a per-pupil basis. In doing so, the Legislature is ensuring the transition to a new funding formula will not hurt Nevada students. This is not an easy task, and it took the State over 50 years to get to this point. Senator Denis has been leading this charge for over two years.

I agree with the NDE. It is appropriate to codify recommendations surrounding the hold harmless provision to avoid future confusion. Unfortunately, the Charter School Association of Nevada opposes S.B. 439. While no school districts will be harmed to the same level they were in FY 2019-2020, the PCFP does not treat all students equally. Public charter schools are still excluded from certain adjustments, such as the size adjustment, of which schools which are managed by county school districts still receive. All children in Nevada's public school system should be funded equally, taking into account geographic differences. This would truly be pupil-centered.

CECIA ALVARADO (State Director, Mi Familia Vota):

Mi Familia Vota opposes S.B. 439 as the bill lacks transparency. The bill was just introduced yesterday, May 10, 2021, and we have not yet had the opportunity to mobilize our community to respond to it. Our community wants to be heard. For the past two years, Mi Familia Vota has mobilized students, communities and parents to testify and make their voices heard during committee hearings. Our community wants more resources dedicated to Zoom and Victory Schools and we deserve the Legislature's support.

Over 50,000 students from middle-class backgrounds are given an opportunity to learn at Zoom and Victory Schools, as these schools provide a structure to support their learning needs. Please grandfather into legislation the support Zoom and Victory Schools deserve to ensure these schools are preserved and students in low-income neighborhoods can still be served. These schools help

the most vulnerable children attending the most neglected schools and use proven models of education equity to support teachers and students.

PHILLIP KAISER (President, Washoe Education Association):

The Washoe County Education Association opposes S.B. 439. Governor Steve Sisolak recently stated that even though the Commission suggested raising revenue to adequately fund education through sales and property taxes, there was not enough time to fully vet these proposals during the Eighty-First Legislative Session. Only 20 days remain until sine die. This bill alters revenue streams, changes weights for some students, redefines rural school districts, creates a rainy day fund for education, adjusts support if the price of gold falls and changes issues related to professional development. Under the bill, if a student falls into a weighted special education funding category, he/she cannot be funded through an English learner funding category or a low-income category. More funding for education is needed. The Legislature will have to rush through the PCFP without adequate funding available. This does not make sense.

The Legislature should delay implementation of S.B. No. 543 of the 80th Session as not enough funding is available. Senate Bill No. 543 of the 80th Session freezes school districts at their 2020 funding levels, alters Zoom and Victory Schools and has an anticollective bargaining ending fund balance. The current implementation date of July 1, 2021, should be pushed back to fully consider the implications for all schools and students in Nevada. Do not implement the PCFP without new funding. Nevada students need a long-term sustainable funding stream. Please delay implementation until this funding is in place.

TOM WELLMAN:

I have submitted testimony in opposition to S.B. 439 which can be found in my Opposition Statement, Tom Wellman ([Exhibit M](#)). A. J.R. No. 1 of the 32nd Special Session could solve many of the problems you are now facing regarding a strong funding stream for S.B. No. 543 of the 80th Session.

ANDREA MORENCY (Executive Director, Honors Academy of Literature):

The Honors Academy of Literature has been operating for 9 years and services 230 students. We are opposed to S.B. 439 as we believe there is an error in the funding model excluding charter schools in the PPF adjustments. These issues need to be addressed before the bill can become adequate and equitable for

Nevada students. We are grateful for the bill's language relating to the hold harmless provision as this will help school districts make their budgets for FY 2021-2022 adequate to serve their needs.

STEVEN HORNER:

I reside in Assembly District No. 35 and Senatorial District No. 9. I am also an army veteran and retired special education teacher from the CCSD with grandchildren attending public schools in Clark County. I am opposed to S.B. 439.

We have an educator shortage in Nevada. Two years ago, S.B. No. 543 of the 80th Session passed without educators having a seat at the table. The bill did not fund education, it just moved money around and defunded functioning programs. The bill also allowed school districts to hide over 16 percent of the appropriated money so they do not have to pay their employees. This also led to a funding freeze in rural Nevada counties.

Senate Bill 439 also does not fund education, nor does it fix the elements of S.B. No. 543 of the 80th Session leading to further shortages. This is especially true in at-risk schools and rural school districts. We have had this fight for generations in Nevada. We are 48th in the Nation for the PPF amount, and we have some of the largest classroom sizes in the Country. We are losing young educators at lightning speed. Until we address the need for adequate funding, any bill just shifting funding is moot. I have heard for 30 years the State just does not have the money or that things will be taken care of in a later legislative session. It is time to address these issues and find new revenue streams to bring Nevada from the 19th century to the 21st century. It is also time to listen to educators and step up to do what is right for Nevada's students and the future.

BENJAMIN SALKOWE (Principal, Equipo Academy):

Equipo Academy serves first-generation college students and makes a high school diploma and college acceptance letter accessible for all students, regardless of their background, attendance issues or behavior. I am opposed to S.B. 439 as I do not feel the bill is truly pupil-centered. With a common set of values, our team and families have built the first open-enrollment five-star public secondary school in east Las Vegas. The absence of funding for Zoom schools in S.B. 439 would remove approximately \$100,000 currently supporting teacher aides, instructional materials and support personnel for new students. Please

grandfather-in support language for Zoom and Victory School programs into the bill.

Senate Bill 439 increases funding gaps between different types of public schools and only provides cost adjustments to school district offices, not independent public schools. This creates new inequities between inner-city public charter schools and selective magnet schools from more affluent suburbs. Please make cost adjustments for urban and rural schools available to charter schools. I appreciate the discussions the Legislature has had regarding the expansion of the hold harmless provision to include charter schools. I am optimistic that by incorporating our suggestions into the bill, Equipo Academy and the community it serves would fully support the PCFP.

SELENA LA RUE HATCH (Nevada State Education Association; Washoe Education Association):

I implore you to make critical adjustments to the new PCFP prior to full implementation. Under the current plan, almost all school districts across the State, including my own, will be frozen at their current budgets for years to come. With the rising costs of living and inflation in my area, you are essentially cutting our budget for the foreseeable future. How will implementing a new funding plan without any new funding work? This is incredibly and willfully harmful to our children. As it stands right now, I am set to have class sizes of 40 or more students by next year. This equates to just six minutes of instructional time per-student, per-week. Sadly, this is the norm for classrooms across Nevada.

My classroom's geography textbooks list the September 11, 2001, attacks as a current event, and our world history textbook talks about "this new thing called the internet". How are we supposed to teach when our classrooms are overcrowded and our materials are out of date? The PCFP will not fix these issues and will only make them worse. Even educators who support the PCFP are frustrated. We are frustrated because we continue to be entirely shut out of a process which will directly impact the quality of education we can provide to your students. For years now we have sent letters, called in to provide public comment, physically protested and had one-on-one conversations with our elected leaders, and it all seems to have fallen on deaf ears. You have ignored every request we have made to help make the new funding plan work. Why are you so intent on ignoring and alienating your educators? You must

understand every person has a breaking point and educators are reaching ours. Continue to ignore us at your peril.

Why push us to this extreme? All of this pain can be easily avoided if you would just listen to educators for once. There are simple fixes to S.B. No. 543 of the 80th Session which could bring all parties to the table and perhaps even positively impact education in Nevada. All we are asking for is to grandfather-in Zoom and Victory Schools under the new model, adjust the hold harmless provision to account for increasing student enrollment and costs of doing business and delete the antiunion ending fund balance language in the bill allowing school districts to wall off up to 16.6 percent of their operating budgets from collective bargaining. Please, for the sake of our students, listen to educators and enact these simple fixes to the PCFP.

YELSSE BAHENA (Teacher, Equipo Academy):

Our community is made up of mostly first-generation students with Spanish-speaking and immigrant families. Although S.B. 439 will provide funding across schools, this bill furthers the education gap across Nevada as it excludes charter schools. The bill will take away funding we use for teacher aides and emergent bilingual instructions. When I started school in this Country, I saw firsthand how the lack of resources for emergent bilingual students can hinder learning. If this bill is passed, it will further the achievement gap for this vulnerable population. Many of our emerging bilingual students have the potential and energy to further their opportunities through education.

Additionally, students with special needs will be impacted as S.B. 439 will limit the number of teacher aides. Schools like Equipo Academy would not be able to optimize the services students depend on to be successful in their education. This bill expands the funding gap between public charter schools and public CCSD schools. Words such as equity, equality and improving the education system are constantly mentioned by the Legislature. However, because this bill excludes charter schools, our education system continues to suffer from these inequities in Nevada.

ASHLEY PERKINS (Administrator, Elko Charter School):

The Elko Charter School opposes S.B. 439. The Legislature constantly talks about education equity and how the Nevada Plan is flawed. However, the PCFP excludes particular students and does not provide equity. Not including charter schools in school size and location cost adjustments creates an

environment of inequality. If this bill passes, Nevada will lose many of its charter schools and public schools.

EMMA DAVIS (Teacher, Equipo Academy):

I have been an educator in Nevada for the last eight years; the last five of which I have had the pleasure of calling Equipo Academy, a K-12 public charter school in Senatorial District No. 2, home. I stand in opposition with the wording and funding model in S.B. 439 which widens funding gaps between public charter schools and CCSD public schools. Cutting Zoom and Victory School funding will ultimately result in a loss of approximately \$100,000 in funding just for Equipo Academy alone. Equipo Academy shows clearly there is a return on investment when a parity of funding goes to charter schools. Our last 3 graduating classes have experienced 100 percent college acceptance rates, many of whom are first generation college students.

In 2019, Equipo Academy became the first five-star middle school in east Las Vegas. Zoom and Victory School funding has been essential in making all of the achievements for our school happen. But the impact is not just in the numbers, it is in the students we are educating. If we genuinely want students treated equitably in our State, it is worth remembering our students are worth investing in regardless of where they attend school. We ask not for special treatment in funding. I urge you only to grandfather-in Zoom and Victory Schools to ensure the same level of funding is available for these students as those attending public charter schools and magnet schools in the same area. This will enable us to continue our work educating students and creating change in education so students can see their dreams as realities.

DAVID BLODGETT (Executive Director, Nevada Prep Charter School):

I agree with what my colleagues from Equipo Academy have shared. More than half the students at Nevada Prep Charter School (NPCS) travel to school every day on a school bus, but transportation funding for charter schools is not discussed in S.B. 439 in the same manner it is for public school districts. Providing transportation is one of the most direct ways we can increase equity and access to high-quality education. Transportation funding is rare among charter schools. I understand choosing this funding can be a difficult decision.

At the NPCS, we currently hire 1 driver for roughly 100 students. These funds come from the NPCS' general operating budget. I am glad the State is working toward long-term sustainable structural improvements for equitable funding, but

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until charter school transportation is included in its language, S.B. 439 will fall short of expectations.

SUSAN KAISER (Nevada State Education Association):

I have submitted testimony in opposition to S.B. 439 which can be found in my Opposition Statement, Susan Kaiser ([Exhibit N](#)).

CHAIR BROOKS:

The Committee will now hear neutral testimony regarding S.B. 439.

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

The Washoe County School District (WCSD) supported the implementation of S.B. No. 543 of the 80th Session. We remain in a neutral position regarding S.B. 439 as we process the information included in the bill and the decisions made by the Subcommittees this morning. We want to understand the full impact the PCFP will have on WCSD. There is more work to be done, and we would like to offer our technical expertise as a recipient of this funding and as a school district who will implement education with the funding. We do not want any school district to be forced into a hold harmless position.

BRIAN RIPPET (President, Nevada State Education Association):

In concept, the PCFP is a great leap forward to meeting the needs of more Nevada students. However, I stand neutral to S.B. 439 due to continuing concerns surrounding the PCFP's use of a revenue-driven model with no new revenue. While I continue to believe revenue will accompany the PCFP, time is running out to both fully implement and fund this new plan. Full implementation needs a full amount of funding.

How will funding be used for students in small schools when the requirement stating money will be spent on small schools has been removed from the bill? How will current students of Zoom and Victory Schools overcome the loss of programs and the transferring of their educators when their funding guarantee has been dropped from the bill? How will the cost of housing be incorporated into the cost of doing business adjustment? Will the cost of homes in Mineral County continue to be assumed to be the same cost of those in Washoe County? How long will school districts' budgets be frozen and squeezed?

REBECCA FEIDEN (Executive Director, State Public Charter School Authority):

I appreciate the work the Legislature, the Commission and the NDE have done in modernizing Nevada's school funding formula. I also appreciate the movement towards including Nevada's charter schools in the hold harmless provision. This is critical to ensuring the financial stability of charter schools. Under the Nevada Plan, charter schools essentially receive the same PPF amount as local school districts. The Pupil-Centered Funding Plan diverges from this premise. Under the PCFP, charter schools would receive the same Statewide base funding and weighted funding as public schools. However, under the PCFP, charter schools will not receive the district equity adjustment or the auxiliary services funding for transportation and food services.

Based on a model provided by the NDE in November 2020, it was calculated a charter school in Clark County would be funded at approximately 93 percent of the CCSD, a charter school in Washoe County would be funded at approximately 92 percent of the WCSD and a charter school in Elko County would be funded at approximately 76 percent of the Elko County School District. When the PCFP is fully implemented, the result will be that charter schools will be funded very differently than public schools. The hold harmless provision will provide important stopgaps for schools which would otherwise see a decline in funding. Without the hold harmless provision, Learning Bridge Charter School in White Pine County would go from approximately \$2.1 million in State revenue in FY 2021-2022 to \$1.4 million. I am concerned about what will happen when the hold harmless provision sunsets, as the PCFP creates structural funding differences between charter schools and school districts.

CHAIR BROOKS:

The Committee will now work session S.B. 439.

MR. THORLEY:

Senate Bill 439 revises various statutes to implement the PCFP. The bill clarifies various statutes relating to education funding including the addition of increased revenue sources for B/A 101-2609, the exclusion of interest earned on General Fund appropriations to B/A 101-2609, the elimination of funding for the Board of Education and the NDE from B/A 101-2609 and the elimination of the special education weight from the PCFP. The bill also changes the adjustment factor for small schools or school districts, changes the school district ending fund balance calculation triggering a transfer to the Education Stabilization

Account, changes various reporting requirements, transfers the NSLP to the NDA and eliminates various accounts relating to education.

If the Committee's recommendations regarding the possible inclusion of language in S.B. 439 related to the hold harmless provision for charter schools and calculating the hold harmless amount based on the PPF amount are approved, they will be included in the back language of S.B. 458.

SENATE BILL 458: Ensures sufficient funding for K-12 public education for the 2021-2023 biennium. (BDR 34-1169)

Proposed Amendment 3386 to S.B. 439, Exhibit B, proposes to change the timing of any transfers from B/A 101-2609 to the Education Stabilization Account. Current law states any excess money in B/A 101-2609 at the end of the fiscal year must be transferred into the Education Stabilization Account. Proposed Amendment 3386 would change this from an annual transfer to a transfer occurring once every odd-numbered fiscal year.

Conceptual language for S.B. 439 was developed by the NDE and the GFO relating to the Education Stabilization Account. This language has not been drafted. Under current law, the Education Stabilization Account can only be accessed if revenue received in B/A 101-2609 is 97 percent or less than what was authorized. The conceptual language adds an additional condition for access to the Education Stabilization Account related to an increase in student enrollment. This allows funding in the Education Stabilization Account to be accessed if actual enrollment increases beyond enrollment projections included in the Executive Budget. This transfer of revenue from the Education Stabilization Account to B/A 101-2609 needs to be approved by the IFC.

SENATOR SEEVERS GANSERT:

Enrollment counts are done four times per year. Can funding in the Education Stabilization Account be accessed at whatever time during the year enrollment exceeds projections, or must this be done at a specific time every year?

MS. HAARTZ:

Generally speaking, the NDE identifies shortfalls in revenue attributed to changes in enrollment growth following the third quarter of each school year. This has been practiced historically. It is difficult to project potential situations in which enrollment would grow at an exponential rate not included in the

Executive Budget requiring the NDE to come back more than once in each fiscal year to request a transfer of funds from the Education Stabilization Account.

SENATOR SEEVERS GANSERT:

It sounds like the NDE will look at enrollment numbers once per year or once in the second year of a biennium to consider whether more funding is needed. Does this involve a certain amount of enrollment numbers above projections or is it a percentage? What is your expectation regarding needing to access the Education Stabilization Account?

MS. HAARTZ:

Within existing NRS, the NDE collects average daily enrollment information on a quarterly basis. Payments to school districts and charter schools are then revised for each quarter based on actual data. The Nevada Department of Education tracks enrollment versus payments throughout each fiscal year. In the event enrollment grew at a rate greater than what was anticipated in the Executive Budget and revenue was not being earned at a rate greater than the amount included in the Executive Budget, the conceptual language developed for S.B. 439 would allow the NDE to go to the IFC to request a transfer from the Education Stabilization Account.

SENATOR SEEVERS GANSERT:

It sounds like the NDE can use its discretion when it feels it needs to access more money from the Education Stabilization Account to provide to school districts. Is this correct?

MS. HAARTZ:

Correct. If revenue is being earned exactly as projected in the Executive Budget but enrollment growth is one or two students higher than anticipated in the Executive Budget, a possible situation exists where the NDE would not have sufficient funding available in the PCFP or B/A 101-2609 to accommodate quarterly payments made to school districts based on enrollment growth.

SENATOR SEEVERS GANSERT:

This language is extremely broad and it seems the NDE can request funding from the Education Stabilization Account whenever it deems necessary.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 439.

SENATOR CANNIZZARO SECONDED THE MOTION.

SENATOR KIECKHEFER:

I am concerned regarding the hold harmless provision for charter schools, calculating the hold harmless amount based on the PPF amount and how these provisions will be included in the back language of S.B. 458. These provisions may expire when S.B. 458 expires. I would prefer this language be included in S.B. 439 and incorporated into NRS now, but I support the motion otherwise.

SENATOR GOICOECHEA:

I have concerns regarding S.B. No. 543 of the 80th Session and will be voting no on S.B. 439 until I can look at it further. I may change my vote on the floor.

SENATOR SEEVERS GANSERT:

I support the motion tonight but reserve the right to change my vote on the floor. I want to see the final language of S.B. 439, as I feel there are outstanding issues with the bill. I also prefer the provisions surrounding charter schools be incorporated into S.B. 439 now instead of as back language in S.B. 458 later on. The sooner we get these provisions into NRS the better.

SENATOR DENIS:

I understand that we need to ensure adequate funding exists in the Executive Budget before S.B. 458 can continue on, but these issues may be addressed at that time.

THE MOTION CARRIED. (SENATOR GOICOECHEA VOTED NO.)

* * * * *

CHAIR BROOKS:

The Committee will now hear public comment.

MS. LA RUE HATCH:

I urge the Committee to support A.J.R. No. 1 of the 32nd Special Session as this measure is long overdue and clearly popular with Nevadans. This is evidenced by the thousands of emails, hundreds of protesters, hours of public

comment and overwhelming polling results you have all received since the Thirty-second Special Session. The mines in Nevada make a fortune from our resources while paying a pittance in taxes to support the State which makes their fortunes possible. It is time the owners of these mines start paying their fair share to the State, just like the rest of us.

The State is currently experiencing a crisis which demands sacrifice. Healthcare workers, educators and essential workers have sacrificed their lives and health to keep our community safe and functional. Mines can sacrifice a minuscule portion of their record-breaking profits to fund the vital community services of education and health care. Nevada is often too quick to cut its most-essential community programs. The mega rich can chip-in a small amount. Cuts to Nevada's education system happen all too often. It is time to abandon the devastating budget-balancing measures of the past. The Pupil-Centered Funding Plan needs funding to support it, and A.J.R. No. 1 of the 32nd Special Session can help this process. Please listen to the Commission and find additional revenue to support the PCFP.

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CHAIR BROOKS:

Seeing no further public comment, this meeting is adjourned at 8:42 p.m.

RESPECTFULLY SUBMITTED:

Tom Weber,
Committee Secretary

APPROVED BY:

Senator Chris Brooks, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 439	B	1	Heidi Haartz / Nevada Department of Education	Proposed Amendment 3386
S.B. 439	B	1	Wayne Thorley / Legislative Counsel Bureau	Proposed Amendment 3386
S.B. 439	C	1	Marie Neisess / Clark County Education Association	Support Statement
S.B. 439	D	1	Karl Byrd / Clark County Education Association	Support Statement
S.B. 439	E	1	Jessica Jones / Clark County Education Association	Support Statement
S.B. 439	F	1	Robert Hollowood / Clark County Education Association	Support Statement
S.B. 439	G	1	Jennifer Seitz / Clark County Education Association	Support Statement
S.B. 439	H	1	Angie Joy / Clark County Education Association	Support Statement
S.B. 439	I	1	Cheri Griggs / Clark County Education Association	Support Statement
S.B. 439	J	1	James Frazee / Clark County Education Association	Support Statement

S.B. 439	K	1	Kenny Belknap / Clark County Education Association	Support Statement
S.B. 439	L	1	Annette Magnus- Marquart / Battle Born Progress	Opposition Statement
S.B. 439	M	1	Tom Wellman	Opposition Statement
S.B. 439	N	1	Susan Kaiser / Nevada State Education Association	Opposition Statement