

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

**Eighty-first Session
May 19, 2021**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Chris Brooks at 10:06 a.m. on Wednesday, May 19, 2021, Online and in Room 4100 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 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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

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Assemblywoman Jill Tolles
Assemblyman Howard Watts

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Sarah Coffman, Assembly Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Adam Drost, Senior Program Analyst
Jaimarie Mangoba, Program Analyst
Julie Waller, Senior Program Analyst
Joko Cailles, Committee Secretary

OTHERS PRESENT:

Hawah Ahmad, Clark County Education Association
Dawn Etcheverry, Vice President, Nevada State Education Association
Victor Salcido, Executive Director, Charter School Association of Nevada
Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association
Brad Keating, Director, Government Relations, Clark County School District
Marie Neisess, President, Clark County Education Association
Alex Bybee, Director, Strategic Partnerships, Communities in Schools Nevada
Phil Kaiser, President, Washoe Education Association
Ben Salkowe
Dora Martinez, Nevada Disability Peer Action Coalition

CHAIR BROOKS:

We will consider base funding for the Pupil-Centered Funding Plan (PCFP) in budget account (B/A) 101-2609. The Subcommittees on K-12/Higher Education/CIP and full Committees made a set of decisions which allowed us to consider final decisions for the PCFP at this hearing.

EDUCATION

K-12 EDUCATION

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

The Legislature began the Eighty-first Session with the goal of increasing funding for kindergarten through Grade 12 (K-12) education to the greatest possible extent. We wanted to concentrate money directly on pupils. Legislators made the modifications and funding decisions that were needed to implement the PCFP approved through Senate Bill (S.B.) No. 543 of the 80th Session.

The full Committees approved \$67.2 million in fiscal year (FY) 2021-2022 in B/A 101-2609 on May 18. The monies will provide all school districts hold harmless protections as the State transitions to the PCFP. The Committees also approved aggregating charter schools across Nevada, allowing per-pupil funding numbers to be used by charter schools.

Several students are in districts being transitioned into the PCFP instead of districts under hold harmless provisions. The Committees' desire was to provide more money to allow more districts and charter schools in Nevada to operate under the PCFP. The Committees made this request to Fiscal staff.

Fiscal staff returned scenarios based on recommendations made by legislators on May 18. Our options will allow as many students as possible to be in jurisdictions operating under the PCFP.

WAYNE THORLEY (Senate Fiscal Analyst):

The documents showing updated budget scenarios for FY 2021-2022 and FY 2022-2023 are in the PCFP 2021-2023 Biennium Draft ([Exhibit B](#)). Page 1 of [Exhibit B](#) reflects FY 2021-2022 and page 2 of [Exhibit B](#) reflects FY 2022-2023.

The tables in [Exhibit B](#) are similar in format to those presented in the closing report on May 18, but the numbers have been updated.

The Committees voted to allocate an additional \$67.2 million from the General Fund in FY 2021-2022 for adjusted base per-pupil funding in K-12 education.

[Exhibit B](#) shows an additional \$207.8 million, bringing total additional funding in FY 2021-2022 to \$275 million in General Fund appropriations.

In FY 2022-2023, the additional funding is \$227 million from the General Fund for adjusted base per-pupil allocations.

The columns titled "Final Designation" in [Exhibit B](#) list whether school districts and charter schools would be on the PCFP or under hold harmless protections in FY 2021-2022 and FY 2022-2023. In both fiscal years, the jurisdictions on the PCFP would be Churchill, Clark, Lander, Lyon, Mineral, Nye, Washoe and White Pine School Districts, the Davidson Academy and all charter schools. Other school districts would be covered by hold harmless protections.

The next column in [Exhibit B](#) is titled "Adjusted Base Per Pupil Funding Allocation." The figures in this column take into account the Nevada Cost of Education Index, the small school district attendance area adjustment and other equity allocations approved by the Committees on May 18.

The Statewide adjusted base per-pupil amount in FY 2021-2022 would be \$7,455. In FY 2022-2023, the amount would be \$7,546. These monies represent the adjusted base per-pupil amounts and do not reflect all funding provided to students under the PCFP.

The next columns titled "English Learners Allocation," "At-Risk Allocation" and "Gifted and Talented Education" in [Exhibit B](#) show weighted funding representing additional dollars that go to certain groups of students. The columns entitled "Total Weighted Allocation" summarize these amounts.

Auxiliary funding including transportation and food services costs are included in [Exhibit B](#).

The "Total Spec Ed Local Funding" column pertains to a decision the Committees made regarding pulling the local funding for special education out of the base per-pupil funding and creating a new tier for the monies. The money is still being added as funding for pupils.

The final two columns on all pages of [Exhibit B](#) show total K-12 education funding and an average per-pupil amount for each school district in

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FY 2021-2022 and FY 2022-2023. In FY 2021-2022, the average Statewide base per-pupil amount would be \$9,096. In FY 2022-2023, the amount would be \$9,185. These figures do not account for all education funding that goes to students. For example, State special education funds are not captured in the final two columns of both pages in [Exhibit B](#).

The model assumes an additional \$207.8 million in FY 2021-2022 and \$227 million in FY 2022-2023.

CHAIR BROOKS:

Under the scenarios in [Exhibit B](#), what percentage of students would be under the PCFP?

MR. THORLEY:

In [Exhibit B](#), approximately 93.6 percent of K-12 students in Nevada would be in a school district or charter school on the PCFP.

CHAIR BROOKS:

Increasing the percentage was the driving factor when looking at how to fund the PCFP.

ASSEMBLYWOMAN CARLTON:

We are looking at adding over \$500 million to education less than two years after the passage of S.B. No. 543 of the 80th Session. That period of time included a global pandemic.

Regardless of what has been said, education has been a priority of the Legislature. I have been waiting a long time to put this much money into schools. The opportunity will be provided to approximately 93.6 percent of Nevada students.

The PCFP is not perfect, but if we can positively impact approximately 93.6 percent of students, it takes us on the right path. [Exhibit B](#) outlines how we move forward and what is required. The base ensures all students have a certain amount of dollars. Weights allow us to care for students who need extra support.

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All students deserve more funding. That is what will happen under the scenarios in [Exhibit B](#).

ASSEMBLYWOMAN TITUS:

Why do some counties not have Gifted and Talented Allocation funds in [Exhibit B](#)?

ADAM DROST (Senior Program Analyst):

To receive Gifted and Talented weighted funding, there is an identification process in place. A certain number of instruction hours need to be met. Teacher certification requirements also need to be achieved to attain the monies.

Gifted and Talented services can still be provided by local school districts or charter schools using base funding.

ASSEMBLYWOMAN TITUS:

I understand nothing restricts the school districts from having Gifted and Talented programs, but that no State monies are allocated unless certain requirements are met. Is that correct?

MR. DROST:

Yes. School districts and charter schools can provide the funding, though students might not be identified according to State criteria.

Students receive the highest weight available if they fall into multiple weight categories. The Gifted and Talented weight is lower than other weights. It is possible some students eligible for the Gifted and Talented weight fell into categories with a higher weighted funding eligibility.

ASSEMBLYWOMAN TITUS:

I am concerned we are leaving some gifted and talented students behind.

SENATOR KIECKHEFER:

It was a priority for legislators to make the PCFP function as it was designed in 2019. This was an achievement, given where we were in February.

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Future legislators and governors will face additional pressure to continue increasing education funds. I support the PCFP. It will have positive impacts for students.

ASSEMBLYMAN FRIERSON:

Legislators spent much of the Eightieth Session being accused of not caring about the issues. We are looking at historic support for public education through the PCFP. The work does not occur on social media. Legislators have worked with staff to do the right thing by Nevada's students.

How does Statewide per-pupil spending under [Exhibit B](#) compare to the 2019-2021 biennium?

I recognize PCFP amounts do not reflect all monies in education. Can Fiscal staff provide spending comparisons between the 2019-2021 biennium and the 2021-2023 biennium with respect to PCFP funding and funding that may not be included in the PCFP?

MR. DROST:

There are plans to compile all funding for K-12 education when the K-12 Funding Bill is considered excluding federal funding provided directly to school districts. The compilation will be similar to what was provided with the K-12 Funding Bill from the Eightieth Session.

ASSEMBLYMAN FRIERSON:

I believe the amounts were around \$6,200 or \$6,300 for the State per-pupil amount. I want to know whether proposed amounts in [Exhibit B](#) are closer to \$7,400 from the State and \$10,000 when considering monies outside the PCFP.

[Exhibit B](#) reflects \$9,000 per pupil, but does not include federal funding. I want to make clear we are making a difference despite the pandemic. Legislators want to ensure as many students as possible are covered by the PCFP.

ASSEMBLYWOMAN TOLLES:

I remember lobbying legislators as a mother ten years ago. At the time, we were facing cuts that were going to rank Nevada fifty-third in the Nation, behind Guam and the Mariana Islands. I am grateful we are doing more.

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I am curious what the final per-pupil amount will be, and where Nevada will rank during the 2021-2023 biennium.

SENATOR DENIS:

We are talking about students. Upwards of 450,000 students will do better under the PCFP. The remaining students will at least be where they are at right now. This is a significant development.

I have spent my whole legislative career trying to get education funding to the levels we need to see. The PCFP is a huge step in the right direction. There is still work to be done.

CHAIR BROOKS:

Approving \$67.2 million on May 18, allowed us to get to a place to have this conversation. Much work was done last night for Fiscal staff to process information based on the decisions made by the Committees.

An additional \$207.8 million in FY 2021-2022 and \$227 million in FY 2022-2023 is set to be approved. That is nearly \$500 million. Around 93.6 percent of students will be covered by the PCFP, providing transparency as to where education monies come from and go. The Legislature made progress.

ASSEMBLYWOMAN CARLTON:

Base funding makes a difference for teachers and students. It gives resources at the student level. No matter what legislators do, some people will disagree. Some people will criticize us for not solving particular problems. The fact is, we are adding around \$500 million to education. Most of these monies are going into base funding, which will help every student and every teacher succeed.

We cannot please everyone all the time. Legislators are doing the right thing through the PCFP.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ADDING GENERAL FUND APPROPRIATIONS OF \$207.8 MILLION IN FY 2021-2022, WHICH, COMBINED WITH THE \$67.2 MILLION APPROVED ON MAY 18, 2021, FOR FY 2021-2022, WOULD PROVIDE TOTAL ADDITIONAL FUNDING OF \$275 MILLION IN FY 2021-2022 AND

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\$227 MILLION IN FY 2022-2023 TO INCREASE THE ADJUSTED STATEWIDE BASE PER-PUPIL FUNDING IN B/A 101-2609 FOR THE STATE OF NEVADA BUDGET FOR THE IMPLEMENTATION OF THE PCFP AS DISCUSSED IN [EXHIBIT B](#).

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

HAWAH AHMAD (Clark County Education Association):

The Clark County Education Association (CCEA) represents over 18,000 licensed educators and is the largest independent teachers' association in the Nation. We engage in bipartisan advocacy to advance Nevada public education.

The CCEA appreciates legislators' work to get the PCFP implemented. For years, Nevada's K-12 education system has been underfunded. In Clark County, educators have always tried to do their best with the resources available to provide their students with the highest quality of education possible. Year after year, educators have seen how the lack of funding has negatively impacted their students' education. With the PCFP, we have the opportunity to change how Nevada educators and students are supported.

The influx of federal funds can and should be used to invest in the communities hit hardest by the pandemic, including our students. We also know one-time funds do not represent a sufficient investment in K-12 education. We need to add funding to make our goals a reality.

DAWN ETCHEVERRY (Vice President, Nevada State Education Association):

I have taught music in the Washoe County School District for 28 years. Thank you for listening to educators. Teachers have met on the steps of the Nevada Legislature four times since last summer. We appreciate the additional funding, and support the Legislature's decision to move several school districts to the PCFP from hold harmless protections.

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Educators across the State still have several concerns regarding the transparency of S.B. No. 543 of the 80th Session and S.B. 439.

SENATE BILL 439 (1st Reprint): Revises provisions relating to education.
(BDR 34-1099)

Moving funds for Victory Schools and similar programs into one account has several schools worried about their decreased funding. As a counselor at Hug High School explained, since the introduction of Victory Schools funding, the graduation rate at Hug High School increased from 50 percent to 80 percent. Extra funds have allowed staff to focus on safety and social and emotional learning needs. The removal of Victory Schools funding will mean the efforts and time at Hug High School spent on improving academic achievement will be lost, along with 25 staff members.

Moving all funding under the PCFP misses a crucial component: new funding. It is time to put Assembly Joint Resolution No. 1 from the 32nd Special Session up for a public hearing. This measure would generate \$485 million in new revenues annually. Listen to educators and send this measure to the ballot. Let voters decide.

VICTOR SALCIDO (Executive Director, Charter School Association of Nevada):
The Charter School Association of Nevada looks forward to seeing more detailed workbooks to better understand the PCFP's impact on individual schools. While today's decision was positive, lumping all charter schools together means we have to decipher what the impact on individual schools will be. We are confident no individual charter school will be harmed.

Being able to implement new education dollars under the PCFP during the pandemic is extraordinary.

CHRIS DALY (Deputy Executive Director, Government Relations, Nevada State Education Association):
The Nevada State Education Association has been the voice of educators for over 120 years.

I appreciate there have been and will continue to be several moving parts associated with the transition to the PCFP and the expenditure of federal relief

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monies. There have been decades of underfunding for public education. We appreciate the movement in the right direction in B/A 101-2609.

I have spent ten years as a community activist and affordable housing advocate, ten years as a member of the San Francisco Board of Supervisors dealing with complicated budgets and the past ten years involved with union causes.

There is a necessary process, both collaborative and contentious at times, between people in power and people outside of power. People raise their voices to ask people who are elected to address their concerns and remedy problems. Over the past year, the Nevada State Education Association has spoken about listening to educators because we felt educators were shut out of many discussions during the Eightieth Session.

The decision your Committees took today is part of the process. While the action is a good step forward, there continues to be work that needs to be done. People outside the halls of power will continue to raise their voices and will point out shortcomings and issues. As a supervisor, I got more than my fair share of public comment and protests. We participate in the process because we believe it is the right thing to do.

Moving forward, educators and unions will be talking about the areas where we think the State falls short. We have spoken about the \$2 billion that needs to get programmed into education funding to meet adequate funding levels.

In [Exhibit B](#), the funding increase is lower in FY 2022-2023. In order to get \$2 billion extra per year over the course of ten years, we have to implement at least \$200 million in extra funding each year. That is why we talk about the need for new revenue. During the Eighty-second Session, I will talk about the need for more funding as we are on a ten-year path. Action needs to be taken to increase revenue so we have a chance to get where we need to be.

We appreciate funding increases. Weights need to be a consideration for the purpose of equity.

BRAD KEATING (Director, Government Relations, Clark County School District):
The Clark County School District appreciates the work of legislators for Nevada students.

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MARIE NEISESS (President, Clark County Education Association):

The CCEA is an official bargaining partner of the Clark County School District representing over 18,000 licensed educators. The CCEA is the largest independent teachers' association in Nevada and the Country. We engage in bipartisan advocacy to advance Nevada public education.

The CCEA appreciates the PCFP. For years, Nevada's K-12 education system has been underfunded. The pandemic exacerbated problems. Educators have always had to make do with limited dollars, stretching dollars as far as possible. Students have suffered. With the changes in the PCFP, the CCEA is confident we are on the right track to put our students first. We do not take the addition of new education funding lightly. The CCEA understands in order to increase K-12 funding, we must work toward new revenue. The CCEA is optimistic and looks forward to reviewing the final K-12 budget. We are ready to work with the Legislature, Governor Steve Sisolak, the gaming industry and the mining industry to find new revenue sources. Discussing new revenue sources cannot wait.

ALEX BYBEE (Director, Strategic Partnerships, Communities in Schools Nevada):

Communities in Schools appreciates the PCFP, which is an important step towards equity in the State. We stand ready to partner with the State in implementing supports and interventions that get students across the finish line.

PHIL KAISER (President, Washoe Education Association):

I am a high school government teacher.

Nevada has consistently ranked near the bottom of states for per-pupil funding. Even before the pandemic, funding did not keep pace with inflation. The pandemic and associated economic crisis led to major educational cuts.

We appreciate the efforts to backfill education cuts—particularly for early literacy, class size reduction and base funding. There are still issues in the PCFP that need to be addressed. Senate Bill No. 543 of the 80th Session doubled the ending fund balance school districts are required to have to 16.6 percent. The *Nevada Administrative Code* previously required an 8.3 percent ending fund balance.

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In addition, any amount over 16.6 percent will be swept into the Education Stabilization Fund. This walls off millions of dollars to be held in reserve. School districts will not be able to spend that money on technology, students and teachers. While we appreciate the increase in education funding, \$200 million in funding per year for ten years will require a long-term funding source. The Washoe Education Association looks forward to working with legislators to find that source.

BEN SALKOWE:

I am the principal of Equipo Academy, a public middle and high school in east Las Vegas serving first-generation college students. I appreciate the Committees for the PCFP. I studied the Nevada Plan funding formula as a student in an administration course. I hope future administration courses are updated to include the work legislators did to implement the PCFP as it is historic and important.

Senator Kieckhefer addressed a point on May 18, on charter schools serving at-risk communities and communities such as east Las Vegas which should receive additional funding due to weights and the loss of programs such as Zoom Schools and Victory Schools. We may not receive those monies if hold harmless is implemented for all charter schools as they were grouped together. I hope there are additional conversations around the impact of hold harmless provisions on charter schools.

There should also be additional discussions on auxiliary funding provided to school districts through the PCFP. Charter schools—especially charter schools in communities like Las Vegas—provide transportation, mental health and wellness resources, vaccine clinics, and a host of other services that would not be captured by auxiliary funding as is the case for school districts.

DORA MARTINEZ (Nevada Disability Peer Action Coalition):
We appreciate the work of the Committees.

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CHAIR BROOKS:
I adjourn this meeting at 10:58 a.m.

RESPECTFULLY SUBMITTED:

Joko Cailles,
Committee Secretary

APPROVED BY:

Senator Chris Brooks, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

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EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
	B	1	Wayne Thorley	PCFP 2021-2023 Biennium Draft