

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

**Eighty-first Session
April 13, 2021**

The joint meeting of the Subcommittees on K-12/Higher Education/CIP of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Marilyn Dondero Loop at 8:04 a.m. on Tuesday, April 13, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

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

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Jaimarie Mangoba, Program Analyst
Joko Cailles, Committee Secretary

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OTHERS PRESENT:

Erik Jimenez, Senior Policy Director, Office of the State Treasurer
Jhone Ebert, Superintendent of Public Instruction, Department of Education
Heidi Haartz, Deputy Superintendent, Business and Support Services,
Department of Education
Christy McGill, Director, Office for a Safe and Respectful Learning Environment,
Department of Education
Chris Daly, Deputy Executive Director, Government Relations, Nevada State
Education Association

CHAIR DONDERO LOOP:

We begin with a work session on the Nevada State Infrastructure Bank (NSIB).

BRODY LEISER (Principal Deputy Fiscal Analyst):

The Capital Improvement Program (CIP) project for the NSIB is referred to as the
Statewide Energy Infrastructure and Economic Development program in the
Executive Budget.

Project No. 21-S11 — Statewide Energy Infrastructure and Economic
Development Program

The NSIB was reviewed by the Subcommittees at your meeting on
March 11, 2021. The Governor recommends \$75 million in general obligation
bonds to launch the NSIB as established by *Nevada Revised
Statutes* (NRS) 408. The NSIB's purpose is to provide loans and other financial
assistance to various units of State and local government for the development,
construction, improvement, operation and ownership of certain transportation
facilities and utility infrastructure. Monies in the NSIB could also be used to
match federal funds as part of a nationwide infrastructure plan.

The NSIB is placed in the Nevada Department of Transportation (NDOT) and
would be governed by a board of directors. Statutory provisions require the
Governor to appoint an Executive Director to administer, manage and conduct
the affairs of the NSIB. The Executive Director's appointment is contingent on
available funds.

The Subcommittees may recall discussions around issues relating to the Governor's recommendation to fund the launch of the NSIB through issuing general obligation bonds. One of the issues is the timeline during which an application process and selection criteria are established for NSIB-funded projects requiring operational expenditures prior to the issuance of general obligation bonds.

The launch of the NSIB is a priority of Governor Steve Sisolak and was mentioned during the 2021 State of the State address. The NSIB is meant to create jobs and implement Statewide infrastructure upgrades through the use of Nevada's general obligation debt affordability.

The Department of Administration provided legislators a list of 162 shovel-ready projects identified by the Office of the Governor and the Office of the State Treasurer. The cities of Fernley, Henderson, Lovelock, Reno, Sparks, West Wendover and the Elko County School District, the Nye County School District and the White Pine County School District submitted proposals for the list. There were also proposals related to Statewide nature conservancy. The projects address areas including—but not limited to—water, sewage, flood control, transportation, recreation, public safety, roadways and right-of-way issues. The number of proposals continues to increase. The Office of the Governor expects to receive additional submissions, particularly from Clark County.

The provisions in NRS 408.55048 through 408.55088 become effective upon the date the NDOT Director notifies Governor Sisolak and the Legislative Counsel Bureau (LCB) Director that sufficient funds are available to capitalize and execute the duties of the NSIB. Legislators may approve funding in advance of the issuance of general obligation bonds for the NDOT Director to issue said notification. Legislators may also pass a bill to change the effective date of the statutory provisions.

The authorization to issue bonds through legislation would not provide immediate funds. Bond issuance cannot occur until the NSIB's Board of Directors is established and has approved projects to be funded with monies from the issuance of general obligation bonds.

The NSIB is to be administered by its Board of Directors, composed of the NDOT Director; State Treasurer; Director of the Department of Business and Industry (B&I); and the Executive Director of the Office of the Governor, Office of Economic Development (GOED). Each of these entities will be able to designate others to serve as Board members on their behalf. The NSIB Board of Directors will also seat two members of the public appointed by the Governor.

The project application and selection process is at the NSIB Board of Directors' discretion pursuant to NRS 408.55071. The process cannot be determined or commenced until the NSIB Board of Directors is established. This may require funding of expenditures prior to the State Board of Finance issuing recommended general obligation bonds to support the NSIB.

To the extent funds are available, the Governor is required to appoint an Executive Director for the NSIB in the unclassified service of the State pursuant to NRS 408.55072. The Executive Director would be responsible for administering, managing and conducting the business and affairs of the NSIB at the discretion of the Board. The Executive Director's associated costs would be funded from a portion of the \$75 million in general obligation bonds as recommended by the Governor. This may not align with the timing of issuance and the necessary steps that must occur prior to issuance. The State typically issues bonds in the fall following a legislative session.

Nevada Revised Statutes 408.55072 allows the "Executive Director" to execute the statutory powers of the NSIB to the extent monies are available. Board members may use agency staff from the Office of the Governor, the Office of the State Treasurer and NDOT to assist with creating procedures to finance projects. The projects would have to create a public benefit and provide jobs.

The Office of the Governor, Office of Finance (GFO) will submit a budget amendment to establish a new budget account under NDOT to record and track revenues from the NSIB. The account will include costs associated with the Executive Director position and other operational expenses.

Based on preliminary discussions with the GFO and the Office of the State Treasurer, it is estimated these costs would be approximately \$175,000

to \$180,000 in fiscal year (FY) 2021-2022 and approximately \$245,000 to \$250,000 in FY 2022-2023.

The Office of the State Treasurer confirmed the bond proceeds can be used on the NSIB's operational costs. The State typically does not issue bonds until the fall following the legislative session. The State's bond issuance practice may impact the timeline in which the NSIB would be able to move forward given the funding dependencies.

The projects to be funded by the NSIB would require approval from the NSIB Board of Directors. The NSIB would provide financial assistance, which could include debt instrument financing, interest rate subsidies, a letter of credit, loans and other credit instruments defined and allowable under NRS 408.

Additional federal infrastructure monies may become available under a proposal by the Biden Administration. State infrastructure banks may be used as mechanisms to distribute this funding.

The goal is to ensure the NSIB is self-sustaining. This will be done through creating a revolving fund in which fees charged, interest earned and loan repayments are used to support the NSIB's operational costs. The monies would also support the NSIB's ongoing support for State and local governments.

The Office of the Governor submitted Bill Draft Request 35-1110 in conjunction with the funding to launch the NSIB. The measure will expand the types of eligible projects that could be financed by the NSIB to include transportation facilities, water, renewable energy, digital and social infrastructure, and other infrastructure needs related to economic development.

BILL DRAFT REQUEST 35-1110: Revises provisions governing the State Infrastructure Bank. (Later introduced as S.B. 430.)

Bill Draft Request 35-1110 would revise the makeup of the NSIB Board of Directors and expand the list of agencies that may provide technical support and assistance to the NSIB. The Office of the Governor indicated BDR 35-1110 may allow the NSIB to use funds disbursed by the American Rescue Plan Act of 2021 (ARPA) for water, wastewater and broadband infrastructure. The

measure may also implement a structure for the NSIB to use future federal measures that grant infrastructure monies. Bill Draft Request 35-1110 has not yet been introduced; it was granted a waiver from bill introduction deadlines on April 8, 2021.

To address the challenges with funding the NSIB and operational costs through general obligation bonds, there are three options for the Subcommittees' consideration. The options ensure the Board of Directors can establish procedures for project applications and approval. They will also allow the NDOT Director to determine whether to notify the Governor and the LCB Director that sufficient funding exists for NSIB-related provisions in NRS 408.55048 through 408.55088 to be executed.

If legislators pass BDR 35-1110 or another bill addressing the effective date of NSIB-related NRS provisions, the NDOT Director may no longer be required to notify the Governor and LCB Director of sufficient funds.

Option A appropriates General Fund monies to support the NSIB Executive Director position's salary and associated costs, as well as other operating expenditures.

Option B authorizes General Fund advance monies to support the Executive Director position's salary and associated costs, and other operating expenditures. Existing language in the CIP Bill allows for a temporary advance of General Fund monies for projects approved to be funded with bond proceeds. The language requires the General Fund be repaid immediately upon bond issuance.

Option C uses reserved interest earnings from the Office of the State Treasurer's Bond Interest and Redemption Account to fund the Executive Director position's salary and associated costs, and other operating expenses. After accounting for the \$9 million swept from this account through Assembly Bill (A.B.) No. 3 of the 31st Special Session, the Office of the State Treasurer indicated there is approximately \$650,000 of excess interest earnings, which would be sufficient to cover the preliminary estimates for operational needs in the upcoming biennium.

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The full Committees retain the option of approving the Governor's recommendation to fund the launch of the NSIB and associated operational costs through the issuance of \$75 million of state general obligation bonds, without approving Option A, Option B or Option C. There are challenges to doing so.

ASSEMBLYMAN LEAVITT:

If the Legislature approves the issuance of \$75 million in general obligation bonds, what percentage of the monies would be dedicated toward infrastructure needs under the NSIB? Are we waiting to project that percentage until we know how much bond issuance the Legislature authorizes?

MR. LEISER:

The Governor recommends the \$75 million be used to support the NSIB in providing financial assistance to State and local governments, and to fund operating costs.

We received a list of 162 shovel-ready projects. We did not receive specific dollar amounts associated with each of those projects. The Office of the Governor is confident it can get projects queued up to be financed through the NSIB and use the entire \$75 million of bonds if approved by the Legislature.

ASSEMBLYMAN LEAVITT:

How much of the Governor's recommendation for general obligation bonds is represented by the \$75 million for the NSIB?

MR. LEISER:

The Governor recommends about \$400.7 million in general obligation bonds for the 2021-2023 biennium, based on the State's affordability. Of that authorization, approximately \$375 million is recommended to support the CIP. This figure includes the \$75 million for the NSIB. Bond issuances of \$44 million are recommended to support programs overseen by the State Department of Conservation and Natural Resources.

ASSEMBLYMAN LEAVITT:

Would the General Fund be reimbursed if it provides monies for operational costs and staff for the NSIB before bond issuance?

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MR. LEISER:

Option B would direct the NSIB to reimburse the General Fund immediately upon bond issuance in fall 2021. The intent is for the General Fund to be repaid for support it gives for the NSIB's staffing and operations.

ASSEMBLYMAN LEAVITT:

Under Option B, would a request for General Fund reimbursement be included with the request for bond issuance?

MR. LEISER:

Yes.

ASSEMBLYMAN ROBERTS:

Does the NSIB intend to fund operational and staff costs through its account? Would the NSIB not have to return to future sessions to ask for staff funding?

MR. LEISER:

Yes.

ASSEMBLYMAN ROBERTS:

The NSIB will loan local governments monies, which will be repaid with interest. What is the interest rate?

MR. LEISER:

The interest rate would be determined by the NSIB Board of Directors. The percentage has not yet been determined.

SENATOR KIECKHEFER:

There is \$75 million proposed for general obligation bond issuance. What if the projects identified for NSIB funding cost less than \$75 million? What would happen to unused bonding authority?

MR. LEISER:

State bonds are issued in the fall. The State Board of Finance—if it determines there is sufficient information available for proposals—would issue bonds for projects approved by the NSIB Board of Directors. If there is unused bonding

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authority, the NSIB Board of Directors would continue to solicit project applications.

If the NSIB Board of Directors does not approve additional projects within the 2021-2023 biennium, any remaining bond authority would roll forward to a future biennium's affordability.

SENATOR KIECKHEFER:

Would potential federal infrastructure monies supplant general obligation bonds, or would they be supplemental?

MR. LEISER:

The monies would be supplemental.

The \$75 million in bond proceeds could be used to match federal monies if they become available. The State is awaiting federal guidance on recovery dollars. The ARPA sets aside federal relief dollars for water, sewer and broadband infrastructure projects. Bill Draft Request 35-1110 would align provisions in NRS 408 to ensure ARPA dollars can be used for those types of projects in Nevada.

The Biden Administration is pursuing an additional infrastructure funding bill. We do not know if it will pass.

SENATOR KIECKHEFER:

Is approximately \$430,000 in General Fund dollars proposed to frontload initial costs for the NSIB over the 2021-2023 biennium?

MR. LEISER:

Yes.

ASSEMBLYWOMAN CARLTON:

The Legislature generally reviews policy before reviewing associated funding. We are having a discussion on NSIB funding without having language for BDR 35-1110. Are the options the Subcommittees are discussing contingent on BDR 35-1110 passing?

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MR. LEISER:

Provisions in NRS 408 allow the NSIB to be launched without BDR 35-1110 being passed if sufficient funds are available. The Office of the Governor recommends the bond issuance for the NSIB be accompanied by BDR 35-1110. They are meant to work in conjunction.

ASSEMBLYWOMAN CARLTON:

Legislators generally discuss policy before funding is considered. This conversation is unique as bond issuance for the NSIB is being discussed before the language of BDR 35-1110 is available. Several questions from this hearing might be better suited for a potential hearing on BDR 35-1110.

I understand the NSIB's purpose. I have read reports indicating the United States needed almost \$4 trillion in infrastructure funding. The Country has a low infrastructure grade and the need for better support is clear. The CIP Bill is the Legislature's jobs bill. It is an important measure.

I want to understand how funding from different sources will align. There are open questions as to what the scope of infrastructure entails. I have never thought of economic development in the category of infrastructure. What justifies that categorization?

Will BDR 35-1110 be heard by the Senate Committee on Finance and the Assembly Committee on Ways and Means? Will it only be referred to a policy committee?

MR. LEISER:

Without the language of BDR 35-1110, I cannot say which committees it will be referred to.

ERIK JIMENEZ (Senior Policy Director, Office of the State Treasurer):

The NSIB can still be funded if BDR 35-1110 is not passed. The NRS only allows for NSIB monies—if the CIP proposal is approved—to be used on transportation and utility infrastructure. We should expand statutory language to allow the NSIB to use federal dollars for water, wastewater and broadband purposes.

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ASSEMBLYWOMAN CARLTON:

I understand we have already made the first set of policy decisions on what we would like to fund, but there is a lot more need out there, and the changes in the BDR will allow us to address needs outside of what is delineated in the NRS.

MR. JIMENEZ:

Yes. Circumstances have changed since A.B. No. 399 of the 79th Session was passed. The Legislature and the Executive Branch can work together to decide the scope of projects the NSIB should fund.

ASSEMBLYWOMAN CARLTON:

My questions on economic development might be better suited for the bill hearing.

Is blended funding being considered for the NSIB? With federal monies from the ARPA and State dollars, we may have an opportunity to take the proposed \$75 million and extend allocations out.

MR. JIMENEZ:

Blended funding is being considered for all projects under consideration. The usage of State and local aid is permissible under the ARPA. The State does not yet have federal guidance for how ARPA relief monies can be applied to water, wastewater and broadband projects.

The ARPA contains a separate Coronavirus Capital Projects Fund. We do not yet have federal guidance on whether federal relief monies can be used on work-related and education-related projects. Our intent is to have State dollars go as far as possible. The NSIB will use a revolving fund, allowing continued use of monies.

ASSEMBLYWOMAN CARLTON:

I understand how the revolving fund works. I am trying to understand how monies from the ARPA can be applied to the NSIB. If blended funding is allowed and \$75 million in ARPA funds supplement the \$75 million from bond issuance, the NSIB would have \$150 million to invest in jobs and projects.

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SENATOR SEEVERS GANSERT:

There have been several discussions on federal dollars. Although federal guidance has not yet been issued, do we know the amount of federal monies available?

MR. LEISER:

We do not yet know the amount of monies available under the component of the ARPA that identifies that funding can be used for investments in water, wastewater or broadband infrastructure.

SENATOR SEEVERS GANSERT:

The structure of the NSIB is important. Legislators are considering changes to NRS 408 to broaden the NSIB beyond transportation and utilities. Changes are also being considered for the NSIB Board of Directors. The proposed membership for NSIB Board of Directors—consisting of the NDOT Director, B&I Director, GOED Director and two members of the public—is a good start.

Transportation projects often receive federal dollars and they have blended funding structures. We want to ensure the Board of Directors is regionally balanced. That will be an important discussion when BDR 35-1110 is heard.

I understand the justification for the monies to go to economic development. The leverage for transportation projects is high. Do you know what the leverage is for a typical federal match in transportation? That would help legislators determine how we can leverage these funds and whether \$75 million is the proper amount of monies for the NSIB.

MR. LEISER:

I do not know the answer to that question. Fiscal staff can follow up with legislators.

SENATOR SEEVERS GANSERT:

There is a strong opportunity to invest in Nevada's infrastructure. I look forward to reviewing BDR 35-1110.

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SENATOR KIECKHEFER:

From an accounting perspective, how would funding from different sources be segregated within the NSIB? Using ARPA relief dollars to match other federal grants may be prohibited by federal guidance. Will that be mapped out?

MR. JIMENEZ:

The NRS only defines two sections of federal and nonfederal dollars for utility and transportation infrastructure. We are trying to create flexibility as we want the NSIB Board of Directors to have discretion on the accounts it establishes. We also want to ensure funds are used for statutorily intended purposes.

MR. LEISER:

These considerations will be brought before the Subcommittees when the CIP is presented for closing, tentatively scheduled for the first week of May.

CHAIR DONDERO LOOP:

I will close the work session on bond issuance for the NSIB.

The GFO submitted two budget amendments to create budget account (B/A) 101-2710 in the Executive Budget, which would contain federal funding provided for kindergarten through Grade 12 (K-12) education in response to the Covid-19 pandemic. We will hear information on B/A 101-2710 from the Nevada Department of Education (NDE).

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

The NDE budget presentation is ([Exhibit B](#)).

The State Board of Education (SBOE) created a set of goals for responding to and recovering from the Covid-19 pandemic: closing opportunity gaps for traditionally underserved students; social and emotional learning; access to high-quality professional development for educators; safe, efficient and equitable return to school buildings; access to technology for students, families and educators; access to high-quality instructional materials to address learning loss; support for families, parents and communities; and access to adult education and workforce development opportunities. The SBOE created these goals in consultation with constituents. The State assessed prekindergarten (Pre-K) through higher education.

Focused on equity, access and quality, the NDE assessed education metrics and current practices in response to the pandemic. The NDE also capitalized on pandemic-caused changes to amplify resources, tools and skills provided by the community. We aligned our funding goals with the SBOE's response and recovery framework.

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

I will walk through two proposed budget amendments for B/A 101-2710. Budget Amendment No. A215852710 addresses funding available to the State through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). Budget Amendment No. A215862710 addresses funding received by the NDE through the ARPA.

Federal relief monies for education were documented in an account outside the Executive Budget. Initial funding was provided by the Coronavirus Aid, Relief and Economic Security (CARES) Act. The NDE's practice over the past year has been to prepare work programs that establish revenue authority in the account outside of the Executive Budget. We then prepared subsequent work programs identifying the receipt of monies from the outside account to NDE budget accounts in the Executive Budget. These work programs attempted to align expenditures between the different accounts. The process that has arisen is complex. It is cumbersome to identify how and when funding from the CARES Act and CRRSA have been expended; the monies appear in several accounts.

The NDE's recommendation is to place the account where federal relief funds have been received into the Executive Budget as B/A 101-2710. This would allow all federal relief funds to be received by and expended from the same budget account—creating efficiency, transparency and accountability.

Page 6 of [Exhibit B](#) provides an overview of funding that has been received by the NDE from the Elementary and Secondary School Emergency Relief Fund (ESSER) I from the CARES Act, ESSER II from CRRSA and ESSER III from the ARPA.

Page 6 of [Exhibit B](#) shows the funding period and award deadlines for ESSER I, ESSER II and ESSER III. The NDE is required to award ESSER I monies by May 2021 and all ESSER II funds by January 2022. The NDE is required to disburse ESSER III dollars meant for local education agencies (LEAs) within 60 days of receipt from the federal government. Remaining ESSER III funds are to be spent by March 2023.

Ninety percent of federal relief funds will go to LEAs in Nevada. The remaining 10 percent will go to the NDE for Statewide education purposes. Within the Statewide share, \$2.4 million is available for administrative costs. Page 6 of [Exhibit B](#) lists the purposes ESSER I, ESSER II and ESSER III monies can be spent on. Support from the CARES Act was meant to prevent, prepare for and respond to Covid-19. Support from ESSER II can be used for the same purpose as ESSER I, and can also be used to address learning loss and preparing schools to reopen. Preparation can include facility repairs and improving indoor air quality. Funding from ESSER III can be used for same purposes as ESSER I and ESSER II. The monies can also be used to address learning loss through evidence-based interventions, and to implement public health protocols in school facilities.

The NDE has recommended to LEAs and other subgrantees of federal monies that funding be expended in FY 2020-2021 or subsequent fiscal years. While federal dollars can replace funds from previous fiscal years, doing so creates audit concerns and financial accounting challenges.

Page 7 of [Exhibit B](#) compares funding received by the Governor's Emergency Education Relief Fund (GEER) I from the CARES Act and GEER II from CRRSA. Funding from GEER I is available through September 30, 2022. Funding from GEER II is available through September 30, 2023. Both grants must be awarded within one year of receipt from the federal government; GEER I is to be obligated by May 2021, and GEER II is to be obligated by January 2022. Funding from GEER II includes about \$19 million reserved for emergency assistance to private schools. Eligible private schools can apply to the NDE for funding to allow them to safely reopen facilities, continue instruction, address learning loss and support technology needs. Private schools can also be reimbursed for previously incurred pandemic-related expenses. The purposes of GEER I and GEER II are consistent.

Budget Amendment No. A215852710 includes ESSER II funding totaling \$47,657,244 and GEER II funding with a \$12,209,992 total. Budget Amendment No. A215852710 would allow the NDE to fully obligate all funding awarded through CRRSA within the first year of the funds being available to the State—beginning in FY 2021-2022.

The NDE proposed operational and administrative costs for state education agency (SEA) funding from Budget Amendment No. A215852710. Page 10 of [Exhibit B](#) outlines funding for five temporary contract positions initially approved by the IFC during its April 1, 2021 meeting. Budget Amendment No. A215852710 continues funding for these positions through the end of each federally funded grant period. Using temporary positions allows the NDE to expedite the hiring process. We are also able to end contracts before the end of grant periods once associated works are completed.

Budget Amendment No. A215852710 requests administrative oversight expenditures for one position equivalent to an auditor or management analyst. The position would assist with risk assessments for each NDE subgrantee or contractor. Federal guidelines require risk assessments to be conducted before monies are awarded. The position would also help the NDE ensure its grant management policies and procedures align with federal guidelines associated with relief funding—including ESSER I, ESSER II and ESSER III monies. The NDE wants to ensure all federal dollars are spent appropriately.

Page 11 of [Exhibit B](#) identifies additional NDE administrative costs. They include an Infinite Campus expansion. Components would be added showing information for school counselors, nurses and other staff to identify social and emotional needs of students as they return to in-person instruction. This one-time expense will cost \$150,000.

The NDE budgeted \$260,000 for school-based behavioral health services. The NDE would contract with employees for 18 months to provide equitable mental health services for students across all school districts. Of the \$260,000 proposed, \$50,000 would be used to work with a contractor for the expansion of Medicaid billing capacity. The State's LEAs can request Medicaid reimbursements for applicable services provided to eligible students. The revenue collected can be reinvested in mental health services for students.

An additional \$10,000 was budgeted to assist LEAs in embedding trauma-informed practices into online modules.

The NDE budgeted a one-time expenditure of \$799,000 which will allow it to use web-based resources to integrate and increase information accessibility. We plan to hire an external consultant to audit public-facing documents on the NDE's website. This will cost about \$49,000. The NDE would then submit a request for proposal to hire a company to redesign its website. This will cost about \$750,000.

The NDE budgeted \$25,000 to modify the Electronic Plans, Applications, Grants and Expenditures (ePage) system. We want school districts to be able to use ePage to apply for federal funds. Subgrantees already use the system to apply for State and federal monies. Each time the NDE adds a grant to the ePage system, it pays the vendor to build out the associated functionality.

The NDE identified 20 projects to fund with nonadministrative SEA funding from Budget Amendment No. A215852710. Summaries of the projects were provided in Budget Amendment No. A215852710 when it was submitted to the GFO and Fiscal staff. These projects relate to the goals of the SBOE and CRRSA. They target Pre-K and K-12 education, college and career readiness, professional development, and development of the teacher pipeline.

The NDE budgeted about \$4 million over the 2021-2023 biennium for graduation incentives and a temporary position equivalent to an education programs professional. The contract staff member would work with school districts, administrators, educators and stakeholders to implement best practices and evidence-based approaches to assist students who were not able to graduate in a four-year timeline due to circumstances caused by the pandemic. Graduation incentives would be directed at students choosing to complete what would become their fifth year of high school.

The NDE budgeted \$21 million to strengthen its teacher pipeline. Stipends would be provided to prospective teachers who are student teaching or are in their final three semesters of an educator preparation program. The monies would help retain and support teachers, leading to better student support.

The NDE budgeted about \$3 million to expand the availability of Pre-K programs in Nevada. We propose the addition of 376 Pre-K seats. The IFC approved funds for FY 2021-2022 for additional Pre-K seats in recognition of the costs previously paid through the Zoom and Victory programs. The \$3 million would supplement this authorization. Budget Amendment No. A215852710 would allow the NDE to fund a total of 2,943 Pre-K seats in FY 2021-2022. The average per-seat cost recommended by the Governor is \$8,410.

The NDE budgeted approximately \$1.6 million to expand access to college-level coursework for students. This is based on a projected cost of \$100 per course multiplied by 16,000 courses. Monies are also provided to expand the Nevada Report Card website's functionality to report dual enrollment data.

The NDE budgeted \$1 million to support the Strategic School Improvement Planning Platform. The NDE wants to establish a Statewide digital platform for school performance plans, district performance plans and comprehensive needs assessments informing those plans. Updating information through an electronic platform will support efficiency and consistency. It would allow the NDE, school districts and individual schools to replace the current paper-based system, allowing for greater responsiveness.

The NDE budgeted \$6 million for the development of a uniform and integrated financial management system. Senate Bill (S.B.) No. 543 of the 80th Session included an IFC Contingency Account appropriation for the NDE to support this expense. The NDE went through the request for information process to study estimated costs and the scope of a new financial management system. The NDE also worked with the Department of Administration, Division of Enterprise Information Technology Services (EITS) on the system proposal. The NDE collaborated with EITS to obtain approval for the associated technology investment notification. The NDE prepared a work program for the IFC's approval. The request was withdrawn due to the State's need to address pandemic-caused budget cuts. The NDE still believes there is a tremendous benefit for itself and school districts to have a uniform financial management system. We would replace paper-based processes for payments, budget building and grants with an electronic system.

The NDE budgeted \$7.5 million for the training and hiring of 100 school mental health professionals. School districts and charter schools want to retain their existing base of mental health professionals and hire additional licensed providers to support staff and students as Nevada recovers from the pandemic. The funding would allow the Clark County School District (CCSD) Lifeline program to be expanded. The Lifeline program was designed and implemented in response to students dying by suicide. There has been increased demand to support the well-being of students.

The NDE budgeted \$1.7 million to hire 17 coaches for the Multi-Tiered Systems of Support initiative. The coaches would help school districts and schools address the immediate need for additional interventions as students recover from the pandemic. The NDE would enter into a contractual agreement with a Nevada System of Higher Education institution to hire and train these 17 coaches. Hiring would be limited to the terms and conditions of any contract, as well as the immediate needs of Nevada.

As mentioned earlier, the NDE budgeted \$150,000 to expand Infinite Campus. School counselors and nurses would be able to access more information to better address the needs of students.

Budget Amendment No. A215852710 includes \$330,000 to continue SafeVoice. The figure includes monies previously awarded to the NDE to sustain SafeVoice. The grant expires on December 31, 2021. Of the \$330,000 for SafeVoice, \$140,000 will go to the Department of Public Safety (DPS) to fund personnel dispatchers who answer phones 24 hours a day, 7 days a week for SafeVoice. Budget Amendment No. A215852710 honors a request from Fiscal staff to supplant General Fund monies for SafeVoice with federal relief dollars.

Legislators approved a budget amendment from DPS to appropriate \$140,000 for DPS personnel. We know the Senate Committee on Finance and the Assembly Committee on Ways and Means may choose to proceed differently based on the availability of federal dollars.

The NDE budgeted \$380,000 to support restorative justice activities. The NDE wants to contract with a national provider to provide evidence-based training

and coaching for school district staff and school resource officers. The goal is to create 20 trainers who can assist staff and students in the area of restorative justice. A knowledge gap in Nevada hampers our efforts to advance equity and decrease disproportionality in student discipline.

The NDE budgeted \$1 million for teachers' professional development centered on the science of literacy. We want to contract with external experts in the areas of early literacy and the science of reading. They would facilitate resources allowing educators to be trained at no cost to them. This professional development will help educators accurately assess reading proficiency, provide interventions and support student reading outcomes. Students' reading abilities may have been impacted over the past year due to different learning environments.

The NDE budgeted funding to continue various contracts established during the pandemic. A \$2 million contract for the Canvas learning management system is included and \$4 million dollars was previously allocated for a two-year Canvas service period. Budget Amendment No. A215852710 would allow the contract to be extended for a third year. Canvas is used by Nevada school districts that opted into the service. It allows the NDE to simplify the process teachers use to evaluate learning and provide educational materials to students. Over 550,000 people are using Canvas across the State. This includes educators and students from various school districts and charter schools.

The NDE budgeted \$1.5 million to maintain access to myON. The IFC approved \$500,000 for the NDE to provide the myON Digital Library from January 2021 through June 2021. The \$1.5 million proposed in Budget Amendment No. A21852710 would allow the NDE to continue this contract for an additional year through June 30, 2022. Students can access thousands of digital materials through myON. Materials can be downloaded for later review. Nevadans have read more than 40 million minutes worth of materials since the implementation of myON services.

The NDE budgeted \$2.2 million to extend its contract with Discovery Education through September 2024. The Discovery Education Experience platform keeps students connected so they can continue learning whether they are at home or at school. It provides additional information on a wide array of subjects,

including math, science and social studies. Ninety-five percent of schools in Nevada have used this service. Between September 2020 and March 2021, over 15,000 educators and 200,000 students used Discovery Education Experience resources.

The NDE budgeted \$2 million for translation services; \$470,000 will be expended from ESSER II funds, and the remaining \$1.5 million will be spent from ESSER III funds. The NDE has struggled with providing information in multiple languages. Nevada has a diverse range of families and children. The NDE wants to use these monies to better communicate with people it serves.

The NDE budgeted \$810,000 to continue the Nevada Digital Learning Collaborative. The Collaborative—created early in the pandemic—allowed subject experts to build out digital learning materials and provide professional development to teachers who are learning to teach on new platforms to better address the needs of students.

The NDE budgeted \$450,000 for adult education and workforce development opportunities. These funds would be paid through a combination of ESSER I and ESSER III funds. The monies would be awarded to the Jobs for America's Graduates (JAG) program to help develop an education-focused labor market data dashboard. The dashboard could be used to align career and technical education courses, and pathways to local labor markets. It could also assist students in finding employment. This funding would result in the development of math curriculums—specifically Algebra I and Geometry—to support career exposure and preparation in high-value career pathways.

ASSEMBLYWOMAN CARLTON:

Would one-time expenditures not be built into the base budget?

Some of federal relief monies are being used to backfill where some cuts were. Those monies will still be included in the base budget. Could you expand upon that?

MS. HAARTZ:

Generally, one-time expenditures will not be included in future base budgets. The exception is that any federal monies remaining into the

2023-2025 biennium would be included in the base budget. The dollars would still be found in B/A 101-2710, ensuring they are easy to identify. They are not intended for ongoing expenditures beyond the period of performance identified by federal guidelines.

Monies allocated to backfill Pre-K services are one-time expenditures. The NDE will continue to look for alternative funding sources for these needs. New enhancement units may be needed in future sessions to restore funding for Pre-K services after federal monies expire.

ASSEMBLYWOMAN CARLTON:

During future sessions, legislators will have to remember these particular one-time expenditures will appear in base budgets. We have to be cautious and ensure we know where dollars are coming from if we grow any programs.

Ms. HAARTZ:

Budget Amendment No. A215862710 includes ESSER III funds of \$714,665,595. This includes LEA allocations of approximately \$643,199,036. Through SEA allocations, the NDE would receive \$53,227,362, with \$3,559,995 for administrative costs.

Budget Amendment No. A215862710 would allow the NDE to obligate funding awarded to the State and released for expenditure as of March 2021. The U.S. Department of Education is trying to expedite the availability of education funds, balancing the need to have states submit formal funding applications. The U.S. Department of Education has released two-thirds of the total amount of funding available to each state. It anticipates it will release its formal application sometime this month. Once the application has been released, the NDE will submit its formal response. Upon the U.S. Department of Education's approval of the application, the balance of ESSER III funding will be released to Nevada.

Budget Amendment No. A215862710 reflects the projects and priorities identified as of April 1, 2021. The NDE continues work on programming and expenditure plans that would correspond to the priorities identified in the ARPA. We are updating our plans and activities based on input from stakeholders. We will continue to collect feedback before submitting our formal application to the

U.S. Department of Education. Nevada's school districts will have the chance to indicate how they would invest ARPA monies to benefit their students on federal applications.

Funding from ESSER III is targeted at identifying learning loss and promoting enrichment programs through summer school, extended day learning and other additive learning opportunities. The NDE proposes four projects in Budget Amendment No. A215862710. Those include additional funding for translation services. The NDE is focused on closing language gaps between the Department and the people it serves.

Budget Amendment No. A215862710 includes funding for Education For Inspiration and Recognition of Science and Technology (Education FIRST), the NDE's partnership with DonorsChoose, and the balance of funding for the JAG data dashboard. The NDE provided one-page summaries for each of these projects to Fiscal staff.

Education FIRST is a robotics program that prepares young people for the future through a suite of inclusive, team-based robotics programs for students in Pre-K through Grade 12 provided in schools or in structured after-school programs. Tesla made investments to establish the Education FIRST program in 200 schools in Nevada. With an additional \$10 million over the course of two years, the State will have the opportunity to ensure all Pre-K through Grade 12 schools in Nevada can access the program.

The NDE budgeted \$8 million for a partnership with DonorsChoose, which has successful partnerships with counties across the State. DonorsChoose invested ESSER monies for teacher-identified projects meant to address the pandemic. DonorsChoose invited Nevada to make the first Statewide investments in the program across the United States. The \$8 million investment would allow DonorsChoose to fund about 10,000 teacher projects at an average cost of \$800 each. About half of all teachers in Nevada could be served. Teachers would be able to identify projects for in-person and hybrid education.

The NDE budgeted monies for the balance of funding for the JAG data dashboard in Budget Amendment No. A215862710.

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When the NDE submits its application to the U.S. Department of Education and receives approval to obligate all funding, the NDE will go before the IFC to request approval for the remaining ARPA monies. This work program would be estimated at around \$357,332,797. This would include the remaining one-third allocation for the LEAs totaling approximately \$322,599,517, the balance of the SEA reserve totaling approximately \$33,933,283 and the balance of the SEA administrative costs totaling approximately \$1.8 million.

ASSEMBLYWOMAN GORELOW:

Can you elaborate on the initiative to provide \$1.6 million for college-level coursework? How would that expand dual enrollment?

MS. HAARTZ:

The monies would provide an opportunity for more students across the State to have access to dual-credit courses. We have a variety of options used to provide dual-enrollment to students that varies by school district. The \$1.6 million investment allow us to establish some uniformity and make the opportunity available to all students.

ASSEMBLYWOMAN GORELOW:

After being delayed due to budget reductions, what is the NDE's revised timeline for implementing its uniform financial management system?

MS. HAARTZ:

The NDE intends to complete the financial management system's implementation by the end of the funding period established by federal guidelines, if not before then.

CHAIR DONDERO LOOP:

What factors would be considered to allocate the funding for school-based mental health professionals? Would the monies be used Statewide?

CHRISTY MCGILL (Director, Office for a Safe and Respectful Learning Environment, Department of Education):

The factors will include ratios, need and availability of the workforce.

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CHAIR DONDERO LOOP:

Could you clarify that? Does workforce availability mean the number of people available to be hired?

Ms. MCGILL:

Yes. Workforce availability encompasses the number of licensed practitioners who are able to work in schools.

CHAIR DONDERO LOOP:

What if we are not able to hire enough people to use all of the funding? Will the excess monies remain as Nevada recruits mental health workers?

Ms. MCGILL:

The NDE will look at internships as ways to move people through the career pipeline. In the past, the NDE moved funds to different districts where the appropriate workforce capacities existed.

ASSEMBLYWOMAN CARLTON:

I have concerns about using one-time expenditures to hire staff. I understand we are going to hire some positions for a couple of years. Many people do not want to take temporary positions. Can you address that?

Ms. HAARTZ:

The NDE's priority is to ensure sufficient resources to meet the emergent needs of students as they return to in-person instruction—whether that is over summer or when the 2021-2022 school year begins in August. We identified contract positions for FY 2021-2022 based on priorities specific to recovering from the pandemic. Funds that are not expended in FY 2021-2022 would be balanced forward to FY 2022-2023.

ASSEMBLYWOMAN CARLTON:

How long will the contracts for mental health professionals last? Are the contracts for two-year terms?

Ms. MCGILL:

That is the discretion of each school district. Districts can contract for mental health professionals on a year or two-year basis based on workforce availability.

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The NDE also wants school districts to bill Medicaid during the next three years to attain additional monies to sustain mental health positions.

SENATOR KIECKHEFER:

I want to understand what the expectations are for a new Executive Budget account for these funds. Funds from ESSER II are essentially used on a line-item basis. There may be dollars left over.

It looks like there is \$80 million in State funds from the ARPA not accounted for yet. What is the process for authorizing those monies? Will legislators approve a gross expenditure amount before the end of this Session, with the NDE appearing before the IFC for transfer authority?

MS. HAARTZ:

Through the submission of Budget Amendment No. A215862710, we intend to receive revenue and expenditure authority for monies released to the State.

The NDE realizes it has not fully justified all expenses—including within the SEA reserve and SEA administrative categories. The NDE will continue to work with the GFO and Fiscal staff to provide legislators with information. The NDE continues to work on financial and programmatic plans. Budget Amendment No. A215862710 reflects plans as of April 1, 2021. The NDE has continued to identify and fine tune projects since that time. We will go before the IFC with work programs to request revenue and expenditure authority for monies that have not yet been released to the State from the U.S. Department of Education.

SENATOR KIECKHEFER:

The NDE has \$53 million in federal monies released. It is expecting another \$34 million. Do you expect to ask for additional program authorities or specific expenditures for monies already released before the end of Session?

MS. HAARTZ:

The NDE hopes to be able to do so. We are reliant on the release of the federal funding application from the U.S. Department of Education. We are in a holding pattern until we see what the application entails.

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SENATOR KIECKHEFER:

If gross revenue and expenditure authority is provided to the NDE in B/A 101-2710, it is my understanding the NDE would not have to appear before the IFC unless funds are being transferred to another State agency. Is that correct?

Ms. HAARTZ:

The recommendation and the two budget amendments are to make B/A 101-2710 an Executive Budget account. It will continue to be reviewed by the IFC as additional funds are received. Changing expenditure plans requires IFC approval.

SENATOR KIECKHEFER:

Would any allocation out of B/A 101-2710 require IFC approval, even if the allocation is not for a State agency for a grant to an LEA, nonprofit organization or independent contractor?

Ms. HAARTZ:

Any funds expended from B/A 101-2710 would be presented to the IFC for its review. The addition of B/A 101-2710 to the Executive Budget makes the process more efficient by centralizing the receipt and expenditure of federal relief dollars in one budget account, instead of having the monies distributed across a myriad of NDE budgets accounts. This makes our financial reporting and accountability processes more efficient. Our processes for accounting and processing reimbursements would be streamlined.

SENATOR KIECKHEFER:

I do not want to be in a scenario where legislators feel pressured to approve or reject work programs without the ability to provide input. I want to ensure the Legislature retains its authority over how these monies are spent.

Ms. HAARTZ:

We hope these budget amendments allow relief dollars to be built into the legislatively approved Executive Budget. In the last year, the NDE processed about 50 work programs with specific CARES Act dollars. That creates much work for the GFO, Fiscal staff and legislators on the IFC who have to review and authorize the expenditures.

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ASSEMBLYWOMAN JAUREGUI:

There are \$75,000 in FY 2021-2022 and \$50,000 in FY 2022-2023 proposed for an equity consultant. It seems like the NDE was looking at holding internal trainings versus allowing external groups such as LEAs to participate in trainings related to systemic race issues. Could you walk through what the training programs would look like? Why are these trainings not being provided to all school districts? One of the options is keeping the trainings within the NDE.

What racial equity issues were identified that led to the equity consultant proposal?

Ms. EBERT:

The pandemic, the social climate caused by the death of George Floyd and Statewide data led to the proposal for the equity consultant. The NDE needs to reflect upon its internal practices.

We looked at how we supported schools and what our values are. The NDE has used prior grant funds to work with the National Equity Project. Every NDE staff member participated. It was eye-opening to see where our biases exist and where we needed to grow. With the additional monies for the equity consultant, we are going to further assess the NDE's internal procedures. We want to be an effective Agency before teaching school districts what the best practices are. The NDE will build its capacity for equity and expand that across the State. We have superintendents who have been doing this work for years. They want to expand efforts to build equity in their school districts.

Efforts from the NDE represent one piece of Statewide undertakings. School districts are working, through principals and teachers, to improve their systems. The NDE is looking to review practices and remove barriers for students so they can succeed and become productive Nevada residents.

ASSEMBLYWOMAN JAUREGUI:

What will the interventions provided by the proposed 17 coaches for Multi-Tiered Systems of Support look like? Over the 2021-2023 biennium, \$1.9 million is proposed for this initiative to provide interventions in response to the pandemic.

Ms. MCGILL:

The pandemic taught us that schools with Multi-Tiered Systems of Support fared better when addressing the needs of students and staff. The NDE is applying this lesson to districts and schools wishing to implement this framework.

Under Multi-Tiered Systems of Support, Tier I represents practices such as good teaching and preventative measures. Tier II represents immediate interventions when a student or group of students begin to struggle. Tier III represents clinical interventions or intense interventions designed to meet the student's needs. To ensure equity, we want to help school districts and schools build Multi-Tiered Systems of Support. The NDE wants to support mental health workers and medical plans. A systemic approach is beneficial here.

An example of the Multi-Tiered Systems of Support framework is the Lifeline Project sponsored by the CCSD. The CCSD aims to meet the needs of students in the Tier III category through the Lifeline Project. The CCSD knows it has more work to do in terms of establishing Tier II and Tier I services because doing so will reduce the number of students who end up needing Tier III services. This is a comprehensive approach that takes time to build out. We need additional positions to meet schools where they are.

CHAIR DONDERO LOOP:

The Tier I, II and III system is a method that all educators are familiar with. It is not just an NDE or a Covid-19 system.

ASSEMBLYWOMAN JAUREGUI:

Can you explain how the Incentivizing Pathways to Teaching program would operate, including how the candidates would be selected?

Ms. EBERT:

Several people preparing to be teachers in Nevada never complete their programs. They are unable to do so because of the student teacher component. They have to quit their jobs and lose income or find new jobs while student teaching. The incentives are for students in their final year of an education preparation program who are student teaching. Stipends would be provided; doctors in residency programs have similar incentive structures. This would

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benefit Nevada's teacher pipeline by allowing more people to complete their preparation programs.

The NDE testified on S.B. 352 before the Senate Committee on Education. The measure assists support staff who want to become educators. They have faced several documented roadblocks. When we produce educators who live in Nevada, they stay in the State. We want to support that trend.

SENATE BILL 352: Revises provisions relating to education. (BDR 34-843)

ASSEMBLYWOMAN JAUREGUI:

Will this be available for all teaching students in their last year? Will it only be available for students identified as noncompleters who, perhaps, dropped out?

MS. HAARTZ:

The NDE's intent is for educator preparation programs to apply for incentive funds based on the number of people expected to soon begin student teaching. Each program would be responsible for fund distribution. The NDE intends for these funds to be used in conjunction with the Teach Nevada Scholarship and other grant scholarships available to students. Accepted students who receive incentive funds must attain a teaching license and seek employment with a Nevada public school. Specific funding parameters would be established between the NDE and the educator preparation programs receiving incentive monies. The preparation programs would help build eligibility requirements.

ASSEMBLYWOMAN JAUREGUI:

Would the Incentivizing Pathways to Teaching program give money to education preparation programs, with the programs establishing the requirements for students receiving funds?

MS. HAARTZ:

Yes.

ASSEMBLYWOMAN JAUREGUI:

I assume each educator preparation program is going to set different parameters for selecting which students will receive stipends. I want to see how the students are selected once the program is established.

Could you walk us through how the Strategic School Improvement Planning Platform will improve K-12 education?

MS. HAARTZ:

The NDE has been working with school districts and schools across Nevada to identify their school improvement plans. We have made much progress in creating consistency and transparency. We have also established opportunities for mutual support in improving Nevada schools.

The ability to buildout a Statewide digital platform for the collection of these plans—as well as comprehensive needs assessment information—will be helpful because it will allow the information to be stored virtually. Information can be easily updated and modified. All NDE divisions can access the system for specific projects.

The NDE handles a variety of grants with needs assessment components. School districts must respond to those needs assessment components each time they apply for federal funds. This is a cumbersome process. Having a digital platform will make the process more efficient for school districts and the NDE. It will allow for consistency across the entire State as plan components will be uniform in nature.

SENATOR RATTI:

Could you talk about the duties of each of the eight contract positions recommended using ESSER funding?

MS. HAARTZ:

The duties of each position would vary by position type. The NDE requested funding for two management analyst equivalent positions. They would administer subgrant agreements with each of our LEAs, process requests for reimbursement, track fund expenditures and ensuring financial reports are collected. This would ensure federal and State reporting guidelines are met. The education program professional equivalent positions would also support subgrant recipients in developing proposals for funding applications. They would help review reports, proposals and revisions to the intended scope of work for each subgrantee. We previously requested funding for and would continue a project manager position responsible for the daily oversight of federal relief

monies, ensuring the NDE and subgrantees continue to meet oversight requirements as prescribed by the federal and State governments.

A number of the projects discussed today would be led by contracted staff. The work they would perform would be specific to the project they are assigned to.

SENATOR RATTI:

How will the high school graduation incentives be allocated and provided to students?

MS. HAARTZ:

The NDE is working with school districts to identify the best way to administer these incentives for students who choose to stay for a fifth year to graduate.

SENATOR RATTI:

When would the NDE determine how to use the remaining \$2.9 million in funding available for administrative expenses?

MS. HAARTZ:

I believe you are referring to administrative dollars available from the ARPA. The NDE continues to build budget and program proposals. Budget Amendment No. A215852710 reflects the NDE's plans as of April 1, 2021. The final expenditure plan and program will not be determined until we receive guidance from the U.S. Department of Education, which has indicated it plans to release its application. We want to make sure any additional plans align with federal requirements.

SENATOR SEEVERS GANSERT:

Hundreds of millions of dollars are being given to the State. The NDE and school districts perform distinct roles. There are 20 programs in Budget Amendment No. A215852710; it looks like about \$12.6 million goes to students, including for graduation incentives and dual credit expansions. About \$3.75 million is allocated for mental health. About \$21 million is budgeted for strengthening the teacher pipeline; \$80 million is yet to be allocated. I am curious as to the scope of the NDE's role. There is \$80 million yet to be allocated. We need to determine how best to use federal monies.

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What is the role of the NDE? What are the metrics for how the monies are spent? I am sure the federal government has its own metrics. How does the State track these monies? How successful are the programs money is spent on?

We have little information about what the graduation incentives for fifth-year seniors look like. I believe \$4 million was appropriated for incentives. That is much funding to incentivize students to finish schools. I want to further discuss metrics and the role of the NDE. After Statewide monies are spent, another \$700 million is going to school districts. Can you talk about that?

MS. EBERT:

Monies from ESSER III totaled almost \$1.1 billion. The funds are different compared to ESSER I and ESSER II dollars. Community input must be provided on education funding decisions. The NDE also assesses data before deploying projects.

Funds from ESSER III also have stricter recipient guidelines. Five percent of funds must be identified for learning loss, 1 percent must be identified for summer enrichment, at least 1 percent must go to after school programs and at most 2.5 percent can go to other State activities. We must also consider administrative overhead and monies allocated to private schools. Funds from ESSER III must also be reviewed from an equity perspective. The application for money from the ARPA has not been released by the U.S. Department of Education. We are planning based on our current understanding of the law. Once federal guidance is released, we will continue to move forward.

Several questions have been asked about school district allocations. Of the ARPA monies, 90 percent is allocated to school districts. The money is not immediately disbursed. The money is given in a reimbursed fashion. The NDE always looks at expenses to ensure federal monies only go to allowable expenses.

There are several moving parts here. The NDE is focused on a long-term infrastructure. We want school districts to build their own capacities and contribute to the workforce pipeline. These are the main components the NDE has assessed and will continue to monitor. We will keep legislators informed on our progress.

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SENATOR SEEVERS GANSERT:

We are transitioning to the new funding formula from S.B. No. 543 of the 80th Session. Cuts were made to the Read by Grade 3 program and the class-size reduction initiative. The role of allocations from the General Fund and support from the NDE has been to make sure critical programs such as those have funding.

The State is moving to a new education funding mechanism, but is cutting some of the major components of our previous formula. Have you considered using federal relief dollars to restore programs that have been cut during the transition away from the Nevada Plan? Some of these programs have been helpful to districts and students. They moved the needle on math and literacy outcomes.

Ms. EBERT:

Those programs are included in the Executive Budget. Expanding monies for Pre-K does not just add seats for the program—it expands the capacity of Pre-K more broadly. We have looked at how to serve students through the SafeVoice program and other initiatives. The monies will help address learning loss. They will help us build education infrastructures. We looked at the goals of the NDE, the SBOE, the State and the Governor to determine what to fund.

SENATOR SEEVERS GANSERT:

Nevada has several successful education initiatives, including the Read by Grade 3 program. There is probably evidence to indicate smaller class sizes are beneficial. The NDE should consider these initiatives when deciding what to do with the uncommitted \$80 million. Literacy is important. Nevada is finally on par for Grade 4 literacy as measured by the National Assessment of Educational Progress test. We positively changed the trajectory of math performance.

The State is phasing out Victory and Zoom schools. It is important programs like Read by Grade 3 are supported. Such programs are not considered by Budget Amendment No. A215852710 and Budget Amendment No. A215862710. Of these proposals' programs, not many are student-focused. A robust teacher pipeline is important. Half of the monies are dedicated to the pipeline. Several expenditures are for mental health, along with platform and software initiatives. What role does the NDE have? What programs has Nevada previously had that

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have been successful? The NDE can use federal relief dollars to continue effective initiatives, helping the State recover from the pandemic and raising student performance. Assessing metrics is important.

CHAIR DONDERO LOOP:

We did not cut Read by Grade 3. I agree with Senator Seevers Gansert these programs are important. They were encapsulated into the education funding formula approved by S.B. No. 543 of the 80th Session.

SENATOR SEEVERS GANSERT:

I thought Read by Grade 3 was cut by \$31 million. I thought it was restored and then backed out \$31 million.

JAIMARIE MANGOBA (Program Analyst):

Read by Grade 3 was reduced by A.B. No. 3 of the 31st Special Session. The Executive Budget recommends that funding be restored and transferred to the funding formula established by S.B. No. 543 of the 80th Session. Fiscal staff can follow up with more information.

SENATOR SEEVERS GANSERT:

I understood funding was restored to Read by Grade 3, and then cut again. We need to figure this out. I understood the proposed restoration was affected by cuts of around \$28 million to \$31 million when the program was transitioned to the new education funding formula.

ASSEMBLYWOMAN CARLTON:

We should avoid characterizing cuts before final decisions have been made. That sends the public the wrong message.

I have not heard of DonorsChoose. Budget Amendment No. A215852710 proposes it receive \$8 million, with an average of \$800 being distributed to 10,000 teachers. That represents less than half of Nevada's teachers. There have been complications when legislators tried to approve direct supply monies for teachers. We have to address accountability and make sure money actually gets spent on education projects. Can you walk us through what DonorsChoose will do, how they will distribute monies and how deliverable metrics are

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reported back to the State? Even when the State distributes money to third parties, it is its responsibility to ensure the dollars are spent appropriately.

MS. EBERT:

Nevada has partnered with DonorsChoose for several years. Teachers have received over \$12 million for projects. DonorsChoose is a global entity. Nine school districts work with the nonprofit.

Under DonorsChoose, a teacher makes a determination that he or she wants to do a specific classroom project. The average request of teachers asking for monies for the first time is about \$800. That is how \$800 was used as the basis for the proposal in Budget Amendment No. A215862710. Teachers submit online applications for projects. DonorsChoose staff help identify materials needed for projects. The nonprofit then orders project items and sends them to teachers. Teachers do not have to order materials themselves when receiving project support from DonorsChoose. In some cases during the pandemic, DonorsChoose sent materials to teachers' homes, as school buildings were closed. Most states saw a decrease in DonorsChoose projects when Covid-19 spread. Nevada saw an increase in project applications. Teachers identify what is needed to carry out projects. DonorsChoose provides support. Staff from the nonprofit helps review projects and provides recommendations. Teachers do not have to order materials as DonorsChoose handles that part of the process. The NDE hopes that linking projects with DonorsChoose will amplify the impact educators have.

Donors can choose the type of projects they want to fund. Recently, a private donor wanted to support social justice projects. The donor funded all projects from a teacher that pertained to social justice. Donors will target an array of project types, including gardening. The NDE hopes this initial investment in teacher projects will double the amount of funds educators receive from DonorsChoose.

ASSEMBLYWOMAN CARLTON:

DonorsChoose relied on private donations in the past. It would receive State monies under Budget Amendment No. A215862710. Would DonorsChoose report its expenditures on deliverable projects back to the State?

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MS. EBERT:

Yes, it would report project by project.

ASSEMBLYWOMAN CARLTON:

On the Education FIRST funding, it is my understanding that it may continue what Tesla has been doing in science, technology, engineering and math programs across the State. Will it be across the whole State?

MS. EBERT:

Yes.

ASSEMBLYWOMAN CARLTON:

There are monies for developing an education-focused labor market data dashboard. That seems similar to much of the work the Office of the Governor, Office of Workforce Innovation (OWINN) and the Department of Employment, Training and Rehabilitation do. Would it be better to partner with other State agencies to create the data dashboard? What is the rationale for not doing so?

MS. EBERT:

The NDE works closely with OWINN, but it is positioned to perform the full project we are doing. I will check with staff to ensure OWINN cannot provide assistance with the project.

ASSEMBLYWOMAN CARLTON:

Has the NDE considered partnering with the Office of the Governor, Office for New Americans on translation services? That may allow monies to be freed up for other uses in education.

MS. EBERT:

The State has three contracts with translation services we use. I understand the Office for New Americans uses those contracts as well.

ASSEMBLYWOMAN CARLTON:

I want to ensure monies for DonorsChoose actually get spent on projects.

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ASSEMBLYWOMAN BENITEZ-THOMPSON:

These monies are needed. I am happy we will have funds to spend on these projects.

We can use federal relief dollars to expand the number of languages offered by school district software. Providing services in one language is not equitable. More than anything else, the problems arise with software applications now. We need to enhance software with additional languages. There are translation allocations in FY 2021-2022 and FY 2022-2023. I want to see how far these monies will go in terms of translations. I see that translation is offered for report cards, but I do not know how many report cards would be covered. I want to quantify how the proposed \$2 million for translation services will foster equity.

Many nonprofits do important work. The State performs important functions that are not necessarily exciting. Before funding nonprofits to do work, we need to assess whether the work can be done directly by the State. If we are missing support for things like science and robotics, how do we organically build support structures in our school districts? We need to build up an internal infrastructure. This will allow us to be less dependent on non-State organizations. That is our obligation.

I spoke to the principal of Sun Valley Elementary School in Reno. She said the school needed more science funding. The principal said teachers do not have the science kits necessary to fully teach science curricula. Schools with more monies can purchase science kits, erosion kits and trout eggs. They can teach comprehensive science units. Several Nevada schools do not have budgets for these types of projects. Allocating funds to school districts and the needs of principals and teachers makes more sense than going through a nonprofit.

I am concerned we are funding mental health services in one year but not the second year. We need to be cautious with how that affects contract staff.

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

The Nevada State Education Association (NSEA) has been the voice of Nevada educators for over 120 years. While the NSEA is optimistic about the availability of \$775 million in federal funding from Budget Amendment No. A215852710

and Budget Amendment No. A21586210, it is concerned about the lack of educator voice in the development of programming with these dollars. The NSEA implores the Legislature to continue its work to address the structural underfunding of public education. Since the pandemic began, the NSEA has consistently raised concerns that school districts lack resources needed to safely operate school buildings. Educators have also expressed concerns about educational inequities and the lack of social and emotional supports for students both before and especially during this pandemic.

Federal ESSER funds provide critical financial relief for school districts to address the impact of the pandemic on students and to safely operate school buildings over the next two years. The NSEA applauds the Biden Administration and Congressional leadership for monies they made available through the ARPA. We want to acknowledge the work of our congressional delegation and our parent organization, the National Education Association (NEA).

Prior to the passage of the ARPA, the NEA wrote hundreds of thousands of messages and placed thousands of calls to members of Congress. We urged Congress to pass the largest investment ever in education. While the NEA and NSEA played a central role in the passage of federal funds, we are concerned about the lack of educator voice in the development of programming from these funds in Nevada. The lack of engagement is concerning.

This hearing was our first opportunity to hear proposed uses of relief funding, and we still have not seen any detailed budget documents. This makes it nearly impossible to provide thoughtful input. For example, one of the allowable uses of ARPA funds is the protection of education-related jobs. This is a use where we want to provide input on allocations.

These federal funds will only serve as a temporary patch that will expire in 2023 for Nevada's chronically underfunded schools. Before the pandemic, Nevada ranked near the bottom of the states in most education metrics. Nevada has the largest class sizes in the Country. The Legislature must deliberate on a proposed \$156 million cut from class-size reduction over the 2021-2023 biennium. We ask the Legislature to implement sustainable revenue structures to address the State's underfunded public education system.

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CHAIR DONDERO LOOP:
I adjourn this meeting at 10:42 a.m.

RESPECTFULLY SUBMITTED:

Joko Cailles,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
	B	1	Jhone Ebert / Department of Education	NDE Budget Hearing on CRRSA and ARPA Amendments
	B	5	Heidi Haartz / Department of Education	NDE Budget Hearing on CRRSA and ARPA Amendments