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

Eighty-Third Session
February 26, 2025

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on K-12/Higher Education/CIP was called to order by Chair Shea M. Backus at 8:09 a.m. on Wednesday, February 26, 2025, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 2 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Copies of the minutes, including the Agenda [Exhibit A], the Attendance Roster [Exhibit B], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/83rd2025. Link to Executive Budget.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblymember Shea M. Backus, Chair
Assemblymember Sandra Jauregui, Vice Chair
Assemblymember Gregory T. Hafen II
Assemblymember Gregory S. Koenig
Assemblymember Daniele Monroe-Moreno
Assemblymember PK O'Neill
Assemblymember Selena Torres-Fossett
Assemblymember Steve Yeager

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Nicole J. Cannizzaro
Senator Marilyn Dondero Loop
Senator Melanie Scheible
Senator Carrie Ann Buck
Senator Jeff Stone

SUBCOMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Wayne Thorley, Senate Fiscal Analyst
Adam Drost, Principal Deputy Fiscal Analyst
James Malone, Principal Program Analyst
Liuiana Camacho-Polkow, Program Analyst
Yuriy Ikovlev, Program Analyst
Natalia Jordan, Committee Manager
Janet Osalvo, Committee Secretary
Lisa McAlister, Committee Assistant

OTHERS PRESENT:

Megan Peterson, Deputy Superintendent for Student Investment, Nevada Department of Education
David Lenzner, Deputy Director, Office of Finance, Office of the Governor
Tiffany Greenameyer, Director, Office of Finance, Office of the Governor
Melissa Mackedon, Executive Director, State Public Charter School Authority
Amanda Morgan, Executive Director, Educate Nevada Now
Alexander Marks, Deputy Director of Field and Communications, Nevada State Education Association
Kerri Finn, Private Citizen
Sky Sessions, School Counselor, Washoe County School District
Maria Rene Costedo, Private Citizen, Washoe County, Nevada
Lindsay Anderson, Private Citizen, Washoe County, Nevada
Eva Reynolds, Private Citizen, Carson City, Nevada
Drew Franklin, Private Citizen
Kelley Ferretti, Private Citizen, Carson City, Nevada
Laurel Winchester, Private Citizen
Madison Jackson, Private Citizen, Reno, Nevada
Karla Joost Reed, Private Citizen
Lilly Trotter, Student Legislative Team, Carson Montessori Charter School
Andrew Feuling, Superintendent, Carson City School District
Chad Fawley, Private Citizen, Reno, Nevada
David Jerez, Private Citizen, Reno, Nevada
Jenny Hunt, Director, Mariposa Language and Learning Academy
Justin Jervinis, Private Citizen, Reno, Nevada
Bonnie Carlson, Private Citizen
Aaron Shuler, Private Citizen
Eduardo Martinez, Public Affairs Director, Western Public Affairs
Brent Busboom, Private Citizen, Reno, Nevada
Ben Contine, Private Citizen, Reno, Nevada

Sarah Adler, representing Coalition of Public Charter Schools of Northern Nevada
Susan Kaiser, Private Citizen
Phillip Kaiser, Private Citizen
Erica Nungaray, Private Citizen

Chair Backus:
[Roll was called. Committee rules and protocols were explained.] Please mark Senator Cannizzaro and Assemblymember Hafen present as they arrive. At this time, we would like to welcome everyone in Carson City, as well as those attending in Las Vegas, and those watching over Zoom this morning.

I am excited to welcome Megan Peterson up to the dais, as well as anyone else who will be presenting the Nevada Department of Education, Pupil-Centered Funding Plan Account, then we will go to the Education Stabilization Account, and the Account for State Special Education Services. Please feel free to begin when you are ready.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - PUPIL-CENTERED FUNDING PLAN ACCOUNT (203-2609)
BUDGET PAGE K-12 EDUCATION-24

Megan Peterson, Deputy Superintendent for Student Investment, Nevada Department of Education:
As the Chair mentioned, we will be going over three budget accounts today, two of which pertain specifically to the Pupil-Centered Funding Plan (PCFP)—budget accounts 2609 and 2608—followed by the State Special Education Services budget account 2619. We will begin with the PCFP.

When Senate Bill 543 of the 80th Session was passed, it revised the then 52-year-old Nevada Plan, updating it with what is now referred to as the PCFP [page 4, Exhibit C]. For the first time, this plan combined all revenues to fund education, both locally raised and state funded, into one account to provide a basic level of support for each pupil in the public education system. These funds are adjusted to account for local variations that occur within the districts; that way, they are distributed equally across the districts and charter schools. What is important to note about this and is different from many of the other budget accounts in the state, is that this is a revenue-driven model for distribution of these funds, and many of our other accounts are expenditure-driven. This means when our economy is doing well, it has a direct impact on our K-12 education funding and allows those districts and students to experience the increases in revenues as well.

For a quick overview, the PCFP allows for the combination of over 26 different revenues into one account [page 5]. This slide shows most of those revenues at a high level, and these are used to contribute to the distribution of the funds managed through budget account 2609. It is

frequently referred to as the State Education Fund. The revenue comes in to Fund 203 and then it is distributed through this account. These include revenues like marijuana taxes that are distributed back to the school districts.

The revenues are then distributed across four different tiers within the PCFP. These funds are used to pay for things within the auxiliary services tier, which includes food services and transportation, then flows through to our local special education, then through to adjusted base funding, and then our weighted categories. We will talk about these more in future slides. This is a quick overview of those funds [page 6].

In instances where there may be unexpended funds, either because less than projected enrollment is observed or revenue is coming in at a higher rate than projected, the residual funding will transfer at the end of the year to budget account 2608, which is the Education Stabilization Account, and access the rainy day fund for this account [page 6]. In the event funds within budget account 2608 exceed 20 percent of the authorizations and appropriations for budget account 2609, the funds transfer back to assist increasing the per-pupil amount distributed through the PCFP [page 7].

On this slide [page 8], you will see the different revenues combined, based on where they are raised. Blue represents the locally-raised revenues, yellow are other state revenues, and green represents the General Fund investment for fiscal years 2026 and 2027. This slide [page 9] provides a table showing the recommended revenues based on the Economic Forum projections reflected in the Governor's recommended budget. At a detailed level, you can see the projected revenues to be received.

I want to highlight one of the revenues that is received and distributed within the PCFP, which is known as the net proceeds of minerals. These are constitutionally protected for the districts and are required to be paid back to the districts in the event the PCFP revenues do not meet what was raised at the local level. For example, see Esmeralda County—if they were to raise $10 million in net proceeds in minerals, and only received $9 million through the PCFP, we would send back the additional $1 million dollars for them to keep locally in their district. Those are earned in year one of the biennium, then used in the second year. You can see the flow of those dollars in fiscal year (FY) 2026; they are highlighted in yellow on this slide [page 9]. We receive them in FY 2026; they are transferred from FY 2026 to FY 2027; then expended in FY 2027. This is a mechanism we manage through the monthly payment book, and it is not necessarily reflected within the PCFP model. This slide [page 10] is based on the recommended budget from the Governor with the anticipated statewide base per-pupil amount. In FY 2026 it is $9,416, which is a $2 increase over FY 2025; and FY 2027 is approximately a $70 increase to $9,484.

Before we go into the rest of the presentation and explain how these funds are distributed within the model, I want to pause and highlight a provision that was put in place for the PCFP [page 11]. It is commonly referred to as a hold-harmless provision. We acknowledge

that it does not necessarily hold districts in a hold-harmless status because the increasing costs are not necessarily reflected. We frequently call it the FY 2020 baseline funding. This was put in place when we transitioned to the PCFP to help mitigate the transition for districts who would have received less money under the PCFP than prior to the start of the PCFP, and it maintains that same per-pupil amount for those districts who qualify. Currently, there are still three districts in this status: Esmeralda, Eureka, and Storey. These are districts who have historically had greater than typical revenues distributed through the plan, due to their net proceeds and minerals. These districts also have exceptionally high per-pupil rates because of their low enrollment and high fixed costs for educating their children. These districts are paid on the FY 2020 amounts because as we go through the distributions, they would have received less. They do not receive the allocations the other districts receive. However, they have the flexibility to distribute those funds in the same way districts that receive PCFP money would.

As I mentioned earlier, there are four tiers the revenue funding flows through, which is approximately $6 billion in each year [page 12]. For the first two tiers, the funds are essentially removed off the top and distributed directly back to the districts based on two or three different methodologies.

Transportation is based on a four-year average of their expenditures, as reported in the 387 reports [page 13]. Because of maintenance of effort requirements, the local special education funds are distributed based on the immediately prior fiscal year allocations to maintain that level of funding. As I mentioned, these funds come out of the waterfall first to ensure the districts receive exactly the funding they expended in these areas. Within the Governor's recommended budget, there was also an inclusion of additional funds for transportation for charter schools, as well as funding to support the salary adjustments that were made available through Senate Bill 231 of the 82nd Session. These were added to this tier of funding to be in line with how we manage the local special education funding. This ensures the dollars go back to the districts in which they were negotiated with the labor unions. Within the Governor's recommended budget for FY 2026 and FY 2027, approximately $200 million was allocated for transportation, $1 million was allocated for food service, and approximately $144 million was allocated in each year of the biennium for the school districts' salary adjustments; and a proportion that was identified for charter schools [page 14]. This table shows what those allocations look like at the local education or school district level, then it is rolled up under the charter school sponsor to represent the LEA (Local Education Agency) function.

These are the amounts for FY 2026 and FY 2027, based on what was reported within the 387-303 [*Nevada Revised Statutes* (NRS) Chapter 387.303] report [page 15]. Information for this report is received by the Department in November, and we continue to work with

districts and charter schools currently to validate and certify those numbers. We are hoping to have that wrapped up by the end of March. We have had a lot of learning opportunities and normalizing on our language to make sure the data is accurate and aligned. We anticipate these numbers may change slightly as we finish validating the report.

Our next year of funding, as I mentioned, is local special education, and is treated in the same manner. This is the local portion of funding that school districts and charter schools use to support special education services for the students who qualify under an individualized education plan. There are three components to special education funding in our state [page 16]. This represents one of those tiers and is representative of the local level of investment. Within the Governor's recommended budget, this is identified as $597 million in each year of the biennium [page 17]. As I mentioned, this does not receive an inflation adjustment because this is based on actual expenditures. As that changes, based on their expenditures, we reflect it through the 387 report and updated biennium information on page 18. The table shows allocations based on the reports received from the school districts for FY 2026 and FY 2027 [page 18]. You will see some districts are missing information; reported as zero. We are continuing to work with them to validate and understand how they are reflecting these dollars. This is a challenge that has come up with the transition to the PCFP. We are still working with them to clean these numbers up. This is the best information we had received at the time.

Moving on to the third tier of funding, this is where the statewide base per-pupil amount comes into play [page 19]. The $9,416 or the $9,484 we had mentioned earlier is the statewide average after we remove the funding for the first two tiers and then is divided based on projected enrollment. The statewide base per-pupil amount then goes through adjustments based on the local level for each school district and charter school based on where it is located within a district. The two adjustments for this are known as the Nevada Cost of Education Index and the attendance area adjustments. We will go into those in a little more detail in the next few slides. That is the difference between the statewide base and the adjusted base as we talk about those numbers moving forward. For a little background and information, the statewide base is divided based on the projected number of pupils to be enrolled.

These two tables [page 20] give you some historical information and trends we observe within enrollment for the Governor's recommended budget, based on the last 3 to 4 years of enrollment trends. It appears to be leveling, so we provided flat enrollment for the FY 2026 and FY 2027 projections. However, you can see on the table on the left, there are fluctuations within how the enrollment trends quarterly. Historically, the second quarter has a peak in enrollment and that corresponds with October's report. As the year continues, there tends to be a slight decline from the third and fourth quarters. Overall, it has been relatively flat since the pandemic. This slide [page 21] provides a table with what the projected enrollment looks like at the school district level and for our SPCSA (State Public Charter School Authority)

sponsored charter schools as a whole. The SPCSA charter schools have been our fastest growing LEA and are now the second largest school district in our state. They have outpaced Washoe County. This does have implications for funding in other areas as well.

As I mentioned, the statewide base per-pupil amount goes through two different adjustments to account for the variation of costs within the districts. As I mentioned, this is the attendance area and the Nevada Cost of Education Index (NCEI) [page 22]. These are multipliers applied to the statewide base to come up with an individual amount for each district, and that becomes the adjusted base. There is an adjusted base per-pupil amount that is calculated for each school district; the amounts vary. That number is then multiplied by the projected enrollment to come up with the total allocations we will see at the end of the presentation.

For a little more information on the attendance area adjustment; this is to account for the increased cost it takes to operate schools located in lower population density areas [page 23]. Frequently, these are geographically distanced from our city population. If you think of Reno and Sparks compared to Gerlach; Gerlach would be a school that qualifies, in this instance, for an attendance area adjustment. It is a calculation known as a J-curve in regression analysis. I will not bore you with the details of what it takes, but it is acknowledging the increasing costs that occur on a smaller scale where there are lower student numbers, but higher fixed costs in geographically distanced locations. This did go through analysis with the Commission on School Funding in this last biennium. They made a recommendation to modify the definition for this. Currently, the recommendation is, if a school is 20 miles or more from another attendance area, or more than a 30-minute drive, they would qualify for this. We did run into some challenges when we applied this. It resulted in quite a significant decrease for one of the districts and their per-pupil amount. Based on that, the recommendation was not included to modify that adjustment at this time. This is in one of the adjustments that is still included; the updated recommendation was not.

The next adjustment is our NCEI adjustment. This accounts for the costs comprised of two variables: a wage measure and a cost of goods measure [page 24]. It analyzes what it takes to incentivize and recruit someone to an area who has a bachelor's degree, which is a requirement for our teachers, and then in general, what it costs to purchase goods within that region. I like to equate this to a currency conversion. If you were to go to another country and you converted the U.S. dollar to the equivalent in that country, that is similar to what this is doing. Within the Governor's recommended model, the Commission on School Funding's recommendation to maintain this adjustment at one-for-everyone was maintained. The basis for this was because currently we are all very familiar with the fact our funding is below the national average and has not reached optimal yet. Based on this, the Commission made the recommendation to continue monitoring and evaluating it, but until such a time that the model is funded appropriately. The indicator for that district, reducing their per-pupil amount as a result of this adjustment, would only harm the already underfunded system. It was recommended to maintain 1.0 until optimal funding is achieved. That way we are not doubly reducing or impacting a district's allocations through the model.

This table shows the enrollment for FY 2026 with the statewide base and then what the adjustment is as a result of the attendance area multiplier addition; and the Nevada cost of education [page 25]. As you can see, based on the recommendation from the Commission, this was left at 1.0 with no adjustment—then the combination for the adjusted base amount and the per-pupil amount as a result of projected enrollment. This slide shows the values for FY 2026, and the next slide are values for FY 2027 [page 26].

Moving on to the fourth tier of funding [page 27], once adjusted base funding has been pulled out of the waterfall, the residual funding is distributed across tier four, which is weighted funding. We like to refer to this as our core-plus-more in a framework of the multi-tiered system of supports (MTSS). The core would be adjusted base funding, and the plus-more would be supplemental funding for our students who need additional support in tier two and tier three within the MTSS framework. This includes funding for our English learner (EL) students, students who are identified at risk of not graduating with their peers, and students who are identified as gifted and talented. For the students who qualify within these three different categories, you can see what the recommended multipliers are for the application [page 28]. This is applied to the statewide base per-pupil amount, not the adjusted based per-pupil amount.

If you are a student who is identified for EL, your allocation would be the adjusted base per-pupil amount, plus 0.45 percent of the statewide based per-pupil amount, for approximately $18,000 additional to assist that student. Currently, the statute prescribes that students who are identified in multiple categories only receive funding for the highest weighted category. If a student is identified to be in all three of the categories—EL, at-risk, and gifted and talented—they would only receive the additional funding associated with the EL weight; however, they are expected to receive the services they are entitled to for all three categories. On this slide [page 29], you can see what those allocations look like on a per-pupil basis as applied to the statewide base. The $9,414 plus the $4,200 would be what an EL student would receive.

This slide [page 30] shows you the counts of those students as they were identified from our October 2024 data poll. When these funds are distributed to school districts, they are based on a single count day from the prior school year. That amount is fixed for the year and distributed to the school districts and charter schools on a 1:12 apportionment. This is different from the adjusted base funding, which is distributed based on average daily enrollment counts that are provided quarterly. The adjusted base funding can fluctuate from quarter to quarter based on the enrollment trends the districts and charter schools are experiencing during the year. There is a little difference in how those funds are distributed; that is also to help provide stability in the weighted funding categories because these programs require a more stable funding source. If the counts were to decrease over the year, that would mean the district or charter school would lose the funding. That is why we use the prior year count compared to the average quarterly reports that are received.

On this slide [page 31], you can see, based on the per-pupil amounts from the earlier slide multiplied by the accounts from the validation day, this would be the allocation for FY 2026, and the next slide has the amount for FY 2027 [page 32]. Because the per-pupil amounts change—because they are based on the statewide base amount that increased in the second year—you do see a change in the allocations. For the purposes of the budget, and because we do not have October 2025 counts yet, the counts have not changed; just the per-pupil amounts. Those will be updated in the second year of the biennium once those counts become available.

Taking all four tiers and summing them together, this slide shows you the allocations for FY 2026 across all the different categories of funding [page 34]. You can see, three of the school districts are still qualifying for the FY 2020 baseline funding, and they receive the allocation on a per-pupil amount based on FY 2020, times their projected enrollment. They have the flexibility to distribute those funds across the other categories that are awarded to the other districts, but we do not designate specific amounts because they are awarded flexibility through the provision in statute. This slide [page 35] shows the amounts for FY 2027 with the calculated per-pupil amount as a result of those allocations. With that, I will pause for questions before we go to the next budget account.

Assemblymember Jauregui:
Can you explain how the Office of Finance, Office of the Governor calculated the General Fund appropriations that are now recommended for the PCFP account for the next biennium?

Megan Peterson:
It was a combined analysis based on enrollment and inflation; the CPI (Consumer Price Index) calculation, and then an analysis of the funding that was available.

Assemblymember Jauregui:
I was looking through my notes and I thought I read that you did not include an increase for inflation; that inflation was at 0.0 percent.

David Lenzner, Deputy Director, Office of Finance, Office of the Governor:
We met the provisions under NRS Chapter 387.12455, section 1(b), which is the CPI and enrollment.

Assemblymember Jauregui:
Can you give us an overview of the Commission on School Funding's work and recommendations related to providing optimal funding for K-12 education? I specifically want information on what their recommendations were to achieve that optimal funding because I know the numbers were very high compared to what we were doing. They also gave recommendations on how we can achieve higher numbers. Can you go into that a little bit, please?

Megan Peterson:
There is a 500-page report where they detail the best approach to achieving that. The Commission did analyze and review areas of our tax base structure that has historically not been modified over time. This included recommended revisions to removing abatements or modifying abatements, depreciation schedules for property tax, additional taxes in areas of our sector—for example—that have not historically been taxed. This includes things like haircuts or massages. Because we tend to be more of a service-based industry, these are areas that have not been identified historically as being taxable. They did reviews and made recommendations in areas that include those, as well as several others.

Chair Backus:
With respect to those other revenues that were suggested in the Commission on School Funding plan, do you know if the Governor, this session, has a plan or an anticipated bill that could start addressing these sources of revenue to try to get us aligned with those 10-year goals?

Tiffany Greenameyer, Director, Office of Finance, Office of the Governor:
I currently do not have that information in front of me, it would be my pleasure to get back with the fiscal staff and get you that information.

Chair Backus:
Thank you, that is appreciated.

Assemblymember Torres-Fossett:
I was wondering why the Governor did not find it practicable to recommend the statewide base per-pupil funding amount to increase by the combined rate of inflation and the growth of enrollment over this upcoming biennium?

David Lenzner:
As we understand it, the calculation for that increase would be an extra $240 million in General Fund over the biennium, and the state does not have that extra funding; it was deemed impracticable.

Assemblymember Torres-Fossett:
What legislative changes are recommended by the Governor to improve the methodology for determining public school funding pursuant to NRS Chapter 371.12455?

David Lenzner:
We did submit a bill draft request (BDR) for this purpose.

Assemblymember Monroe-Moreno:
You stated you submitted a BDR. Can you let us know when that BDR was submitted, and can you go into some detail so everyone knows what is in that BDR?

David Lenzner:
We submitted it last Friday, by the deadline. I do not have the details in front of me. We will get back to you on that.

Assemblymember Monroe-Moreno:
Can we get a general overview?

David Lenzner:
I am sorry, I do not have it in front of me.

Assemblymember Torres-Fossett:
Can the Subcommittee get a copy of that as soon as possible because I remember during the prebudget hearings we had the same conversation and that we were told by the Governor's Chief of Staff we would be receiving that information within a week or so. At this point, it has been over a month, and we have not received any information or any details. I do not believe any of my colleagues have met with them to get that information. I do find it pertinent we get that information as soon as possible. I do not think it is difficult to get ahold of this Subcommittee, nor is it difficult to get ahold of individual lawmakers.

Tiffany Greenameyer:
Yes, we did submit two budget BDRs to address the NRS in the PCFP. You should have those shortly, and I can address it with the Subcommittee and give you a copy if you would like.

The first budget amendment we addressed was putting the teacher raises in the auxiliary section of the NRS.

Chair Backus:
Just to clarify, Director, I take it that the one BDR you are referencing; the details would be that the tier one would be expanded from just transportation services and food services, to also include S.B. 231 of the 82nd Session type provision?

Tiffany Greenameyer:
Yes, that is correct.

Chair Backus:
Director Greenameyer, if you could also elaborate on the second BDR that I anticipate probably addresses this inflation issue.

Tiffany Greenameyer:
I do not have the second BDR. I can only give you a high level. We address a lot of those provisions in NRS 353 that makes up the PCFP as it is funded. We can talk more about that. I can send a copy if you would like.

Chair Backus:
That would be great if you could send that to our staff so it could be circulated—the sooner the better—we would really appreciate it.

Senator Scheibel:
I am hoping you can explain to us why the Governor is not recommending use of the NCEI in the 2025-2027 biennium.

Megan Peterson:
This was based on recommendations from the Commission on School Funding. Because the model currently has not reached optimal funding, in the event a NCEI adjustment was less than one, it would effectively reduce the allocation made to that school district. As a result, that would have a compounding effect of a loss of funding in an already underfunded system.

Senator Scheibel:
Are there school districts you have identified that would fall into that category?

Megan Peterson:
Yes, there were only two districts, Clark and Washoe, who would not have a negative impact from the calculation as it currently stands. It is a calculation that is updated on a certain basis and because of the way the costs change. One year, it could be a negative adjustment less than 1.99, and in a different year, it could be a positive adjustment 0.10. It has some fluctuations that are not known until that calculation is updated, and given that impact, it is not recommended to be utilized at this time.

Senator Scheibel:
What is the timeline for implementation of that adjustment for the PCFP?

Megan Peterson:
The Commission has recommended analyzing that until such time the model is optimally funded, at which point they would anticipate recommending applying the adjustment.

Assemblymember Torres-Fossett:
Can you discuss the rationale for projecting the flat enrollment each year of the 2025-2027 biennium?

Megan Peterson:
As we have been tracking enrollment over the last few years; the trends we have seen within the last few years seem to indicate relatively flat enrollment. If we projected increasing enrollment, that would potentially reduce the overall per-pupil amount available. Maintaining the current level was identified to be the best course of action.

Assemblymember Torres-Fossett:
What has the department attributed those trends to?

Megan Peterson:
We have seen a variety of impacts within the last four years. A large portion seemed most immediately to be related to the pandemic and parents keeping their children at home, opting for homeschooling. Also, when the pandemic hit, our state experienced a large decline in enrollment, most likely because people left our state due to job loss. We have seen that stabilize over the last couple of years, but initially, it seemed to be resulting from implications from the pandemic.

Assemblymember Torres-Fossett:
I believe homeschool parents are required to submit some type of form to the Department as well. Have we seen an increase of those forms being collected as we track that?

Megan Peterson:
Those are reported to the school districts. We have been reaching out to try and understand what they have been seeing and experiencing, but I do not have that with me today.

Assemblymember Monroe-Moreno:
What was the rationale behind shifting the cost from the auxiliary—the local special education and weighted funding categories—to the adjusted base per-pupil amount for the FY 2020 baseline school districts?

Megan Peterson:
When the FY 2020 baseline amount is calculated for the school districts, it is based on the total funding allocated to that district at that point in time. That effectively included what translates to all tiers of funding within the PCFP and then was put on a per-pupil amount. All tiers of the funding represented for the districts who are funded through the PCFP are reflected in that single per-pupil amount. If you are adding and accounting for those after that per-pupil amount, you have duplicated those adjustments.

Assemblymember Monroe-Moreno:
Was it studied how these changes would impact before it was included in the Governor's recommended budget?

Megan Peterson:
Yes, that is how we identified what had transpired, and based on the intent of the law, we updated the calculation to align with that intent.

Assemblymember Monroe-Moreno:
You say there was a study done; how was it studied, what the impact would be before it was added?

Megan Peterson:
I analyzed the calculations and did a comparison.

Assemblymember Monroe-Moreno:
We do have the Commission on School Funding. What input, if any, did they provide before these changes were made?

Megan Peterson:
The Commission on School Funding has not historically been involved in the budget-building process, nor the individual mechanics of how some of those applications are applied.

Assemblymember Monroe-Moreno:
The school districts will be impacted. What was the communications with the school districts about this change?

Megan Peterson:
Once the final Governor's recommended budget has become available, we do meet with the school districts and go over the impacts of the proposed changes within the plan. Pending today's presentation, we are going to be meeting with all school districts to share that information like we have in the past.

Assemblymember Monroe-Moreno:
You wait to meet with them after this meeting or you have met with them already—had some conversation or would have an additional conversation after this meeting?

Megan Peterson:
It will be after this meeting. We have these meetings with the school districts once the presentation has been made. That way we have all feedback and can take it to them at that time.

Senator Dondero Loop:
Why is it being recommended the FY 2020 baseline school districts are excluded from receiving a proportional balancing adjustment to their adjusted base per-pupil amount, similar to the other school districts, charter schools, and university schools?

Megan Peterson:
When the per-pupil FY 2020 baseline amount is calculated for the school districts, that qualified is inclusive of all the tiers of funding, and based on our understanding of the intent, they are not to receive less than the FY 2020 amount. If we were to reduce that, we believe that was in conflict with the intent of the statute.

Senator Dondero Loop:
How was the impact of this change studied before being included in the Governor's recommended budget?

Megan Peterson:
It is part of the budget-building process that we use as we update the model for the agency request, and the Governor's recommended stages of the budget-build.

Senator Dondero Loop:
As you built the budget, you took into account the impact of this happening? Is that what I am understanding you to say?

Megan Peterson:
That is correct.

Senator Dondero Loop:
Then what input again—if any—did the Commission on School Funding provide in this change?

Megan Peterson:
They did not, as I mentioned, as part of the budget-build process, the Commission on School Funding is not historically involved in the mechanics of building the model.

Senator Dondero Loop:
We have this Commission on School Funding—we have these expert people who are involved in the funding of school districts in the state. We are not asking them for any input on what they have studied. Why is that?

Megan Peterson:
As with all the adjustments and part of the budget-build process, that stage of it is confidential—as you may know. There are other adjustments made, such as the addition of funding for the salary adjustments and transportation in the auxiliary tiers of funding. Those were not addressed with the Commission as part of the budget-build process.

Senator Dondero Loop:
We have this Commission doing this studying and I understand you saying there is confidentiality, but we have entrusted this Commission being selected to study this and give us the expert opinions they have as financial people, and we are not using it. It is confusing why we would not do that.

Chair Backus:
Why is the Governor recommending online schools within the school districts receive FY 2020 baseline funding services to receive the adjusted base-per-pupil amount, as opposed to the statewide per-pupil amount for the pupils attending the online schools?

Megan Peterson:
This was based on a recommendation from the Commission on School Funding. When they reviewed the impact that would have, the statewide base per-pupil amount, typically, is lower than their FY 2020 baseline funding amount. In alignment with the other changes that were made. This would conflict with the intent of the FY 2020 baseline funding and was recommended not to be changed.

Chair Backus:
I get that this recommendation came from the Commission on School Funding, but when we look at other aspects, such as the funding model balancing adjustment, was there a reason why the Department relied on the Commission on School Funding recommendation in this area? You testified today that you have not consulted them or relied on that for the other areas.

Megan Peterson:
In part, the Commission was specifically tasked with looking at the impacts of moving online schools to a statewide amount, instead of the FY 2020 baseline. In other situations, it was the result of working through the model in the budget-build process and identifying those gaps, then making a determination based on what we understand the intent to be to align those activities.

Assemblymember Yeager:
It looks like enrollment projections are slated to increase for the EL and the gifted and talented, but I see that at-risk students are projected to decrease by a little over 13,000 students, which is about 21 percent. I think the idea was that you cannot be counted in multiple weights. It looks to me like the EL students from 2025 to this biennium are going to increase by about 2,200-plus, but the decrease to at-risk is about 13,000. I am wondering what accounts for that gap? If those at-risk students are not all being moved to the other weights, what happened to those additional approximately 11,000 students who are no longer going to be in that category?

Megan Peterson:
We have been studying and analyzing this and when you look at the unduplicated counts, there was an increase in the overall count of students identified in the at-risk category. We went from approximately 92,000 students identified to 95,000 students identified. What you are seeing in reduction of the at-risk level is an increase in both the count of students identified as receiving IEP (Individualized Education Plan) and EL.

Assemblymember Yeager:
If there is an increase to the number of at-risk students, why would there be a 21 percent decrease from the number of students who are receiving that funding? I might be missing something, but if you could help me understand that a little bit more—it seems like we would have more at-risk students if the count were increasing.

Megan Peterson:
That is because we saw a significant increase in the number of students who are in the higher weighted categories; special education and EL. We can see a direct correlation in the increase of the special education students who would come out of that count, then our EL students who came out of that count as well.

Assemblymember Yeager:
I saw there is an increase in English language learners, but you are saying there are also increases in special education. Do we think that accounts for what is essentially a decrease of 13,000 who are getting the at-risk—that all of those are essentially in another category, and that is why they are not in the at-risk category this time around?

Megan Peterson:
That is correct.

Assemblymember Yeager:
I know the Commission on School Funding looked at this, but can you discuss the rationale for continuing to utilize the Graduation Related Analytic Data (GRAD) Score within the Infinite Campus system to identify at-risk pupils?

Megan Peterson:
Yes. The Commission on School Funding and the State Board of Education have spent a considerable amount of time on this topic, and we have been analyzing and reviewing alternative options. At this point in time, the Commission is recommending to continue utilizing that metric, and to study and analyze it while identifying if there are other alternatives. To this point, this has been the most comprehensive indicator that has been identified to address multiple areas of a student matrix to assist them with meeting their needs to be successful.

When we look at other indicators, such as free- and reduced-price lunch or direct services, they are a single indicator. Oftentimes, we are not able to necessarily identify students or parents who are not advocating for their students. Within the GRAD Score, whether you are identified or not, or your parent is actively engaged or not, you do receive a score, and the system does provide the ability and access to look at those students and individually identify what it is that would have the most impact on the success of that student. Based on that information, it is recommended to continue using at this point, until such a metric could be determined to provide as robust support as possible.

Assemblymember Yeager:
I did note the Commission on School Funding is going to continue looking at this and provide recommendations, and I am anxious to see if that changes at some point. I did note when they looked at this the last time, I think they had some issue with the moniker "at-risk pupils" and were recommending a change to call it a student success support or something different in terms of terminology. Do we believe the Governor is going to be recommending any legislation to address that recommendation from the Commission on School Funding regarding, at least, the changes to what the weight is called in the funding formula?

Tiffany Greenameyer:
I will have to look into that. I cannot recall offhand if that recommendation came through, but I will get back to you.

Assemblymember Yeager:
I appreciate that. It does look like there was some concern, and I think that would require a legislative change because the weights are specified in statute. When you have that answer, I would appreciate knowing that.

Chair Backus:
Would the distribution of the salary adjustment fund for school districts align with the distribution methodology of S.B. 231 of the 82nd Session—I know you have a bill, but with respect to the calculation that is proposed in tier one?

Megan Peterson:
That was why the model was built with adding that level of funding to tier one. It ensures the dollars can be transferred back to the districts based on the subgrant agreements we have in place once a district had received approval from the IFC. The amounts were built into the model based on how they were allocated and approved.

Chair Backus:
To understand that—because not all school districts took 100 percent of the potential allocations under the S.B. 231 of the 82nd Session formula—did you use the S.B. 231 formula, or just base it on the subgrants that were awarded by the IFC?

Megan Peterson:
It was based on what was approved by the IFC.

Chair Backus:
What is the Department of Education or the Governor's Finance Office plan to conduct research or survey charter schools to determine if the count of their teachers and education support professionals warrant salary adjustment funding comparable to the Washoe County School District?

Megan Peterson:
The Department is currently working with the State Public Charter School Authority to analyze and come up with a methodology that would align with the intent of the dollars, while honoring the funding that is available.

Senator Cannizzaro:
Your answer to my colleague's question has prompted another question from me because if I heard that answer correctly, you are looking into how you would distribute that based upon the dollars available. Do you have any parameters, or are you doing this for every teacher and for every support staff? Is the intent to provide it for teachers and support staff in the charter schools? Have you determined which schools fall within that? Are you doing this based on teachers who are licensed? Do you have any idea about that other than you are trying to figure out how to meet intent with the space of the dollars available?

Megan Peterson:
We are still working through what all those details look like. In part, we are waiting for the language to come out on what the expectations were around it; but it is broad and that is why we are looking at all options. It is a new experience for us that we are trying to navigate.

Senator Cannizzaro:
I guess it is concerning when we have an amount that has been allocated for the charter schools for these raises. That is part of this budget presentation, but no parameters around how those dollars are being distributed or allocated to the schools; whether it includes teachers and staff or any sort of indication on that. I am struggling with some of the information we are receiving this morning because there does not seem to be a lot of clarity, and I am not sure if that is just an unwillingness to share clarity, or if we are just not sure. We are at this point in reviewing budgets, and we are just not sure. That is a little concerning because we have an amount that you are asking for in terms of raises to include charter schools, which I think is a laudable discussion, but how is it you are allocating those dollars? There does not seem to be any indication of what those considerations are or how you arrived at that amount.

Tiffany Greenameyer:
The amount was a comparable amount to Washoe; that is how they got to the $19 million a year. As to the parameters about how it is going to be allocated, I will have to get back to you on that. We can discuss it.

Senator Cannizzaro:
We are saying this is about the same size as Washoe; therefore, it should be about the same amount of money, but without any further detail, or any sort of indication on how you arrived at that number. That is difficult—I hope we will get some information because I was expecting that at this budget hearing there would be information to give us on that.

There are a couple of other items here and on some of the answers we have heard today; there are times where—for example—when we were doing the cost indexing piece. The answer was that the Commission on School Funding had not recommended that, and that was not included. Then there were other questions by various colleagues about, Did you talk to the Commission on School Funding as it relates to some of these other funding pieces? It was, We are not working with the Commission on School Funding because we do not believe that is something we really needed to talk to them about. How are you making these differentiations between what you are going to say? The Commission on School Funding said this, that is why we are going to incorporate that, versus, We are just not going to talk to the Commission on School Funding on some of their recommendations we are not going to consider. How are you making those distinctions? How is the Governor's Office making the distinctions of when they are going to follow the Commission on School Funding recommendations, and when they are not going to follow the Commission on School Funding recommendations?

Megan Peterson:
When we go through the budget-build process, where there is scope specifically identified within the Commission on School Fundings purview, their recommendations are considered and incorporated. There are areas within the budget-build process that do not fall within the scope of the Commission on School Funding; that is when they frequently have not been involved in the budget build process.

Senator Cannizzaro:
I think the questions from some of my colleagues—for example Senator Scheibel asked about the cost indexing piece, Well, the Commission on School Funding made that recommendation, therefore, that is what we are sticking with, which is fine. Then there were questions from my colleague, Assemblymember Yeager, about some of the other pieces of the Commission on School Funding, or some of these other funding mechanisms from some of my other colleagues. The answer was, We are not considering that because we did not believe they should weigh in on those pieces. I struggle a little bit with that because while I am not saying, bring them in and do budget build with them, but there are times where you are looking at what work has been assigned to the Commission on School Funding. Certainly, you could have made the same decision and said we are not going to go with the cost allocation piece the Commission on School Funding is recommending, but you did. It is a little tough when we are trying to ask questions about some of these recommendations from a body that we have tasked with looking into these things and making recommendations so we can bring them to the Legislature so they can be part of this budget conversation. We are sort of picking and choosing when it is appropriate and when it is not.

Can you talk to us about why salary adjustment funds are being recommended as a tier within the PCFP, as opposed to a categorical program within the Department's Other State Education Programs budget account?

Tiffany Greenameyer:
The decision to keep it into a tier was to make sure all school districts are equitable. That is the reason why it was not put into the formula; because if you ran it through the formula, there would be winners and losers on receiving those dollars.

Senator Cannizzaro:
When it runs through the formula, you are basing it on per-pupil when those funds were allocated based upon the number of staff and teachers within each of those schools, then a pro rata distribution based upon the available funds. That is how IFC came to that calculation, and why we wanted that information from the school districts. What we are seeing in the Governor's recommended budget is still placed within the tier for the PCFP. There are other parameters that now will apply with respect to how the PCFP adjusts with revenue and inflation, as opposed to keeping it as a categorical in those other educational expenses. What was the rationale—because I am not talking about putting it into the formula, I am talking about whether you would keep it as a separate categorical versus keep it in the tier within the PCFP?

Megan Peterson:
With implementation of the PCFP, the intent was to streamline and reduce the number of categorical funds we have available. In honoring that, and keeping it aligned with the population of students who are being served, it seemed most appropriate to keep it within the PCFP. When we start adding these funds back to other budget accounts and categorical funds, we start to end up in that situation where which part of the funding should be calculated as part of the total per-pupil that the state is spending, and which is not. Based on all the efforts we just went through to try and standardize and combine that funding, it did not seem pertinent to put that into another categorical set of funding.

Senator Cannizzaro:
If this program is approved within the PCFP, how would that impact other categories of funding during economic downturns?

Megan Peterson:
That is partially why it was recommended to be put into this tier. Like with transportation and local special education funding, this would be the first set of funds to come off and would be ensured to maintain the same level of funding before reducing any of the funding downstream.

Senator Cannizzaro:
Why is the Governor and Nevada Department of Education recommending distributing the funds as a tier through the PCFP formula, as opposed to other methodologies?

Megan Peterson:
I think we have touched on this a little bit today. Given the fact that those were dollars negotiated with labor unions and are tied to contracts, maintaining that funding so the districts could honor it, seemed most appropriate to keep it in this tier of funding.

Assemblymember Yeager:
Going back to at-risk for a second, I was looking at NRS 387.1211, which defines at-risk as those who are within the quintile of pupils, which I think is 20 percent. It is not a word I use that often. I did notice the Commission on School Funding recommended removing the quintile provision from statute in favor of a threshold that would be revised every biennium by the State Board of Education, to remove that 20 percent cap in NRS. My question is whether we believe the Governor is going to bring legislation to do that based on the recommendations of the Commission on School Funding, or if you have any other light you can shed on that? I do not think they were recommending to expand the 20 percent right now because we do not have the revenue. It looks like they wanted to take it out of statute to have more flexibility.

Megan Peterson:
That is part of ongoing conversations in terms of budget implementation, but I did want to clarify; it is the percentile of performance that students are identified to fall into. When the recommendation was initially put in place to move to this metric, that was a starting point for analysis. That is why the Commission was wanting to update that if it was determined we had a larger net than we needed to capture the students appropriately; then that would be available to be adjusted, as needed, to meet the needs of the students.

Assemblymember Yeager:
For the last interim, FY 2023 and FY 2024, could you talk about the kind of charter school transportation costs that were reimbursed under the money we allocated from the last biennium?

Megan Peterson:
As I have understood in working with the State Public Charter School Authority—and if we need, I have additional support for more clarification in the audience—initially, for many of those schools, this was a startup opportunity for them. Many things they purchased—like vehicles and registration to operate them—it did take a little bit of time to get that up and running for the first year. As I understand it, some had challenges registering and things like that. As that has gone on, almost all the funds have been obligated for FY 2025 at this point. At this point in time, for many of them, it is the startup costs of procuring the equipment, the staff, and the supports to run those programs.

Assemblymember Yeager:
I noticed in this budget recommendation, it includes $8 million in FY 2026, and $9 million in FY 2027. Could you talk about how those numbers were determined and whether that would be sufficient to provide equitable funding for charter school transportation costs?

Melissa Mackedon, Executive Director, State Public Charter School Authority:
This fiscal year, we have 27 schools offering transportation. To equitably fund those schools, we would need $9 million each year of the biennium. The important thing to note is, that does not allow any additional schools to add transportation. We have five new schools opening next school year and they are hopeful to be able to apply to offer transportation, but to fund them equitably, this would not be enough. There are other ways we could do it outside the amount that is awarded in each district for transportation funding; we are working through that with the NDE.

Assemblymember Yeager:
I think our note said $8 million and then $9 million; I think you said $9 million. How were you intending to distribute that amount among the charter schools in the upcoming biennium? It sounds like you were going to make sure that those who already have transportation programs would be able to maintain that funding. Could you confirm that again, for the record, or whether there is going to be some other methodology to look at distributing that money?

Melissa Mackedon:
How we funded it the last biennium was on a grant application. Of course, we would love to have it flow through the auxiliary funding the same way, but since it does not look like there is going to be enough funds to do that, we would probably do something very similar where it is a competitive grant basis.

Chair Backus:
Right now, you have the 27 schools that could be continued, but one of the big expenses I noticed—especially in FY 2024—over half of the funds distributed included the purchase of vehicles and equipment. I anticipate the schools that exist already and are utilizing the grants would not need those capital expenditures. Does that free up funds for the new schools? How is that involved in the equation of when you are granting funds to the various charter schools to ensure that is equitable among all of them?

Melissa Mackedon:
That is a great question. Certainly, that is somewhat true; but what is also true is most of these charter schools started off on a very small scale—like one vehicle; two bus stops. They really were not touching a massive amount of students. Each of these schools that are operating are hoping to grow their operation; they started off small, and they want to see that

grow. Now obviously, we have to be cognizant of these new schools that are coming on, and that is why if the funding is not available, we will more than likely continue to do it through a grant application.

Assemblymember Torres-Fossett:
I am wondering how it was determined that the $17 million in General Fund appropriations would be removed from the PCFP budget account and instead provided as a one-time General Fund appropriation.

Megan Peterson:
My understanding is as the Office of Finance has been working through the reconciliation of the budget, given the ongoing obligations of including it not as one-time funding, it exceeded the authority available; therefore, it was recommended to be moved to a one-time funding for the biennium.

Tiffany Greenameyer:
It was recommended to continue as one-time funding through this biennium because there was one-time funding in this biennium; we are continuing that on.

Assemblymember Torres-Fossett:
What is the Governor's long-term plan for funding the transportation costs for charter schools because it should be part of the budget instead of constantly coming back to the Legislature asking for one-time General Fund appropriations.

Tiffany Greenameyer:
As we go into the next biennium, as funding is available, it will be put in as ongoing. If it is not available, we will do the same thing and put it in as a one-time. It all depends on the Economic Forum bringing in the revenues and what is projected. If there is not enough ongoing revenue to cover it, we are going to have to put it in one-time.

Chair Backus:
Director, regarding the BDRs that were submitted earlier, I had inquired about the Commission on School Funding's recommendations to look at those revenue enhancements—look at a 10-year projection of what could be done so we could reach some sort of optimal funding for our public education. In those two BDRs, did that address any of the Commission on School Funding's recommendations to take a deep dive at the revenue sources?

Tiffany Greenameyer:
No, that is not in the BDR I submitted, but it can be considered.

Chair Backus:
Members, do we have any further questions on budget account 203-2609? [There were none.] We may have some overlap when we go into the other budget items—if we do, we will go ahead and let that happen. We will move on to the Education Stabilization Account 203-2608. Feel free to start when you are ready.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - EDUCATION STABILIZATION ACCOUNT (203-2608)
BUDGET PAGE K-12 EDUCATION-23

Megan Peterson, Deputy Superintendent for Student Investment, Nevada Department of Education:
This is the account that has been established effectively as the rainy day account for the Pupil-Centered Funding Plan (PCFP) [page 38, Exhibit C]. There are two mechanisms I addressed earlier in terms of how this account can be funded. There is a third option. As a quick overview and reminder; in the event that revenues are received at a higher rate than initially projected through the legislatively approved budget, any unexpended funds resulting from that would transfer to this account. Conversely, if enrollment did not materialize at the level it was projected, and was less than that, any of the unexpended funds as a result would also transfer to this account.

As a third option, when school district ending fund balances at the end of the year are calculated to exceed 16.6 percent of their authorized budget, then any amount that exceeds that would also transfer to this account. There is a grandfather clause that raises the 16.6 percent based on what it was when the implementation of the PCFP began, but as that reduces over time, it resets that threshold, and any excess would transfer to this account. At such a time when this account exceeds 20 percent of the legislatively approved amount for the PCFP, those funds would transfer at the end of the year to become available in the next biennium to assist in increasing the per-pupil amount available through the PCFP. Based on the mechanisms of this account, there were no enhancements included, except to account for interest earned. As you can see, those projected amounts are on this slide for FY 2026 and 2027 [page 39]. Currently, this fund is sitting at approximately 15.5 percent of the FY 2025 appropriations. We are still away from the 20 percent, and we are not projecting it to change much for FY 2026 and FY 2027 at this time.

Assemblymember Jauregui:
When does the Department anticipate requesting Interim Finance Committee (IFC) approval for the permanent transfer from the education stabilization account to the PCFP in FY 2025 due to the revenue being less than projected?

Megan Peterson:
We are continuing to monitor and track that. Unfortunately, until the fiscal year closes and we know what the final revenues are, we are not able to provide an accurate number. We will be working with the Fiscal Analysis Division to provide updates and projections as we get closer.

Assemblymember Jauregui:
Have you thought about the ramifications if the education stabilization account balance becomes too low to adequately provide cash flow assistance to the PCFP?

Megan Peterson:
Yes. We have been in conversations with Fiscal Analysis Division staff, the Governor's Finance Office, and the Treasurer's Office, to try and identify options to mitigate these challenges.

Assemblymember Jauregui:
Have you identified any, or have you come up with any solutions?

Megan Peterson:
We are working through some solutions. I do not have specific details because there are a number of variables we are still working to validate, but we are looking into different options that may be available.

Assemblymember Jauregui:
Did the Commission on School Funding have any recommendations in case the Education Stabilization Account becomes too low?

Megan Peterson:
That was not a topic that had been identified to discuss during this biennium given the timing and the capacity of all the other topics we had to cover and based on the timing of how the cash flow has been falling out. The Commission was required to conclude their activities in December, and this was a more pertinent conversation that came up starting in January. We were not in session when we began these conversations.

Chair Backus:
We would be very interested in it due to last session. We provided the ESA (Education Saving Account) as a way to assist when the timing of the revenues come in and it looks like we are going to be in a situation, especially for FY 2025, where the ESA account is going to be a lot lower to cover those. Whatever you find out, we would love to be looped into that, especially our staff, so we may be able to account for that as we are closing these budgets and addressing issues going forward.

Members, are there any more questions regarding this account? [There were none.] We will go ahead and move on to budget account 101-2619, Account for State Special Education Services.

EDUCATION
DEPARTMENT OF EDUCATION
NDE - ACCOUNT FOR STATE SPECIAL EDUCATION SERVICES (101-2619)
BUDGET PAGE K-12 EDUCATION-137

Megan Peterson, Deputy Superintendent for Student Investment, Nevada Department of Education:
Budget account 2619 is a second set of funding available for our state special education. This is federal special education funding provided through what is known as IDEA (Individuals With Disabilities Education Act) Part B funds for students. Then we have a state portion provided through this budget account, in addition to the funding that is provided locally as a transfer from adjusted base funding for districts.

Within this budget account, we also have the contingency account. These are funds set aside for districts or charter schools who receive a student who has higher costs than normal. These costs are absorbed within their budget, and they have the ability to come to the Interim Finance Committee (IFC) to ask for supplemental funding. By statute, this account is required to maintain a $2 million balance. That is reflected as part of the Governor's recommended budget in the second table on this slide [page 42, Exhibit C]. Within this account, we also have the main portion of the state special education funding in expenditure category 19. This provides funding for special education services for students who have individualized education plans up to 13 percent of the district, or the LEAs (Local Education Agency) total population of funds. Given the requirements from the federal level to maintain this level of funding regardless of the economic situation of the state, this was recommended to have a 2 percent COLA (cost of living adjustment) in addition to the same level of funding from the prior year, for a total of $256 million in fiscal year (FY) 2026, and $260 million in FY 2027.

Assemblymember Monroe-Moreno:
Looking at backup notes, it looks like pupils with disabilities at the Clark County School District (CCSD) and the charter schools sponsored by the State would receive a lower weight than they otherwise would have been eligible for. With this calculation of the state funding distribution methodology for the state special education program, what are the ramifications for providing the CCSD and the charter schools sponsored by the State Public Charter School Authority funding for state special education with the state multiplier that is less than the English learner (EL) weight of the 0.45?

Megan Peterson:
When we do that analysis, we are not analyzing it at the individual district or LEA level. It is in total for that pot of funding. While an individual LEA may have a lower effective calculated multiplier because in total the multiplier for that entire pot of funding exceeds those weighted categories within the Pupil-Centered Funding Plan (PCFP), the students still receive that higher weight. Additionally, because of the federal requirement for students to receive the funding, they are identified for the state special education funding regardless of what the weight would be in comparison to those identified within the PCFP.

Assemblymember Monroe-Moreno:
Then special education students in the CCSD are not receiving a lower amount than at other school districts?

Megan Peterson:
To back up a little bit more on the total methodology. In 2015, the state transitioned from a teacher allocation methodology to a pupil methodology within special education, similar to the hold harmless or the FY 2020 baseline provision in the PCFP. In order to transition to the allocation methodology, there was a hold harmless policy put in place with the special education funding. When doing the individual calculation within those districts from year-to-year, the effective multiplier calculated off of that varies, and in some cases, can be less than a sister LEA. Over time, the intent was for those dollars to normalize and for everyone to meet the target multiplier for that category. However, enrollment and within the LEAs increases and fluctuates at different rates, which in some cases can delay the amount of time for coming back to that standard 0.46 as it is currently. In previous years, we have had six or seven LEAs who have been in that situation where the effective per-pupil amount is less than some of the other districts. Over time, that has reduced, and we are now down to only two; the SPCSA (State Public Charter School Authority) and Clark County are receiving a lower amount, but as time goes on, that is normalizing.

Assemblymember Monroe-Moreno:
The Governor is recommending a General Fund appropriation of just over $287 million over the biennium for the salary adjustment tier within the PCFP. Is the recommendation to continue the 2 percent roll up, duplicative of the funding for salary increases?

Tiffany Greenameyer, Director, Office of Finance, Office of the Governor:
I do not have the exact answer and would like to get back to you on that so it is clear. I do not want to give you incorrect information.

Assemblymember Monroe-Moreno:
Also, could you let us know why the funding for the 2 percent roll up continues to be budgeted since the state has largely moved to a revenue-based model for providing K-12 education funding? When you get back to us on that, will you get back to us on both?

Tiffany Greenameyer:
Yes.

Assemblymember Monroe-Moreno:
Going back to the Commission on School Funding, again, could you let us know why the funding for the Commission on School Funding's recommendation to transition from the funding of the State Special Education Program to a phased-in per-pupil distribution methodology was not included in The Executive Budget? I know you have mentioned they are not part of the budget process, but you have also talked about use of some of their recommendations in other parts of it.

Megan Peterson:
We can follow up with you when we respond with those other questions regarding that clarification.

Senator Dondero Loop:
Given the Department of Education has effectively been increasing the state special education program funding each fiscal year by $1.5 million, and they are providing that 13 percent categorical funding on the ongoing basis to school districts, why did they not request this change in prior budgets?

Megan Peterson:
To ensure I understand, are you asking why the $1.5 million was not included as an enhancement in the base funding in prior years?

Senator Dondero Loop:
Yes. Why did the Department not request this change in prior budgets?

Megan Peterson:
That was a learning opportunity for our staff when they took over the budget account. The policy implementation was not clear. Historically, it was understood the funds were included in the amounts that were legislatively appropriated. It was a gap in understanding of the budget policy.

Senator Dondero Loop:
Does the $1.5 million per year allocation provide enough funding to sufficiently address the provision of NRS 387.122, which indicates if the number of enrolled pupils with disabilities exceed 13 percent of total pupils, an apportionment shall be made to the school districts and charter schools equaling one-half of the statewide multiplier for pupils with disabilities, or will the Superintendent of Public Instruction need to proportionately reduce the amounts apportioned to each school district and charter school?

Megan Peterson:
When that $1.5 million is made available each year for the students who exceed the 13 percent cap, that represents an ongoing obligation for those school districts and charter schools that receive those funds. That is where the mechanism and the gap in budget policy of adding that as a separate enhancement into the base funding each year to maintain that level of funding for LEAs was previously missed. That is included in the Governor's recommended budget before you today. For the second portion—that is a new calculation done each year because the percent of pupils within each LEA who are eligible for that additional funding changes each year. That pot of funding was not recommended to be renewed for this upcoming biennium.

Senator Dondero Loop:
Just to clarify, it was not suggested or recommended that this be continued?

Megan Peterson:
For this upcoming biennium, it was not recommended to be funded.

Senator Cannizzaro:
Can you talk about why the 13 percent limitation in statute is not recommended to also be eliminated with the elimination of the 13 percent supplemental funding?

Tiffany Greenameyer:
When the original Governor's recommended budget was being built, that was considered as a cost savings. My understanding is that is why it was not put in the budget.

Senator Cannizzaro:
Yes. The supplemental funding was not included. However, why is that 13 percent limitation in statute not also recommended to be eliminated?

Tiffany Greenameyer:
I am sorry, I did not catch that. If that was the case, I would have removed it—sent a budget bill draft request and removed it.

Senator Cannizzaro:
Is there a plan to do that, or now because there has been some change with the budget amendment, that is no longer the case; we are not pursuing that?

Tiffany Greenameyer:
I would like to give you a clear answer on that. If you do not mind, I can get back to you on that and we can have a full understanding if we need to submit something to remove that 13 percent, or not.

Senator Cannizzaro:
Yes. I think getting some clear information on that would be very helpful. Potentially, this next question probably falls in that same category of some information that we are going to expect to get after this hearing. Why is NRS 387.122, subsection 2, that requires some state funding for special education pupils who exceed the 13 percent funding cap not being recommended for elimination? Maybe that falls in the same situation of us getting some additional information and a clear answer following this hearing,

Tiffany Greenameyer:
Yes. I am going to have to follow up and do some research on that, and I can come back with a very clear answer for you.

Senator Cannizzaro:
Can you tell us how this recommendation was studied or considered by the Commission on School Funding?

Megan Peterson:
The Commission on School Funding scope lies within the PCFP, which pertains to the four tiers I had mentioned earlier. Special education funding has not historically been identified in that umbrella, with the exception of the legislative letter of intent that was provided from the last session.

Senator Cannizzaro:
We will look forward to getting additional information on some of these answers.

Chair Backus:
I believe, in response to Assemblymember Yeager's inquiries about the at-risk number decreasing by about 13,000, I think about 3,000 of those students got reallocated, whether it may be to the EL, but there was about 10,000 left over. I think you had indicated those students may have moved over to the special education category. When I looked at just the numbers from FY 2025 to FY 2026, it does look like we have that increase in projected special education enrollment. One of the things I did see is when we applied the 13 percent cap, we suppressed those kids down from about 7,000 students who now are not in any weighted category, and now we are not applying the additional $1.5 million out of each fiscal year to address the 13 percent cap. What is the plan for those 7,000 students who should probably be allocated some sort of weight; where are they going to fall?

Megan Peterson:
That is when we would go back to the application of the filters used to determine those counts. If they were not identified in a higher category, which in this case would be the EL (English learner) count, and they were identified as at-risk, the at-risk count would be updated to reflect that appropriately.

Chair Backus:
I do not know if it would be a budget amendment or what we are going to do. I look forward to seeing that because that will adjust what we are doing for our per-pupil calculation.

Members, do we have any other questions for the Department or the Governor's Office of Finance regarding this? [There were none.] With that, we will move to our last item on our agenda, which is public comment. I will go ahead and start in Las Vegas.

Amanda Morgan, Executive Director, Educate Nevada Now:
I have submitted more detailed written testimony [Exhibit D]. I want to bring up a couple items this morning. First and foremost, we have deep concerns with what we are hearing on the ground, which is that schools developing their budgets for next year with the proposed executive budget figures are having to make cuts to staff and services. This budget does not appear to honor the intent of the law, which is to increase new funding from the State General Fund to the PCFP at a rate comparable to state revenue growth. Instead, it appears that teacher raises allocated last session are being moved into the PCFP, and it is being characterized as an increase, but it is essentially just relabeling those funds. The practical effect is schools will not see new funds, and will experience cuts and larger class sizes, and those previously allocated raises are improperly being characterized as a tier one service to move them into the PCFP. By law, tier one should only be food service, transportation, and similar services. Any effort to change this is just playing games to avoid their obligation. We urge the State to fund teachers and apply the intended increases in per-pupil funding. That is the only way we are going to meet the goals set forth by the Commission on School Funding. We are concerned that budget does not move us forward, and apparently to the tune of $240 million. Thank you again for your commitment to Nevada students, and we look forward to what is to come.

Chair Backus:
We will go ahead and move on to Carson City.

Alexander Marks, Deputy Director of Field and Communications, Nevada State Education Association:
In a cold rebuke of the Commission's work and progress you all made last session, the Governor's initial budget recommendation proposed to reduce the per-pupil funding. In a recent hearing, they said funding will increase by just $2 per-pupil. Instead of working to pass the plan, the Governor prepared to write a $2 check for Nevada's kids [Exhibit E]. While this check is comical, the consequences are not. Two dollars will not keep up with inflation or the 3.5 percent PERS (Public Employees Retirement System) increase. It will not cover basic classroom supplies like pencils, crayons and glue sticks. In 2022, the Commission on School Funding presented a clear research-backed road map to reach optimal funding within 10 years. Even after record increases to education funding last session, Nevada still trails the national average by more than $4,000 per student. That is why we say pass the plan, stay on track toward optimal funding, including making a $700 per-pupil increase over the next two

years. In Senate Bill 543 of the 80th Session, the Governor is required to recommend increases to the education fund that mirror increases to the State General Fund. This December, that number was $5.4 million over the biennium. Instead of increasing the per-pupil funding by this percentage, the Governor used budget sleight of hand, moving 231 [Senate Bill 231 of the 82nd Session] monies from the State General Fund to the education fund. While these monies are needed to sustain educator raises, this is not new money. This switch allowed the Governor to increase the education budget by a significantly lower rate and this flies in the face of the legislative intent of S.B. 543 of the 80th Session. Two years ago, we called for Time for 20, which raised concerns about S.B. 231 of the 82nd Session one-time funding structure, which complicated bargaining and opened the door for the Governor's sleight-of-hand creative budgeting. Still, progress was made, and many districts did secure 20 percent raises, but no continuing progress on educator retention is seen in this budget. With no consultation with the Commission, it is no surprise the Governor's budget is a step back on the progress you all made last session. We ask you to reject this cynical budgeting gimmick that is essentially a de facto cut in education. Instead, follow the Commission's recommendations, close property tax loopholes, and update the sales tax base. Pass the plan and ensure Nevada can reach optimal funding in 10 years.

Kerri Finn, Private Citizen:
I am a clinical aide with the Carson City School District. I am also president of the Carson Educational Support Association, and a member of the Teacher and Educational Support Professional Recruitment and Retention Advisory Task Force. The following comments are my own personal views and do not reflect the opinion of the above groups mentioned. However, these concerns are widely shared by many within our public education system. Public schools serve 90 percent of Nevada students, and a strong public education system is crucial for addressing inequities, opportunity, and resources. But when funding falls short, it leads to overcrowded classrooms, fewer staff, and outdated resources, ultimately leaving our most vulnerable students behind. A $2 increase per student is not enough, especially when Nevada is already $4,091 short per-pupil. The gap is widening, and we need a substantial long-term investment in education. The Commission on School Funding's Plan for a $700 per-pupil increase will help retain quality educators and support staff, while improving student achievement and strengthening Nevada's economy. We need to pass the plan. When educators are underfunded and overwhelmed, burnout is inevitable. This directly affects student outcomes and school culture. The rising cost of education and living makes it clear. We need more progressive revenue sources such as wealth tax, millionaire tax, and closing business tax loopholes. This is not just a budgetary issue; it is a moral imperative. We must invest in Nevada's children and ensure every student and educator have the resources and support they need to thrive. I strongly urge you to support and pass the plan to ensure Nevada's education system continues to improve and all Nevada students are given the opportunities they deserve. [Written testimony was also submitted.]

Sky Sessions, School Counselor, Washoe County School District:
This is my 21st year. I am also a proud member of the Washoe Education Association and a parent of two students going through our school district. I want to start by expressing my sincere gratitude for the investments you made in education during the last legislative session. These funds have created meaningful improvements in our schools, helping to increase academic and mental health supports, which have had a positive impact on student engagement. Thank you truly for your commitment to our students. I am here today to urge you to continue with that commitment. Nevada remains well below the national average in per-pupil funding. Before last session, Clark and Washoe Counties were in the bottom 5 percent of districts nationally. This is why I am concerned that the Governor's proposed budget includes a base funding increase of only $2 per student. To put this in perspective, this calculator, used in my school daily, cost $10 [Exhibit G]. This proposed increase would not even cover 20 percent of this essential learning tool for a single student, let alone address inflation or required Public Employee Retirement System contributions for employees.

On a personal note, I struggle quite a bit with reality that I cannot truly know all the students on my caseload. I constantly worry that I am inadequately supporting their vast needs. With counseling ratios in Nevada at an average of 450:1, and our state continuing to have the largest class sizes in the country, I know I am not alone. This unsettling statistic is compounded by the fact we still have over 1,000 teaching vacancies statewide. If we want to be able to fill this massive gap with highly qualified educators, we must do more. The Commission on School Funding has provided a 10-year road map to reach optimal funding. I urge you to follow this plan. Our great state of Nevada demands a stronger future, and that future can only be achieved as a direct result of choosing to invest in our children. Thank you so much for your time and consideration as well as for your hard work and advocacy.

Maria Rene Costedo, Private Citizen, Washoe County, Nevada:
I am a proud public school teacher and a member of the Washoe Education Association, as well as the parent of two students in Washoe County. I hold a Bachelor of Science in education with an emphasis in English language learners, and a Master of Science in STEM (science, technology, engineering and math). I have been teaching for eight years with experience ranging from kindergarten through fourth grade, in both Nevada and in Idaho. Currently, I teach third grade in Washoe County.

First. I want to commend the Legislature for the investments made in education. During the last session, I have seen the positive impact these efforts have had with many great teachers staying in the classroom because of it. Additionally, I have witnessed the great things happening in our schools. At my school, the allocation of funds has enabled tutoring services, the creation of various clubs such as art and running, and the organization of family events. These initiatives have been essential for community building and have made our school a place where students are excited to come every day.

However, despite these positive steps, we continue to face a teacher shortage every year. While this is due to many factors, I want to focus on two key issues today; class sizes and funding. I know numerous teachers, myself included, who have questioned or have left the profession because of the overwhelming class sizes. Teaching a class of 30 students is incredibly challenging and it is difficult to give each student the individual attention they need to succeed. If we want our students to grow and thrive—achieve their potential—we must prioritize capping class sizes. Even on our drive today, I was talking to my colleague and was saying, on a personal note, I do not know if I can do this for the next 33 years.

Next, I want to address funding. The $2 increase per-pupil is insufficient [Exhibit H]. It is important to note that in this economy, only a few classroom supplies cost less than $2, and special items like expo markers and pencils that we use daily often cost more than that and are often replenished throughout the year. In closing, as you consider the budget, I urge you to prioritize our students and our teachers. They are the future of Nevada, and we must do what is right for them.

Lindsay Anderson, Private Citizen, Washoe County, Nevada:
Thank you so much for your investment in public education. I have been teaching for 12 years, and 7 of those have been in Washoe County, Nevada. I have multiple subject teaching credentials in California and Nevada, a bachelor's degree in history, a master's degree in teaching English learners, and I am a nationally board-certified teacher. I am a proud member of the Washoe Education Association. The 20 percent raise we received last year was monumental, and if I can be honest, one of the reasons I have remained teaching in Nevada over the past three years. I have been debating if I can continue in this profession with the amount of stress and the lack of compensation and support. I am not alone in these feelings. Most of my coworkers feel the same way.

We have over 1,000 teacher vacancies in our state, and we really cannot afford to lose any more teachers. Last year, I taught fourth grade, and I had 35 students in my class. It was difficult to walk through my classroom because of the number of bodies in there. Of my 35 students, 15 percent spoke zero English, and 67 percent were not yet English proficient. Over 75 percent of those kids came from homes that were not conducive to learning. Sixty percent were considered far below grade level in reading and math, which means in fourth grade, they were working at a kindergarten, first grade, or possibly second grade level. But every year we are told we are not doing enough; that teachers need to do more. The proposed $2 per-student increase is not enough. I do not know how $70 total is going to help that situation; it is not. A ream of paper costs closer to $10. Our students are capable, intelligent, and wonderful humans, but the sheer amount of them in our classes is impossible for teachers to help them reach their potential, and our students are continuing to fall behind. For education to work, there should never be more than 20 students in a classroom K-12. Please help us to do better for our future.

Eva Reynolds, Private Citizen, Carson City, Nevada:
I have the privilege of driving a school bus for the last 29 years, 27 of them here in Carson City. Most of that has been spent as a special education school bus driver. I currently serve as the treasurer for the Carson Education Support Association, and I am the site representative for the transportation department. As a bus driver, I can tell you firsthand that every day my department and probably every department who does transportation in this state struggles to cover the routes due to the shortage of drivers. There are many times when we have to double and triple back just to ensure all the routes are covered, and the kids get to school.

This is a difficult and demanding job, yet we are not compensated with a living wage. Many of us, including myself, have taken on second and third jobs just to make ends meet. The cost of living continues to rise, but our wages stay stagnant. Retaining bus drivers and attracting new ones has become increasingly difficult, again, because of the low wages and the high stress work environment. As a driver, I am responsible for the safety of my students, yet there have been many times because of staff shortages where I do not have the required bus aid on my bus. That means I take on more responsibility, managing multiple runs a day, and ensure the safety of all my students—plus driving on the road. Without the support of an aid, the funding in our schools is simply not enough to meet the growing needs of our students. An increase of $2 will leave Nevada at the bottom of the list for student funding. We need more resources to provide our students with the opportunities they deserve, and to support those of us who work hard to educate them. I urge you—urge you—to pass the plan. Our children's future depends on it, and we cannot continue without the necessary funding to ensure their success. [Written testimony was also submitted.]

Drew Franklin, Private Citizen:
Last session, I took a little bit of time off from teaching, and I got to come down here and spend the session with you all. It was a joy to watch, and I was very excited and pleased to see all the education bills go through. I want to thank you all for the hard work that was done. Like I said, I was very excited to see those get signed into law. On a personal note, it made it possible for me to live in the city that I grew up in and that I teach in. There were steps in the right direction, for sure. That being said, I have taught in juvenile detention. I have taught in our public schools. I have taught at Catholic schools. There is something in common with all of these and it is just a simple lack of funding. We are lacking in a lot of different areas. I brought this laptop here to show you; this is the laptop that we have available to our students [Exhibit J]. We have carts of these, not a one-to-one ratio, but pretty close. If the student chooses to use their cell phone instead of this laptop, they actually get more work done. It takes them 5 minutes, 10 minutes, sometimes 15 minutes just to get logged in and try to get to the right program. A lot of time it will not work; it will die. They will have to try to find a new one and all of a sudden, half of the class period is gone. I have asked IT (Information Technology) what we can do about this to see, maybe, if we can get some replacements—maybe we can get rid of some programs to make these faster. Information Technology told me we should not have these in the school because they are a security risk. He said I actually cannot help you with these at all. We have carts of laptops that do not get

used because it is a waste of time. They are Macs, they are not even Apple laptops; they are that old. They are from back when we called them Macs, and they just sit there all day. I look forward to working with all of you this session to hopefully make some more steps toward helping our students here in Nevada.

Kelley Ferretti, Private Citizen, Carson City, Nevada:
I am the vice president of the Carson Educational Support Association as well as an office manager at Carson Middle School. I have had the privilege of working for the Carson City School District for the past 10 years, during which time I have served at three different school sites and witnessed firsthand the ongoing changes and challenges. In my current role, I am directly impacted by the increasing strain resulting from insufficient funding in our schools. On a daily basis, one of my responsibilities is to schedule and fill classrooms with substitute teachers when our educators are absent. For years, we have struggled with a severe shortage of substitute teachers driven by inadequate pay and lack of benefits. As a result, our teachers are frequently required to cover classes during their prep periods, leaving them exhausted and unable to focus on their own responsibilities. This constant burden is taking a toll on staff morale and ultimately the quality of education our students are receiving. In addition, the District has made significant cuts to crucial staff positions. At Carson Middle School, we now operate with three office staff to support 1,000 students and their families and 100 staff members. This immense workload has significantly increased responsibility. My responsibility is leaving me feeling overwhelmed and stressed much of the time. Despite the additional demands, I have not received any compensation for the extra work, nor am I permitted to work overtime.

This expectation to complete more work within the same time frame for the same amount of pay is not only unsustainable but it has begun to negatively impact my job satisfaction and mental health. The rising cost of living continues to outpace the modest wage increases we have received. Moreover, with the proposed increase of just $2 per-pupil for education, it is clear our situation will only worsen if we do not take immediate action and pass the plan to increase funding for public education, both our students and the dedicated staff who serve them will continue to face significant challenges. I strongly urge you to support the increase in funding for public education and pass the plan. Our students deserve the best educational experience, and our educators deserve the resources and support necessary to help them succeed. [Written testimony was also submitted.]

Laurel Winchester, Private Citizen:
I am a special education transition teacher at Marvin Piccolo School in Reno, and a member of the Washoe Education Association. I have been an educator for over 24 years, teaching across five states, and for the past seven years, Nevada has been my home. Before joining Washoe County, I taught at Silver Sage Middle School in Lyon County. Beyond the classroom, I serve on several state special education committees, and I am the vice president for the Nevada Chapter of the Council for Exceptional Children Division of Career

Development and Transition. Education runs deep in my family. I am a 17th generation public educator. My great uncle was a first schoolmaster for the Boston Latin School, and my mother spent 49 years in special education. Therefore, I have been raised in this tradition.

We have come a long way, and I am grateful for the funding increases from the last legislative session. These changes have made a significant difference for students and teachers across the state. However, despite the progress, we still face these critical challenges in education. The most pressing issues affecting the students I serve and educators I work with, are recruiting and retaining special education staff. The shortage of adult support in classrooms in Nevada is below average per-pupil funding. The most urgent issue is a shortage of qualified special education staff. Across Nevada, as you know—and I have heard many times stated—there are over 1,000 unfilled positions; most of those in special education. At my school, 6 out of 50 staff members are over the age of 60, and 3 retired teachers have been rehired to fulfill critical positions. This model is not sustainable. We need a workforce that consistently supports our students.

The second issue is a limited support of students and for students in special education classrooms. In my classroom, I currently work with six students who require specific one-on-one support for both academics and daily living needs. I have only two additional adults to help. Ideally, each student would have their own assistant, but due to the shortage of qualified staff and/or applicants, we are unable to meet these needs. We cannot keep qualified people in the classroom if we do not offer competitive wages and support.

Finally, Nevada's below per-pupil average funding remains a significant obstacle. Special education students require specialized resources, but with the limited funding, we struggle to provide these students with the tools they need to succeed. Larger class sizes, fewer resources, and limited access to assistive technologies hinder their progress. For example, this little piece of sponge tubing helps support my students to feed themselves or write [Exhibit L]. They have mobility issues; they have dexterity issues. This little piece of sponge is over $9 on Amazon.

Chair Backus:
My apology, I need to ask you to please wrap up your testimony. The Subcommittee's policies and procedures regarding the timeframe for public testimony and the use of props in their testimony was reiterated. Thank you for your testimony, and please stop by the committee secretary's desk and allow her to take a photo of your prop. Will the next presenter please come up and begin when you are ready?

Madison Jackson, Private Citizen, Reno, Nevada:
I am an English teacher at Sparks High School, and I want to thank you for the increase in funding in the last legislative session. The increase in wages have gone a long way toward critical teacher retention. I have also seen the positive impact, not only in my classroom and all the upgrades I have been able to make, but also in my school community, which is

flourishing, now more than ever. There are still moves that need to be made. Now, I did bring a prop, a box of pencils—12 pencils costs $3 on Amazon [Exhibit M]. Now, do you know how many pencils a student goes through in a week—even a day? I am not a math teacher, but even I know that the $2 suggested increase does not go towards meeting our needs. Clark and Washoe County are still in the bottom 5 percent of districts nationally for student funding. I am not being hyperbolic when I say, these kids cannot read. There is a literacy crisis in our schools, and it cannot be solved by cutting funding and cutting critical positions. There is a direct correlation between student funding and student success, and there is also a direct correlation between classroom sizes and student success. Despite Nevada having the largest classroom sizes in the nation, I have been blessed this year with a couple of small classes. Let me tell you, the difference has been night and day. With a classroom of less than 20 children, I have been able to focus more on their writing, conference with them on their writing, and have valuable conversations. I have been able to make positive phone calls home and conduct home visits. Children have been less distracted in an environment that is less chaotic. I am quite literally out here in the trenches dedicated to student success, but we need a legislative body that backs us because educators can only do so much to impart positive change without funding behind us. I urge the legislature to meet the 10-year road map goals by the Commission on School Funding, and to pass Assembly Bill 155, to allow us to bargain for classroom sizes. Because I am an English teacher, I will leave you with this final metaphor to think about; we cannot starve a garden and expect it to thrive.

Karla Joost Reed, Private Citizen:
I am a teacher at Carson City Montessori Charter School. I am also a parent of a fifth-grade student who attends there. I am here to attest to the uniqueness of our little school. Carson Montessori provides a quality education by an excellent, talented staff who share their knowledge beyond the classroom. Every staff member, not just the faculty, is a teacher and a leader. We instill in our students a sense of responsibility for their education, their building, and each other. Students are first responders, maintenance workers, and builders. The staff, the students, and the parents, as well, all contribute to make our school what it is. As a small independent public charter school, we do not rely on any company funding for our budget. We are hardworking professionals who deserve to be compensated like our contemporaries in the district schools. It is our hope this session will recognize not all charter schools are alike, nor are their budgets.

This year, Carson Montessori faces the added challenge of finding a new building as we experience growing pains. We are nestled in an area of Carson that is zoned for industrial business. As we search for a new building, we may have to temporarily downsize and eliminate grades. We are a dedicated, flexible staff, and we love our school. Knowing we will be eligible to receive a competitive salary will help tremendously in keeping attrition at bay. We would like Carson Montessori, after being in existence for 20 years, to not be known as the little school that closed, but as the little school that could. We ask you to carefully consider your funding this session. We invite you also, since we are in Carson City, to come by and see what we are all about. [Written testimony was also submitted.]

Lilly Trotter, Student Legislative Team, Carson Montessori Charter School:
I am a member of the Carson Montessori student legislative team. Carson Montessori is a charter school that believes the voice of the student must always be heard. Carson Montessori is a real-world, hands-on school. As you can see today, we students are pretty much involved in everything. Since we are talking about funding today, I am here to share a very special and unique funding program we have at Carson Montessori Charter School that not only lets the voice of the students be heard, but it also gives everyone a chance—parents, staff, and even the community to be heard. It is called the 48-hour launch. Anyone can submit a proposal and if it is doable, workable, and feasible, it is implemented in 48 hours. Many times, these proposals are funded personally by our principal. For example, we received a buddy bench for part of our SEL (Social and Emotional Learning) program, but now we need a new facility, and funding is more important to us than ever. Please do not cut the funding to charter schools and most of all, please give the salary benefits to charter schools. Once again, due to all our school costs going up, please, please do more; $2 is not enough. [Written testimony was also submitted [Exhibit O.]

Andrew Feuling, Superintendent, Carson City School District:
I am currently the superintendent at the Carson City School District and the Secretary-Treasurer for the Nevada Association of School Superintendents, and I am a former member of the Commission on School Funding. I served in that capacity for about three years. Some of the numbers I am going to discuss here are based off—just so we know they are coming from the Governor's Executive Budget Book, amendment transmittal 10, which, I believe is the most current numbers we have.

To compare last fiscal year (FY)—or I guess it is really this current year—to what we are looking at for the next year, FY 2026, the biennium. To make it apples-to-apples, you need to remove the S.B. 231 of the 82nd Session salary adjustment funds to really see what is actually comparably happening between those two years. When you do that, you will see the PCFP is effectively cannibalizing itself due to a lack of funding. The examples—the total adjusted base funding, which is the core piece of what school funding is in the PCFP, is actually being reduced by almost $50 million. At-risk funding, as was mentioned, is being reduced by about $43 million. Local special education funding is going up about $113 million. There is this back and forth going on, but in total PCFP funding, the entire thing is increasing by about $36 million, which is a 0.63 percent increase.

Specifically, when you look at it this way, Clark County School District—some of you may have heard of them—their PCFP funding is actually dropping by $8.3 million. We are looking at the 3.25 percent PERS (Public Employee Retirement System) increase; it is going from 33.5 to 36.75. We are estimating that as a cost of approximately $120 million and thinking of that, in comparison, to a $36 million increase in total for the PCFP. Just as a point of comparison in 2003, that percentage was 18.75. That has been a dramatic impact on all

public entities, school districts as well. Not considering the other cost of inflation that we otherwise see—think of the downward pressure that is putting on school districts. Senate Bill 231 of the 82nd Session salary adjustment money may help bring that back but think of that as a total impact; there are implications with that.

While the PCFP is a revenue-driven model, and you have seen all the revenues that go into the State Education Fund, the one that there is discretion over is the State General Fund appropriation. In 1970, 46.1 percent of the entire state's General Fund was an appropriation to K-12 education. In FY 2024, that draw is now down to 28.9 percent.

Chair Backus:
Superintendent, I am going to have you wrap up. Your data is interesting, if you do not mind submitting it in writing, that would be fantastic.

Andrew Feuling:
With all of this, the Commission on School Funding was created in 2019. I was blessed to be a part of that. You have a report from FY 2022 and FY 2024, basically saying the same things. We just need someone to have the will to do something with that information. [Written testimony was also submitted Exhibit P.]

Chad Fawley, Private Citizen, Reno, Nevada:
I have taught for 30 years in Nevada, so I am toward the end of my career. As a dedicated educator for over 25 years—traditional school setting in the last five years—at Mariposa Academy, I am committed to providing an education for our students that meet the academic needs and values culture through our biliteracy focus. This model is essential for our students' academic success and future opportunities. Our staff provides a rigorous and enriching setting where students typically perform above their peers at similarly situated schools across the state. Compensating staff at public charter schools equitably with other public school educators is not only essential to respecting and valuing the profession, but it is essential for our families to know their children in public schools matter. Supporting equitable pay is crucial to maintaining the high-quality instruction our students need and values of students and their families who attend a charter school. With rising operational costs, including, but not limited to a 3 percent PERS increase, flat funding for education is effectively a budget cut, making it even harder to retain experienced staff. Investing in fair salaries ensures we can continue empowering all students in public schools in Nevada with the skills necessary to thrive in a multilingual world. Thank you for supporting our schools.

David Jerez, Private Citizen, Reno, Nevada:
As a parent at Mariposa Language and Learning Academy, I have seen first-hand the dedication and impact of the teachers and staff. I chose Mariposa for my three children because the staff provides an exceptional and educational experience with a focus on biliteracy that nurtures both academic success and cultural pride. It is important to me they be respected and valued in their profession for their hard work and commitment and are

compensated equally to their public school counterparts. Equitable pay is essential to retaining these outstanding educators and ensuring our children continue to receive the high-quality education they deserve. My children's public school education matters and the staff that support them matter. Equitable compensation for the staff of Mariposa shows respect for me as a parent and sends a clear message to our 95 percent Hispanic families that our students and educators in all public schools deserve fair and equitable funding.

Jenny Hunt, Director, Mariposa Language and Learning Academy:
We are a district-sponsored, Title I charter school that is self-managed. We serve 191 students who are 95 percent Hispanic, 40 percent EL, and 100 percent free and reduced lunch. I have had the fortune to be a part of the last legislative session, and I first want to thank you for all that you have done in support of public education in Nevada. Mariposa has been one of the top performing Title I schools and continues to be, amid funding adjustments for salaries, weighted funding, and per-pupil support fluctuations over the years.

As I am sure you are aware, we do not receive public capital funding for public charter schools, among other different funding differences. Following the last legislative session, Mariposa valued our public school staff and we dedicated ourselves to providing equitable pay for our staff to meet the funds dedicated through S.B. 231 of the 82nd Session, that omitted charters. Our teacher licensure rates mirrored the districts in Nevada. We were resourceful in order to honor and respect the profession with equitable pay, but this is not sustainable over time. As many of you have shared today, I have intense concern about the lacking clarity around budget detail levels and the huge impact this has on our ability to plan to support the needs of our students. We look forward to further information and we thank you for your commitment to our schools and to our students. I implore you to ensure equitable education funding across the state, across public school settings, across all student demographics, across all voters, and all taxpayers. As you know, our students are the future and as evidenced in the data presented today, the students in Nevada are accessing the public education across the state in very different public school settings, and they deserve equitable access to funding their future.

Justin Jervinis, Private Citizen, Reno, Nevada:
This is my 15th year in education and my 9th as a teacher; all in special education. I am also a building representative for the Washoe Education Association. I currently teach in a self-contained program called Comprehensive Life Skills at Marcy Hurst Middle School. I have a great passion and love for students who are placed in self-contained programs who spend most of their day away from their general education peers due to their severe deficits in academics, communication, and adaptive behavior. Thank you for all your efforts last session to invest in education. This allowed our bargaining unit to agree to a contract that gave us a 20 percent raise and two substantial bonuses in June 2024 and 2025, for all special education staff members. Having this raise allows me to support my family and pay for my daughter's daycare. In addition, it also gives my colleagues hope that our profession might finally be going in the right direction.

Despite the improvements in teacher working conditions, we still have many challenges ahead of us. Nevada is still well below the national average and per-pupil funding by thousands of dollars. Our state still has the largest class sizes in the country. When you were in school, were you learning in classrooms that had 35 to 45 students? That is what is happening right now. The benefits of reducing class size allows better instruction; the students have a strong connection, they are learning, and their teachers give more meaningful feedback to the students who really need it.

Throughout my time in Washoe County School District, I have learned and grown so much as an educator and as a person because of the wonderful teachers I have collaborated with. Their passion and love for teaching is unmatched. Our special education teachers work tirelessly in making sure students catch up to their peers by providing intensive instruction, accommodation, and emotional support. However, more special education teachers are quitting, or becoming general education teachers, because the job is becoming too demanding. This is very problematic for our students with disabilities and who need stability and structure. It is my duty to come to work every day, to work with students with and without disabilities, to meet the state standards in academics. It is your duty to continue investing in our schools so we can hire more teachers and reduce our class sizes.

Bonnie Carlson, Private Citizen:
I would much rather be in front of my elementary school students than speaking to adults. Also, I am thinking it is about time you probably need a brain break as well, so I am going to give you some really positive things to listen to. Thank you for allowing me to speak to you today. It is because of your extreme generosity that I and many of our colleagues are continuing the career we love every single day. Thank you from the bottom of my teaching heart, and it is an extremely deep place to come from. I am a native Nevadan. My daughter went through the school system here. I will be speaking on behalf of my grandson and my great grandson. I am one of the old teachers. I am 63. I am not retiring until I feel like I am ready to. I love what I do.

I have a covered wagon in my classroom. Why can I do that? Because I have 18 students. A covered wagon where they can read under or over because they understand that is how, when they traveled, they read under, or played under, or slept under the wagon. I have been a public school teacher for 24 years. I am the first one in my family to have a college degree, the first one with a master's degree, and the only one who is a national board-certified teacher. My students are so proud that I am here today speaking to you as a fourth grade teacher to represent them, and they wish they could be here. I want to tell you about them because I had to write sticky notes about what they wanted me to say to you. The most important thing they want me to tell you is it is so much easier having a small class size. They want you to know they feel calmer and more engaged. They want you to know I am blessed by having a small class size. I am able to provide one-on-one teaching and small-group teaching. I want you to know that every single student in my classroom is above the

50th percentile in reading; every single one. Every single one of my students is above the 50th percentile in math, except for one, who is at the 46th percentile. I volunteer tutor before school three hours a week. I am so happy to do it. The mathletes are killing it.

In addition, I want you to know I feel every person should have the opportunity—not just as a teacher, but as a person—to get a text in the middle of the night from Ireland from a student you had in third grade who just got her MCAT [Medical College Admission Test] results to let you know she believes the reason she soared on MCAT was because I was her third grade teacher and taught her the value of reading. I could not speak more positively about the career I have and the hope I have, as I have come to speak to you for the first time ever, knowing I am hoping to never come back to have to speak on behalf of a great grandson.

Aaron Shuler, Private Citizen:
I am a math teacher at Hug High School in Sparks, in Washoe County. Thank you so much for the opportunity to speak today. At Hug, I teach financial math; I teach the value of investments, amongst other things. When I first got to Hug, it was about the same time as the substantial increase in funding was allocated by the state this past session, and I immediately noticed this substantial increase in my day to day. You know, gone were the days of having to order classroom supplies through the principal secretary on a meager budget or needing a GoFundMe to provide calculators for my classroom. The immediacy of having these things in the classroom on demand has had a tremendous impact on my students. Investments, both financial and educational, are some things we talk about with my students in financial math.

I was disappointed to learn, of course, that the Governor's proposed budget for education amounts to an increase of only $2 per student, and $2 does not buy a whole lot of classroom supplies. It is only enough to buy about half of one whiteboard eraser. I was going to cut a whiteboard eraser in half and bring it here to you, but I need that eraser. Our imagination is going to have to suffice. Beyond supplies, in my classroom I have many students who have special education needs or have English learning needs, and it is very challenging to meet these needs when my class sizes are upwards of 38 students. Nevada has some of the highest class sizes in the nation and that is owed, in large part, to the over 1,000 teacher vacancies in the state. There simply are not enough teachers to go around. This is not for a lack of people wanting to become teachers. Instead, as we do in financial math, people are making the cost-benefit calculation and seeing that it is just not financially feasible to become a teacher; to enter the profession. I would like to thank the Legislature for its efforts to support education and encourage further investment in our children and the prosperity of Nevada.

Eduardo Martinez, Public Affairs Director, Western Public Affairs:
On behalf of the Nevada Charter School Association, I am here to say we support public charter school teachers also being included in the raises that are being discussed today.

Brent Busboom, Private Citizen, Reno, Nevada:
I am a 26-year teacher, 23 of them at Reno High School. I am also a proud member of the Washoe Education Association. Last session, the Legislature made a meaningful commitment to education, approving historic funding that kept pace with equally historic levels of inflation. In a system that has been underfunded for decades, keeping pace with inflation is not the same as progress. Today, I want to give you one example of what these decades of neglect have looked like at my school. When I started Reno High School in 2002, our English department had 16 teachers; today, despite having more students out of school, we have 12, and that is not all we cut. To keep core class sizes from exploding we have cut electives, including theater. Theater was a home for a certain kind of kid—the kid who needed a reason to come to school. As funding lagged, our theater classes started disappearing. Five periods became four, then three, then one, then it became a club, and now it is gone entirely.

Every year I see students who rarely come to school. Students who would if they had classes, like theater. Here is the deal—education funding follows the same tragic pattern we see with many disasters. Experts speak up, fixes are known, action arrives too late; I think hurricane Katrina, the 2008 financial crisis, the LA fires, the DC plane collision. We imagine disasters as sudden events, but far too often, they are slow motion catastrophes. Schools do not collapse overnight. Theater programs do not suddenly disappear. What happens is we normalize decay. Larger class sizes become the norm. Teacher shortages go from shocking to expected. Students fall further behind until one day a system we thought could be held together with empty promises and goodwill, simply stops working. We have a solution. It is one created by the experts appointed by this Legislature. Just like those levees, those markets, those fires, those planes, it is in danger of being ignored. The only question is whether the Legislature will act before the collapse or after.

Ben Contine, Private Citizen, Reno, Nevada:
I am with the Honors Academy of Literature as or as we call it, HAL. I have been an educator, all in Nevada, for nearly 20 years, having worked in the Clark County School District as well as the Carson City School District. I can tell you how I have found supremely qualified, more than dedicated teachers who work miracles every day with the funding they are provided. I have to be honest, in my work with traditional public schools, what I found was supremely qualified educators who are more than dedicated, who work miracles every day with the funding they are provided. We stand in concert—in unity—with all educators and all students in Nevada. I want to thank all educators who took the time to testify today and those who are in their classrooms. I want to thank the Washoe Education Association. I see some folks from the Carson City association here as well. I want to thank them for all their work.

Our school was founded by two local educators who met each other at the University of Nevada, Reno doctoral program. They had a dream 13 years ago to open a small, personalized school that was family first. That dream has come to fruition. That said, when we were left out of the funding for teacher pay increases last year, it felt like a slap in the face to the work our teachers do every day, and to the families we serve. I will not echo all of the concerns about the budget. We share them, but what I will say is we are advocating strongly for pay equity, and all teachers who are teaching Nevada students should be provided equal funds.

Sarah Adler, representing Coalition of Public Charter Schools of Northern Nevada:
I want to commend several of you for your attention to how this proposed tier one allocation of funds will work. I want to inform you that Washoe County School District is the authorizer for seven charters; Carson City School District, the authorizer for one charter. As you figure out how to flow funds through tier one or through another mechanism for salary equity, we offer our assistance in making sure charters are not ignored. Sadly, Washoe County School District inequitably flowed through ESSER (Elementary and Secondary School Emergency Relief) funds in the past and title funds currently. We really need to be part of this conversation.

We want to make three quick notes. Charters are a public school choice made by parents as a best fit for their kids. When kids do enter charters, they lower the cost for district schools, to some extent. Although district schools have fixed costs, there is some assistance to district schools there. Many of you recognize the validity of the 20 baseline as supporting districts that lack economy of scale and yet have fixed costs—this is the role of charters, who themselves pay for their own facilities. Finally, I have something sad to share with you. I am a passionate follower of the Commission on School Funding. I love your attention to it as well. At the Nevada Taxpayers dinner last night, I sat next to two officials from the Nevada Department of Taxation who have not read Chapter two, pages 12 through 57 of the CSF report; neither had the president of the Nevada Taxpayers Association. I love that you are broadcasting the importance of their work. We thank you and let us know if we can help.

Chair Backus:
Next, we will go to our phone lines. Do we have anyone on the phone lines wishing to give public comment today?

Susan Kaiser, Private Citizen:
Nevada public schools' educational results reflect what state funding has paid for. We are perennially at the bottom of the nation in per-pupil funding and with the largest class sizes in the nation. The increased funding in the last biennium should be the start to following the plan recommended by the Commission on School Funding, not a one-time infusion. This funding reduced teacher attrition and will improve student learning environments in the future.

I am a middle school science teacher with a BS in biology, a master's degree, and I am also national board certified. My teaching certificate is valid until 2026, but I retired before the pandemic. At that time, in addition to teaching my 180 students, I was the science department leader, the site safety officer, the school garden coordinator for a 10,000 square foot school garden, and after school garden club leader. Then my administrator told me I would have to serve on the Multi-Tiered System of Supports (MTSS) committee. They required every teacher to be at weekly meetings without exception.

My story is not unique, but it is our children whose futures are being short changed. I am no longer in the classroom, but I am here today providing public comment because I have a passion for Nevada's public schools. I have seen firsthand the power of learning and the doors that open for Nevada's kids when they have the highly qualified teachers and support services they need to become our future flourishing adults. Last session, after attending a hearing in person, I exited the building and passed the demonstration table staffed by Desert Research Institute scientists. One of the scientists present at the table was one of my former students from 12 years prior. Nevada's public schools and employees are up to the task, but they must have consistent, adequate, long-term funding to show results. I implore you today—do not delay, pass this plan recommended by the Commission on School Funding. [Written testimony was also submitted Exhibit Q.]

Phillip Kaiser, Private Citizen:
I gave over 20 years of my life to Nevada's students as a teacher. I wonder, what would you give to have every student graduate from high school, career or college ready? What would you give to have a highly qualified teacher in every classroom? What would you give to have enough special education aides and teachers so every child's needs were met? What would you give to have fewer fights because class sizes were smaller, and teachers and counselors could build better relationships with students? Would you give as much as has been given to Tesla—$1.3 billion since 2014. Would you give as much as was given to the Raiders Stadium—$750 million, and the A's Stadium—$380 million? That is before you consider the incentives requested by movie studios because that amount is what Nevada schools need over a decade to reach the national average in per-pupil funding, according to the Commission on School Funding. Currently, Nevada's per-pupil funding is $4,000 per student below the national average. Last session was a great first step in education funding, moving us from 48th to about 46th in the country. Let us keep the ball rolling—pass the plan of the school funding commission to bring Nevada up to the national average. [Written testimony was also submitted Exhibit R.]

Erica Nungaray, Private Citizen:
I am an employee support paraprofessional for the Clark County School District. In our last legislative session, we made strides in funding education. However, despite significant contributions, existing gaps remain. While we begin the process of closing these gaps in the per-pupil funding, the work is far from complete. An increase of $700 per-pupil is not optional; it is essential. Anything less from our leaders would be a disservice toward

Nevada's education system. Reducing funding is not just a budget cut, it is a setback undoing the progress we have made. Consider what the funding means for students in my community. It could secure a school bus driver for students who currently walk three miles to school or take public transportation at 5 a.m. in the dark. It could reduce class sizes in our most critical elementary schools, strengthening the foundation of our student's education. It could provide thriving wages for support staff, allowing us to focus on roles instead of working multiple jobs to support our families. It could offer competitive salaries to attract and retain qualified educators. Education is like a car. If you do not put fuel in it, you are not going anywhere. Fully funding our schools is not a choice; it is a necessity. The Commission of School Funding has provided a clear road map to reach optimal funding, and I urge this body to follow that plan.

[Exhibit S, Exhibit T, and Exhibit U were submitted but not discussed.]

Chair Backus:
Are there any comments from members before we adjourn? [There were none.] Seeing no further business before us, the meeting is adjourned [at 10:59 a.m.].

RESPECTFULLY SUBMITTED:

_____
Janet Osalvo
Committee Secretary

APPROVED BY:

_____
Assemblymember Shea Backus, Chair

DATE: _____

_____
Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBITS

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Alexia Van Orden, Legislative Liaison, Department of Education	Presentation titled "2025-2027 Governor's Recommended K-12 Budget"
	D	Amanda Morgan, Executive Director, Educate Nevada Now	Written testimony
	E	Alexander Marks, Deputy Director of Field and Communications, State Education Association	Photograph of a Fictitious $2 Check
	F	Kerri Finn, Private Citizen	Written testimony
	G	Sky Sessions, School Counselor, Washoe County School District	Photograph of a handheld calculator
	H	Maria Rene Castedo, Private Citizen, Washoe County, Nevada	Copy of an altered $2 Bill
	I	Eva Reynolds, Private Citizen, Carson City, Nevada	Written testimony
	J	Drew Franklin, Private Citizen	Photograph of a laptop computer
	K	Kelley Ferretti, Private Citizen, Carson City, Nevada	Written testimony
	L	Laura Winchester, Private Citizen	Video screen shot of red sponge tubing
	M	Madison Jackson, Private Citizen, Reno, Nevada	Photograph of a box of #2 pencils
	N	Karla Joost Reed, Private Citizen	Written testimony
	O	Lilly Trotter, Student Legislative Team, Carson Montessori Charter School	Written testimony
	P	Andrew Feuling, Superintendent, Carson City School District	Written testimony
	Q	Susan Kaiser, Private Citizen	Written testimony
	R	Phillip Kaiser, Private Citizen	Written testimony

	S	Kendra Nielson, et al., Private Citizens	Written testimony
	T	John Tierney, Private Citizen	Written testimony
	U	Alexia Van Orden, Legislative Liaison, Department of Education	Executive Summary by the Commission on School Funding