

**K-12 / HIGHER EDUCATION / CIPS JOINT SUBCOMMITTEE
CLOSING LIST #2
May 4, 2015**

| <u>BUDGET ACCOUNT</u> | <u>EXECUTIVE BUDGET PAGE</u> |
|---|---|
| | |
| | <u>Volume I</u> |
| <u>State Public Charter School Authority</u> | |
| State Public Charter School Authority (101-2711) | CHARTER SCHOOL-6 |
| Public Charter School Loan Program (101-2708) | CHARTER SCHOOL-13 |
| | |
| <u>Department of Education</u> | |
| Office of the Superintendent (101-2673) | K-12 EDUCATION-45 |
| Educational Trust Account (101-2614) | K-12 EDUCATION-41 |
| District Support Services (101-2719) | K-12 EDUCATION-60 |
| Standards and Instructional Support (101-2675) | K-12 EDUCATION-74 |
| Department Support Services (101-2720) | K-12 EDUCATION-78 |
| Assessments and Accountability (101-2697) | K-12 EDUCATION-87 |
| Educator Licensure (101-2705) | K-12 EDUCATION-98 |
| Educator Effectiveness (101-2612) | K-12 EDUCATION-105 |
| GEAR UP (101-2678) | K-12 EDUCATION-113 |
| Parental Involvement and Family Engagement (101-2706) | K-12 EDUCATION-118 |
| Office of Early Learning and Development (101-2709) | K-12 EDUCATION-126 |
| Student and School Support (101-2712) | K-12 EDUCATION-135 |
| Literacy Programs (101-2713) | K-12 EDUCATION-148 |
| Career and Technical Education (101-2676) | K-12 EDUCATION-157 |
| Data Systems Management (101-2716) | K-12 EDUCATION-175 |

Title: STATE PUBLIC CHARTER SCHOOL AUTHORITY
 Account: 101 - 2711

Budget Page: CHARTER SCHOOL-6 Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | (106,075) | 909,818 | (957.71) | 1,513,044 | 66.30 | 2,368,750 | 56.56 |
| INTERAGENCY TRANSFER | 2,140,854 | 2,962,705 | 38.39 | 2,281,598 | (22.99) | 2,281,598 | |
| OTHER FUND | 2,898,829 | 3,759,943 | 29.71 | 4,181,614 | 11.21 | 4,651,451 | 11.24 |
| Total Revenues | 4,933,608 | 7,632,466 | 54.70 | 7,976,256 | 4.50 | 9,301,799 | 16.62 |
| Total FTE | | 10.00 | | 14.00 | | 14.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--------------------------------------|-----|------|---|---------|-----------|
| B000 | 00 | 2511 | Increase Balance Forward as a result of increase to fee revenues in FY 2016. | | 3,216 |
| B000 | 00 | 3722 | Increase fee revenues in FY 2016 and decrease fee revenues in FY 2017 based on correction provided by agency. | 3,216 | (129,580) |
| E275 | 00 | 2511 | Increase Balance Forward due to less travel required as a result of new Deputy Director position. | | (5,901) |
| Sub-total | | | | 3,216 | (132,265) |
| Line Item Changes to Revenues | | | | 3,216 | (132,265) |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--|-----|------|--|---------|-----------|
| B000 | 86 | 9000 | Adjust reserves based on correction of projected fees provided by agency. | 3,216 | (126,364) |
| E275 | 03 | 6000 | Reduction in Travel caused by efficiency of having Deputy in Las Vegas Office. | (5,901) | (5,901) |
| E275 | 86 | 9000 | Increase reserves due to reduction in travel expenditures as a result of new Deputy Director position. | 5,901 | |
| Sub-total | | | | 3,216 | (132,265) |
| Line Item Changes to Expenditures | | | | 3,216 | (132,265) |

| | | |
|---|---|---|
| Total | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | 0 | 0 |

Overview

This budget provides financial support for the activities of the seven-member State Public Charter School Authority (SPCSA) created pursuant to *Nevada Revised Statutes (NRS) 386.509*. The SPCSA is responsible for authorizing high quality charter schools throughout Nevada, providing oversight and technical assistance to the charter schools it sponsors, as well as fostering a climate in which all charter schools can succeed.

The SPCSA is currently funded by a 1.5 percent administrative fee on each sponsored school's per-pupil funding from the Distributive School Account (DSA); however, NRS 386.570 authorizes the SPCSA to collect up to a 2.0 percent administrative fee. Additionally, the SPCSA is eligible to receive federal funding authorized by the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities

Education Act (IDEA) in accordance with NRS 386.513, which deems the SPCSA a Local Education Agency (LEA). Federal funding is used to provide grants to sponsored charter schools to support various programs aimed at increasing student achievement.

Major Closing Issues

1. New Unclassified Deputy Director Position
2. Three New Positions

Discussion of Major Closing Issues

1. New Unclassified Deputy Director Position (E-275, CHARTER SCHOOL-9): The Governor recommends reserve reductions of \$96,512 in FY 2016 and \$120,497 in FY 2017 to fund a new unclassified Deputy Director position and associated operating costs. According to the SPCSA, the workload of the agency is growing as an increasing number of charter schools are approved to open under the sponsorship of the SPCSA. The SPCSA advises that student enrollment increased from approximately 10,000 students throughout 14 charter schools in FY 2012 to approximately 20,000 students throughout 22 charter schools in FY 2015. Currently, the SPCSA is staffed with ten employees. Four new positions, including the proposed Deputy Director position, are recommended in The Executive Budget over the 2015-17 biennium.

The SPCSA indicates that this position, to be located in Las Vegas, would assume a leadership role to ensure compliance with policies and procedures of the SPCSA. Duties of the Deputy Director position would include providing support and services necessary to accomplish the agency’s mission and better serve the charter schools in Southern Nevada. The SPCSA expects that this position will improve outcomes of success for the students in charter schools in Nevada by providing guidance to streamline processes, and providing cohesive oversight of comprehensive reporting measures. The SPCSA indicates that with a new Deputy Director position, the Director would not have to spend as much time on travel and Deputy level activities, which would increase time that the Director could be spent on implementing proven practices of successful charter school authorization and providing guidance to schools on methods to improve student success.

According to the SPCSA, the position is also recommended to address the need for senior leadership with decision-making authority in the Las Vegas area where 15 of the total 22 sponsored charter schools are located, to provide essential policy and operational support to the agency Director, and to provide high-level technical assistance and guidance in the area of governance to charter school boards in Las Vegas and statewide. The SPCSA also indicates that by adding a senior staff member in Las Vegas, more timely and responsive oversight would occur.

Supporting documentation provided by the SPCSA indicates there would be a savings of in-state travel costs of \$5,901 should be reduced, in each year of the 2015-17 biennium, which was not included in the Governor’s recommended budget, as an offset to the costs for the recommended new Deputy Director position. Fiscal staff has made a technical adjustment to this decision unit to reduce in-state travel by \$5,901 in each year of the FY 2015-17 biennium. The SPCSA concurs with this adjustment.

Fiscal staff would note that although the narrative describing the position in this decision unit indicates the new position would be a Deputy Director position, the actual title of the position in The Executive Budget is Assistant to the Director. The recommended salary for the Assistant to the Director position is \$66,712 in FY 2016 (with an October start date) and \$88,949 in FY 2017 (employee-employer retirement plan), which would fall between a tier ten and tier nine on the unclassified salary pay scale.

Does the Subcommittee wish to approve reserve reductions of \$96,512 in FY 2016 and \$120,497 in FY 2017 to fund a new unclassified Deputy Director position and associated operating costs, as recommended by the Governor, with the technical adjustment to reduce travel costs as previously noted? Fiscal staff notes that the salary for the proposed Deputy Director position would be set in the Pay Bill, and requests authority to make any needed technical adjustments.

2. Three New Positions (E-226 and E-277, CHARTER SCHOOL- 8 and 9):

- New Accountant and Management Analyst Positions (E-226, CHARTER SCHOOL - 8): The Governor recommends reserve reductions totaling \$112,408 in FY 2016 and \$140,470 in FY 2017 to fund one new classified Accountant position and one new classified Management Analyst position and associated operating costs. The SPCSA indicates the Accountant position would be located in Carson City, and the Management Analyst position would be located in either Carson City or Las Vegas.

Accountant Position

The recommended reserve funding in support of the Accountant position is \$55,275 in FY 2016 and \$68,985 in FY 2017. The SPCSA indicates the proposed Accountant position is necessary due to the significant expansion of the agency's caseload, as well as the increased complexity and public profile of the agency. Additionally, the SPCSA notes the Accountant position would provide for improved internal controls by segregating accounting duties. The SPCSA also indicates that the proposed Accountant position would serve as project manager for the agency budget and all Interim Finance Committee requests and activities, manage and participate in the development and implementation of goals, objectives, policies and priorities, forecast funding, monitor and approve expenditures, prepare financial reports, provide grants management assistance to the Administrative Services Officer position, and process and record accounts payable transactions.

The SPCSA further indicates the Accountant position would provide professional support to review, assess, and make recommendations regarding fiscal viability and compliance with the authorized financial framework for the Charter Schools, including onsite visits for monitoring and audit of performance. The SPCSA indicates there is a backlog of performance audits; however, no data was provided detailing the backlog. The SPCSA did provide an estimate of time and effort needed to manage federal programs. The report of backlog estimates justifies the need for a position to conduct on-site audits, training and monitoring of federal programs.

Currently, many of the duties listed for the Accountant position are performed by the existing Administrative Services Officer (ASO) position. The ASO position's duties include establishing policy and procedure, supervision, over-site, implementation of internal controls for operations, federal programs, and financial framework measure for schools, and the agency representative for state and federal audits. The SPCSA reports that on-site audits are currently limited to desk reviews, although the Department of Education previously performed the audits. Fiscal staff notes that the Department of Education currently provides IT services for the SPCSA, and had previously offered audit services, both of which billed hourly. Fiscal staff notes that it may be possible to continue this method until the SPCSA demonstrates needs for a full-time auditor. Additionally, the SPCSA provided information indicating that of the three recommended fiscal positions, the Accountant position is the third priority.

Does the Subcommittee wish to approve reserve reductions of \$55,275 in FY 2016 and \$68,985 in FY 2017 to fund a new Accountant position and associated operating costs, as recommended by the Governor?

Management Analyst Position

The recommended reserve funding in support of the classified Management Analyst position is \$57,133 in FY 2016 and \$71,485 in FY 2017. The SPCSA indicates a new Management Analyst position is needed to manage the day-to-day charter application process and support continuous improvement of this function. Specifically, the SPCSA notes the proposed Management Analyst position would develop and coordinate the annual application process, assist and support the Director and recommended new Deputy Director in the execution and distribution of the agency's annual performance report, develop and oversee training between new and sponsorship transfer schools and staff, develop and oversee the design and implementation of guidebooks, resources and appropriate funding opportunities for charter school applicants, and contribute to ongoing development and coordination of systems to collect and store performance management data.

The proposed workload for the new Management Analyst position would consist of eight initial applications, five resubmitted applications and two to four renewal applications annually. Additionally, the Management Analyst position would be responsible for application training, compliance training, grant management processes and annual reporting required pursuant to NRS 387.303. Fiscal staff would note that there are currently two existing Management Analyst positions in the SPCSA. **Based on the testimony and information provided by the agency, it does not appear to Fiscal staff that the projected workload is sufficient to justify the need for an additional full-time Management Analyst position.**

Does the Subcommittee wish to approve charter school fee revenues of \$57,133 in FY 2016 and \$71,485 in FY 2017 to support a new Management Analyst position and associated operating costs, as recommended by the Governor?

- New Accounting Assistant Position (E-277, CHARTER SCHOOL-9): Additionally, the Governor recommends reserve reductions of \$40,658 in FY 2016 and \$49,993 in FY 2017 to fund one new classified Accounting Assistant position and associated operating costs. The SPCSA indicates the Accounting Assistant position would be located in the Carson City office.

The SPCSA indicates the Accounting Assistant position is necessary due to additional workload presented by the growing charter school caseload and potential growth, and would provide for appropriate internal controls by segregating accounting duties. The SPCSA also notes that the proposed position would provide financial and operations support to shift the SPCSA from a reactive and rule-oriented entity to a more strategic, performance-driven entity. The proposed Accounting Assistant position would assist in the production of monthly and ad hoc financial activity reports, review invoices and other documents, post journal vouchers, review charter school quarterly reports, assist with purchasing, monitor the budget, assist the Administrative Services Officer with financial reporting, maintain files, and assist Education Programs Professional positions with data-entry intensive tasks.

Currently, the SPCSA indicates that the Administrative Assistant for the SPCSA Director and SPCSA Board, as well as the Management Analyst perform the accounting duties. The SPCSA also indicates that the addition of an Accounting Assistant position would allow for proper separation of duties and adding resources to eliminate the backlog of file maintenance and budget tracking and management. Fiscal staff notes that the SPCSA provided information verifying that internal controls are currently being met through various existing positions within the SPCSA; however, it appears that the Administrative Assistant position may need to be relieved of the accounting functions in order to better support the Director of the SPCSA.

The SPCSA indicates that of the three recommended positions relating to Fiscal management, the Accounting Assistant position is ranked the most important to the SPCSA. **This recommendation appears reasonable to staff.**

Does the Subcommittee wish to approve reserve reductions totaling \$40,658 in FY 2016 and \$49,993 in FY 2017 to support a new Accounting Assistant position, as recommended by the Governor?

Other Closing Items

1. Adjusted Base Budget (BASE, CHARTER SCHOOL – 6 and 7): The SPCSA authority notified Fiscal staff of an error in the calculation of fees in the base budget resulting in an increase of \$3,216 in FY 2016 and a reduction of \$129,580 in FY 2017. The SPCSA indicates that this technical error was caused from a turnover in staff and a miscalculation on the revenue calculation spreadsheet. **Fiscal staff has included a technical adjustment in the closing document to align the fee revenues in the Governor’s budget with the updated amounts.**
2. Replacement Equipment (E-710, CHARTER SCHOOL-10): The Executive Budget recommends reserve reductions of \$2,818 in FY 2017 for the replacement of two desktop computers and monitors. **This recommendation appears reasonable to staff.**
3. Cost Allocation Adjustment (E-804, CHARTER SCHOOL-10): The Governor recommends reserve reductions of \$687 over the 2015-17 biennium for adjustments to the Division of Human Resources Management cost allocation for centralized personnel services. **This recommendation appears reasonable to staff.**

Fiscal staff recommends all Other Items be closed as recommended by the Governor and requests authority to make other technical adjustments as necessary.

Other Information Items – No Action Required

Budget Reserve Balance (Summary, CHARTER SCHOOL-11 and 12): The Executive Budget includes a \$3.6 million reserve balance at the end of the 2015-17 biennium, which is sufficient to fund approximately seven months of operations, including \$250,000 in contingency for Special Education litigation. Fiscal staff notes that the \$250,000 contingency for Special Education litigation was calculated and approved by the SPCSA Board. This level of reserve is much higher than the typical 60 to 90 days that agencies usually maintain for cash flow needs. In response to Fiscal staff’s inquiry, the SPCSA indicates that it is in a state of transition with accelerated growth, and projects the reserve balance for the next biennium may stabilize as the SPCSA continues implementing needs.

According to the SPCSA, two to three new charter schools are projected to open in FY 2016 and an addition of three to four new schools are projected to open in FY 2017. As a result, enrollment of 34,000 students is projected at SPCSA-sponsored charter schools in the upcoming biennium.

Nevada Revised Statutes 386.570 authorizes the SPCSA to collect a administrative fee of no less than 2 percent, but at least 1 percent of the total amount of money apportioned to a charter school during the school year. The Governor recommends a 1.5 percent administrative fee for the 2015-17 biennium, which is the same fee percentage approved for the 2013-15 biennium. In response to Fiscal staff’s concern over the growing reserve level, the SPCSA indicates that if actual reserve levels become insufficient or excessive, the SPCSA has the ability to make adjustments to fees in either direction by adjusting the distribution of per-pupil funding through the Distributive School Account (DSA). In FY 2014, SPCSA-sponsored charter schools received an additional \$455,000 in DSA distributions as a result of a decrease to the FY 2014 sponsorship fee.

The SPCSA indicates that as a result of projected annual growth, the SPCSA determined it should continue to budget a 1.5 percent administrative fee to ensure sufficient funding, which incorporates growth, yet still allows an annual assessment adjustment if practicable.

Title: PUBLIC CHARTER SCHOOL LOAN PROGRAM
 Account: 101 - 2708

Budget Page: CHARTER SCHOOL-13, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|-----------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | (605,587) | 605,587 | (200.00) | 502,227 | (17.07) | 358,422 | (28.63) |
| GENERAL FUND | 750,000 | | | 400,000 | | | |
| OTHER FUND | | 96,640 | | 56,195 | (41.85) | 61,303 | 9.09 |
| Total Revenues | 144,413 | 702,227 | 386.26 | 958,422 | 36.48 | 419,725 | (56.21) |

Total FTE

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--------------------------------------|-----|------|--|---------|---------|
| B000 | 00 | 2511 | Increase the Balance Forward for the addition of Treasurer's Interest Income inadvertently omitted from budget | | 1,500 |
| B000 | 00 | 4326 | Add Treasurer's Interest Income inadvertently omitted from budget | 1,500 | 1,500 |
| Sub-total | | | | 1,500 | 3,000 |
| Line Item Changes to Revenues | | | | 1,500 | 3,000 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--|-----|------|---|---------|---------|
| B000 | 86 | 9000 | Add Treasurer's Interest Income inadvertently omitted from budget | 1,500 | 3,000 |
| Sub-total | | | | 1,500 | 3,000 |
| Line Item Changes to Expenditures | | | | 1,500 | 3,000 |

Total 0 0

Grand Total General Fund Impact of Closing Changes 0 0

Overview

The Account for Charter Schools (Account) was created as a revolving loan account by the 2001 Legislature through the passage of Senate Bill 399 (NRS 386.576 through 386.578). Pursuant to statute, funding in the Account may be used only to make loans at or below market rate to charter schools for: (1) costs incurred in preparing a charter school to commence its first year of operations or (2) to improve a charter school that has been in operation. The total amount of any individual loan must not exceed the lesser amount of \$500 per pupil enrolled, or to be enrolled at the charter school or \$200,000. Any money remaining in the Account for Charter Schools at the end of a fiscal year does not revert to the General Fund.

Major Closing Issue

There are no major closing issues.

Other Closing Items

- Funding Proposed to Address the Projected FY 2015 General Fund Shortfall (BASE, E-275, CHARTER SCHOOL-13): To address the projected General Fund shortfall for FY 2015, the Governor has identified a number of fund sweeps or reserve transfers statewide. To assist in this effort, the Governor proposed to temporarily direct \$400,000 from the Account for Charter Schools to the state's

General Fund. This action is included in Senate Bill 506 as Section 12, which is currently in the Senate Committee on Finance. The projected FY 2015 ending reserve balance in the Account, prior to the proposed transfer is \$502,227. In FY 2016, The Executive Budget recommends a General Fund appropriation of \$400,000 to restore the funding. **Contingent on the approval and passage of Senate Bill 506, this recommendation appears reasonable to staff.**

2. Technical Adjustment for Treasurer's Interest Income Distribution: Fiscal staff notes that The Executive Budget did not include distributions of interest income from the Treasurer for the upcoming biennium, as there were no distributions received in the base year (FY 2014). However, as of May 1, 2015, \$1,096 of interest income from the Treasurer had been credited to the Account. **Fiscal staff has included a technical adjustment in the closing document to add Treasurer's Interest Income Distributions of \$1,500 in each year of the 2015-17 biennium for projected interest income.**

Fiscal staff recommends closing this budget as recommended by the Governor, with a technical adjustment to add Treasurer's Interest Income Distributions of \$1,500 in each year of the 2015-17 biennium as noted by staff, and with authority for staff to make other technical adjustments, as necessary.

Informational Item – No Action Required

Charter School Revolving Loan Program Update: The Account for Charter Schools has been in statute for over a decade, but was first funded in FY 2014 when the 2013 Legislature approved a General Fund appropriation of \$750,000 for the charter school loan program. During the 2013 Legislative Session, the agency testified that the lack of access to low-cost financing or other capital was a significant burden for charter schools, particularly new charter schools that were in the stage between receiving approval and commencing operations. The Governor has not recommended additional funding in the 2015-17 biennium for the charter school loan program.

Pursuant to *Nevada Administrative Code* (NAC) 386.445, if a loan is made to an operational charter school, repayments of principal and interest (3.25 percent as of July 1, 2014) must begin in the same fiscal year in which the loan is made. However, if a loan is made to a charter school that is not yet operational, repayments must begin the first fiscal year immediately succeeding the fiscal year in which the charter school becomes operational. Current regulation also stipulates that loan periods must not exceed three years and that repayments must be made by withholding a portion of the Distributive School Account allocation the charter school receives.

As of this writing, the State Public Charter School Authority (SPCSA) has approved and funded two loans from the Account. The first loan of \$100,000 was made to the Oasis Academy in Fallon to fund a facilities expansion. The SPCSA reports that this loan has been repaid in full. The second loan of \$175,000 was made to the Founders Academy in Las Vegas, which commenced operations in the 2014-15 school year. The SPCSA indicates loan repayments for this loan began in August of FY 2015. For the 2015-17 biennium, The Executive Budget includes interest income revenue of \$4,518 in FY 2016 and \$3,147 in FY 2017 and projected loan repayments of \$51,677 in FY 2016 and \$58,156 in FY 2017 for the Founders Academy loan (SUMMARY, CHARTER SCHOOL-14). The SPCSA estimates that two loans in each year of the 2015-17 biennium would be funded from the Charter School Revolving Loan program.

Title: NDE - OFFICE OF THE SUPERINTENDENT
 Account: 101 - 2673

Budget Page: K-12 EDUCATION-45, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | 1,461,294 | 38,707 | (97.35) | | | | |
| GENERAL FUND | 2,628,655 | 5,870,136 | 123.31 | 1,446,522 | (75.36) | 1,487,187 | 2.81 |
| INTERAGENCY TRANSFER | 356,170 | 19,287 | (94.58) | | | | |
| OTHER FUND | 1,000 | 26,655 | 2565.50 | | | | |
| REVERSIONS | (600,251) | | | | | | |
| Total Revenues | 3,846,868 | 5,954,785 | 54.80 | 1,446,522 | (75.71) | 1,487,187 | 2.81 |
| Total FTE | | 28.51 | | 12.00 | | 12.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |

Total 0 0

Grand Total General Fund Impact of Closing Changes 0 0

Overview

This budget, formerly the Education State Programs budget, provides financial support for the activities of the 11-member State Board of Education created pursuant to NRS 385.021; administrative duties of the State Superintendent of Public Instruction; management of the state Department of Education (Department) and statewide school issues; and technical expertise of professionals in various education subjects. This budget also funds the operating costs of the Commission on Education Technology, the Office of Parental Involvement and Family Engagement, academic probation panels, and the Teachers and Leaders Council. Funding for this budget is entirely provided by General Fund appropriations.

Reorganization of the Department of Education

As the Subcommittee may recall, beginning with the 2015-17 biennium, the Governor recommends a reorganization of the Department of Education's (Department) budget structure (currently organized by funding source) to align budgets with activities and functional areas within the Department. The Department indicates the primary goal of the reorganization is to improve performance management in order to achieve priorities established by the State Board of Education and the Superintendent of Public Instruction. Additionally, the Department notes that aligning budgets with functional areas provides the ability to develop, prioritize and monitor the effectiveness of educational initiatives.

Prior to the recommended reorganization, the Department was organized under two deputies: the Deputy Superintendent of Instructional, Research and Evaluative Services, who supervised all program areas in the Department; and the Deputy Superintendent for Administrative and Fiscal Services, who supervised all fiscal areas of the Department.

The proposed reorganization involves the establishment of three divisions within the Department as follows: the Division of Business and Support Services (Fiscal Support), the Division of Student Achievement (Students in the Pre K-12 Education System) and Division of Educator Effectiveness and Family Engagement (Adults in the Pre K-12 Education System).

The following table outlines the Department’s budgets as they are currently, and the recommended changes.

| Recommended Budget Name | Budget | Current Budget Name | Budget Purpose |
|---|---------------|-------------------------------------|---|
| Office of the Superintendent | | | |
| Office of the Superintendent | 2673 | Education State Programs | Superintendent, Board of Education |
| Educational Trust Fund | 2614 | Educational Trust Fund | Educational Purposes as Authorized by the Legislature |
| Division of Business & Support Services | | | |
| District Support Services | 2719 | NDE Staffing Services | DSA Administration, Audit and Grants |
| Department Support Services | 2720 | Education Support Services | Accounting, Budgeting and IT Support |
| Division of Student Achievement | | | |
| Standards and Instructional Support | 2675 | *New Account | Standards, Course of Study, Textbooks, Commission on Education Technology |
| Assessments and Accountability | 2697 | Proficiency Testing | Testing |
| Career and Technical Education | 2676 | Career and Technical Education | Career and Technical Education |
| Continuing Education | 2680 * | Continuing Education | Adult Education |
| GEAR UP | 2678 | GEAR UP | Low-income scholarship program |
| Office of Early Learning and Development | 2709 | Discretionary Grants - Restricted | Early Childhood, Headstart |
| Student and School Support | 2712 | ESEA Title I | Title I, Underperforming Schools Administration, Anti-bullying |
| Literacy Programs | 2713 | ESEA Title II, V & VI | Reading Programs |
| Individuals with Disabilities | 2715 * | Individuals with Disabilities | Special Education |
| Data Systems Management | 2716 | *New Account | Student Data Systems |
| Division of Educator Effectiveness and Family Engagement | | | |
| Educator Effectiveness | 2612 | Educator Effectiveness | Professional development, teacher evaluations |
| Educator Licensure | 2705 | Teacher Ed & License | Teacher Licensure |
| Parental Involvement and Family Engagement | 2706 | Discretionary Grants - Unrestricted | Parental Involvement |

* Staff closings.

New Positions

The Executive Budget includes a total of 24 new positions at a cost of \$4.1 million over the 2015-17 biennium, of which 7 positions are recommended as part of the various Major Budget Initiatives (MBI) for K-12 Education. The Governor recommends General Fund appropriations totaling \$2.8 million over the 2015-17 biennium to fund 15 of the 24 new positions and associated costs. Additionally, the Governor recommends reserve funding totaling \$205,212 for 2 new positions and \$1.1 million in federal grant funds for 7 new positions. The following table outlines the Governor’s proposed new positions for the Department; however, details on each proposed position are discussed in each of the accounts associated with the positions.

| Budget Account | Dec. Unit | Position | FTE | Positions Included in MBI | Total Recommended Funding 2015-17 Biennium | FY 2016 | FY 2017 |
|--|-----------|---|-----------|---------------------------|--|---------------------|---------------------|
| Office of the Superintendent (BA 2673) | E-225 | Management Analyst | | | | \$ 54,812 | \$ 69,623 |
| | E-275 | Deputy Superintendent | | | | \$ 112,570 | \$ 141,615 |
| Total Office of the Superintendent | | | 2 | | \$ 378,620 | | |
| District Support Services (BA 2719) | E-228 | Grants Analyst | | | | \$ 60,666 | \$ 76,342 |
| Total District Support Services | | | 1 | | \$ 137,008 | | |
| Assessment and Accountability (BA 2697) | E-288 | Management Analyst | | | | \$ 50,661 | \$ 64,707 |
| Total Assessment and Accountability | | | 1 | | \$ 115,368 | | |
| Educator Effectiveness (BA 2612) | E-285 | Education Programs Professional | | 1 | | \$ 104,240 | \$ 120,822 |
| | E-286 | Administrative Assistant | | | | \$ 37,031 | \$ 45,925 |
| Total Educator Effectiveness | | | 2 | | \$ 308,018 | | |
| Parental Involvement and Family Engagement (BA 2706) | E-350 | Education Programs Professional | | | | \$ 102,060 | \$ 105,480 |
| Total Parental Involvement and Family Engagement | | | 1 | | \$ 207,540 | | |
| Student and School Support (BA 2712) | E-276 | Management Analyst | | | | \$ 50,812 | \$ 64,707 |
| | E-278 | 2 Education Programs Professionals | | 2 | | \$ 176,850 | \$ 216,936 |
| | E-279 | Education Programs Director & Administrative Assistant | | 2 | | \$ 300,000 | \$ 300,000 |
| Total Student and School Support | | | 5 | | \$ 1,109,305 | | |
| Literacy Programs (BA 2713) | E-280 | 2 Education Programs Professionals (1 position in year 1, 2 positions in year 2) | | 2 | | \$ 120,511 | \$ 252,067 |
| Total Literacy Programs | | | 2 | | \$ 372,578 | | |
| Data Systems Management (BA 2716) | E227 | Information Technology Professional | | | | \$ 83,083 | \$ 107,744 |
| Total Data Systems Management | | | 1 | | \$ 190,827 | | |
| Total General-Funded Positions | | | 15 | 7 | \$ 2,819,264 | \$ 1,253,296 | \$ 1,565,968 |
| Department Support Services (BA 2720) | E-226 | Accounting Assistant | | | | \$ 39,991 | \$ 49,013 |
| | E-227 | Management Analyst | | | | \$ 51,456 | \$ 64,752 |
| Total Department Support Services | | | 2 | | \$ 205,212 | | |
| Total Reserve-Funded Positions | | | 2 | 0 | \$ 205,212 | \$ 91,447 | \$ 113,765 |
| GEAR UP (BA 2678) | E-225 | Education Programs Professional | | | | \$ 101,017 | \$ 98,991 |
| Total GEAR UP | | | 1 | | \$ 200,008 | | |
| Office of Early Learning and Development (BA 2709) | E-275 | 3 Education Programs Professionals, Grants and Projects Analyst, Management Analyst & Education and Information Officer | | | | \$ 444,400 | \$ 458,467 |
| Total Office of Early Learning and Development | | | 6 | | \$ 902,867 | | |
| Total Federal Grant Positions | | | 7 | 0 | \$ 1,102,875 | \$ 545,417 | \$ 557,458 |
| Total New Positions | | | 24 | | \$ 4,127,351 | | |

Position Transfers

As part of the recommended department-wide reorganization, as shown in the following table, the Governor proposes to transfer a total of 66 positions among 15 budgets.

| Dec Unit | Recommended Position Transfers | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|---|---|-------------|--------------------------------|---|-------------------------------|---|
| E-900 | Administrative Assistant | 1.0 | 2705 | Educator Licensure | 2673 | Office of the Superintendent |
| E-901 | Administrative Assistant | 1.0 | 2719 | District Support Services | 2676 | Career and Technical Education |
| E-902 | Program Officer | 1.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-902 | Education Programs Professional | 3.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-902 | Education Programs Supervisor | 1.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-903 | Education Programs Professional | 5.0 | 2673 | Office of the Superintendent | 2675 | Standards and Instructional Support |
| E-904 | Administrative Assistant | 1.0 | 2673 | Office of the Superintendent | 2716 | Data Systems Management |
| E-904 | Information Technology Professional | 1.0 | 2673 | Office of the Superintendent | 2716 | Data Systems Management |
| E-905 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2715 | Individuals with Disabilities Education Act |
| E-905 | Fiscal/Business Professional Trainee | 1.0 | 2719 | District Support Services | 2715 | Individuals with Disabilities Education Act |
| E-905 | Administrative Assistant | 1.0 | 2719 | District Support Services | 2715 | Individuals with Disabilities Education Act |
| E-906 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2706 | Parental Involvement and Family Engagement |
| E-907 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2697 | Assessments and Accountability |
| E-908 | Administrator, Southern Office/Teacher Licensure | 1.0 | 2719 | District Support Services | 2705 | Educator Licensure |
| E-909 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2709 | Office of Early Childhood Education |
| E-911 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2612 | Educator Effectiveness |
| E-912 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2612 | Educator Effectiveness |
| E-913 | Education Programs Supervisor | 1.0 | 2697 | Assessments and Accountability | 2675 | Standards and Instructional Support |
| E-913 | Administrative Assistant | 1.0 | 2697 | Assessments and Accountability | 2675 | Standards and Instructional Support |
| E-914 | Information Technology Professional | 1.0 | 2697 | Assessments and Accountability | 2716 | Data Systems Management |
| E-915 | Developmental Specialist | 1.0 | 2715 | Individuals with Disabilities Education Act | 2709 | Early Learning and Childhood |
| E-915 | Education and Information Officers | 2.0 | 2715 | Individuals with Disabilities Education Act | 2709 | Early Learning and Childhood |
| E-915 | Education Programs Director | 1.0 | 2715 | Individuals with Disabilities Education Act | 2709 | Early Learning and Childhood |
| E-915 | Social Services Program Specialist | 1.0 | 2715 | Individuals with Disabilities Education Act | 2709 | Early Learning and Childhood |
| E-917 | Education Programs Professional | 1.0 | 2706 | Parental Involvement and Family Engagement | 2697 | Assessments and Accountability |
| E-918 | Grants and Projects Analyst | 1.0 | 2678 | GEAR UP | 2719 | District Support Services |
| E-919 | Management Analyst | 2.0 | 2673 | Office of the Superintendent | 2719 | District Support Services |
| E-919 | Accounting Assistant | 1.5 | 2673 | Office of the Superintendent | 2719 | District Support Services |
| E-924 | Education Programs Professional | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-924 | Education Programs Supervisor | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-924 | Admin, Office of Assessments, Data & Accountability | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-926 | Education Programs Professional | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-929 | Grants and Projects Analyst | 0.5 | 2676 | Career and Technical Education | 2719 | District Support Services |
| E-930 | Administrative Assistant | 1.0 | 2719 | District Support Services | 2720 | Department Support Services |
| E-931 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2706 | Parental Involvement and Family Engagement |
| E-932 | Education Programs Professional | 3.0 | 2709 | Office of Early Childhood Education | 2712 | Student and School Support |
| E-932 | Education Programs Director | 1.0 | 2709 | Office of Early Childhood Education | 2712 | Student and School Support |
| E-933 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2675 | Standards and Instructional Support |
| E-934 | Business Process Analyst | 1.0 | 2713 | Literacy Programs | 2716 | Data Systems Management |
| E-935 | Education Programs Professional | 2.0 | 2713 | Literacy Programs | 2675 | Standards and Instructional Support |
| E-935 | Administrative Assistant | 2.0 | 2713 | Literacy Programs | 2675 | Standards and Instructional Support |
| E-937 | Program Officer | 1.0 | 2719 | District Support Services | 2697 | Assessments and Accountability |
| E-937 | Education Programs Professional | 2.0 | 2719 | District Support Services | 2697 | Assessments and Accountability |
| E-942 | Administrative Assistant | 1.0 | 2715 | Individuals with Disabilities Education Act | 2712 | Student and School Support |
| E-944 | Business Process Analyst | 1.0 | 2719 | District Support Services | 2716 | Data Systems Management |
| E-949 | Grants and Projects Analyst | 1.0 | 2713 | Literacy Programs | 2719 | District Support Services |
| E-950 | Administrative Assistant | 1.0 | 2720 | Department Support Services | 2673 | Office of the Superintendent |
| E-952 | Education Programs Director | 1.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-952 | Administrative Assistant | 2.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-954 | Information Technology Manager | 1.0 | 2720 | Department Support Services | 2716 | Data Systems Management |
| E-954 | Information Technology Professional | 1.0 | 2720 | Department Support Services | 2716 | Data Systems Management |
| E-972 | Education Programs Professional | 1.0 | 2706 | Parental Involvement and Family Engagement | 2712 | Student and School Support |
| Total Recommended Position Transfers | | 66.0 | | | | |

Major Closing Issues

1. New Deputy Superintendent Position
2. New Management Analyst Position
3. Increased Operating Expenditures for the Public Information Office
4. Unclassified Salary Increases

Discussion of Major Closing Issues

1. **New Deputy Superintendent Position (E-275, K-12 EDUCATION-48 and 49)**: The Governor recommends General Fund appropriations of \$112,570 in FY 2016 and \$141,615 FY 2017 to fund a new unclassified Deputy Superintendent position and associated operating costs. According to the Department, the Deputy Superintendent would oversee the Educator Effectiveness and Parental Involvement Division. Specifically, the Department indicates the position would be responsible for the operations of various educator effectiveness programs, including licensure of educators, the Nevada Educator Performance Framework program, the Teachers and Leaders Council, the Statewide Coordinating Council for Regional Professional Development Programs, and the Commission on Professional Standards. The Department structure is currently divided between two Deputy Superintendent positions. One Deputy Superintendent position oversees the Business and Support Services Division and one Deputy Superintendent position oversees the Student Achievement and Educator Effectiveness and Family Engagement.

In addition, the Department notes the position would supervise the administrative and operational activities of staff in Las Vegas and provide general oversight for the management of the Department's Southern Nevada office. Currently, the Southern Nevada office is supervised by an Administrator, Southern Office and Teacher Licensing position, which is assigned to provide leadership and direction to the Southern Office of the Department of Education by planning, organizing, coordinating and administering the activities of staff in the Department's southern office and teacher licensing function, in conjunction with program supervisors, as well as oversee and manage office facilities, and also provide general oversight of the Commission on Postsecondary Education. Fiscal staff would note there appears to be a significant overlap of duties between the existing Southern Office Administrator position and the proposed new Deputy Superintendent position. Testimony provided by the Department during the Joint Subcommittee on K-12/Education/CIPs budget hearing on March 3, 2015, indicated that the Educator Effectiveness and Parental Involvement Division is the most under-resourced area, when adding programs such as educator evaluations, teacher equity allocations and teacher preparation programs along with the large volume of work related to teacher licensing. Based on this information, the Department indicated that the Southern Office Administrator position would still be necessary, in addition to the proposed Deputy Superintendent position. Staff notes that the salary of the Deputy Superintendent would be established in the Pay Bill.

Does the Subcommittee wish to approve General Fund appropriations totaling \$112,570 in FY 2016 and \$141,615 in FY 2017 to fund a new unclassified Deputy Director position and associated operating costs, and allow Fiscal staff to make any needed technical adjustment based on the salary established for the position?

2. **New Management Analyst Position (E-225, K-12 EDUCATION-47)**: The Governor recommends General Fund appropriations of \$54,812 in FY 2016 and \$69,623 in FY 2017 for one new Management Analyst position and associated operating costs.

According to the Department, recent changes in the governance structure at the Department of Education, as well as changes to educational law and regulations, have created a need for additional management oversight within the Department. The Department indicates that the Management Analyst position would provide assistance to the Superintendent of Public Instruction by conducting studies, research, and analysis of policies and programs, evaluating regulations, rules, and forms prescribed by the Department and the State Board of Education, as well as coordinate the Department's legislation and informational analysis. Additionally, the Department notes the position would be assigned the performance management oversight of the three divisions within the Department by tracking performance metrics tied to the State Board of Education's goals, and would also coordinate the Department's legislative and informational analysis. The Department indicates that robust performance

metrics had not previously been established, and this position would gather, analyze and report all on the metrics. The Management Analyst position would be located in the Department's Carson City office.

In response to Fiscal staff's inquiry regarding how much of the new Management Analyst position's workload would be a result of the proposed reorganization and how much would be due to existing workload, the Department indicated that 100 percent of the work would be dictated by the existing workload. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve a General Fund appropriation totaling \$54,812 in FY 2016 and \$69,623 in FY 2017, to fund a new Management Analyst position and associated costs, as recommended by the Governor?

3. Increased Operating Expenditures for the Public Information Office (E-226, K-12 EDUCATION-47 and 48): The Governor recommends General Fund appropriations of \$31,923 in FY 2016 and \$21,498 in FY 2017 to increase the operating expenses of the Public Information Office (PIO). To improve and coordinate communication between education stakeholders and community partners, the 2013 approved General Fund appropriations totaling \$73,307 in FY 2014 and \$92,168 in FY 2015 to fund a new Public Information Officer position and associated operating expenses. Of these amounts, \$4,044 was approved for in-state travel in each year of the 2013-15 biennium and \$300 was approved in each year for operating supplies.

According to the Department, the additional funding would enhance outreach campaigns, such as Nevada Ready!, and improve communication with students, parents and the public. Specifically, the Department indicates the funding would be used to contract with a public relations service to purchase promotional items, general office and event supplies, printing and mailing services, and to increase the in-state travel budget for the Public Information Officer position. According to the Department, the PIO position expended \$1,272 of the \$9,044 legislatively approved amount for FY 2014 travel expenses.

The following table details the purpose and amounts of the recommended operating budget increases for the PIO:

| Recommended Funding Increase for PIO Budget 2015-17 Biennium | | | |
|---|----------------------------|----------------------------|--|
| Decision Unit 226 | Gov Rec FY 2016 | Gov Rec FY 2017 | Department Calculation |
| Printing/Copying | \$240 | \$240 | \$20 per month x 12 months |
| Office Supplies | \$636 | \$636 | \$53 per month x 12 months |
| State Printing Charges | \$4,000 | \$4,000 | 4,000 glossy full color copies at \$1 per fact sheet (estimated) |
| Lapel Pins | \$1,100 | \$1,100 | 1,000 at \$1.10 each |
| Back to School Promotional items (pens, magnets, etc.) | \$2,500 | \$2,500 | 5,000 at \$0.50 each (estimated) |
| Postage - State Mailroom | \$88 | \$88 | Estimated |
| AT&T Teleconference Services | \$300 | \$300 | |
| Shipping & Handling Charges | \$200 | \$200 | Estimated |
| Event Supplies | \$525 | \$100 | Banners, table skirts/runners, literature holders, etc. |
| Outside Vendor Creative Services | \$20,000 | \$10,000 | |
| Operating Subtotal | \$29,589 | \$19,164 | |
| In-State Travel | \$2,334 | \$2,334 | |
| Decision Unit Total | \$31,923 | \$21,498 | |

Testimony provided by the Department during the Joint Subcommittee on K-12/Education/CIPs budget hearing on March 3, 2015, indicated that the recommended funding for an outside vendor in the amount of \$20,000 in FY 2016 and \$10,000 in FY 2017 would provide creative designs, such as web pages, flyers and other art direction required for public relations, as well as videography and related services to create video messages for public service announcements. The creative services vendor would also develop high quality communication related to preschool grant work, Nevada Educator Performance Framework, ongoing assessment changes, and new standards. Further, the vendor would also support statewide communication campaigns related to changes in K-12 assessments, new science standards, and teacher evaluations. The vendor would organize events and conduct surveys for stakeholder outreach. The Department indicates that, the estimated \$30,000 over the 2015-17 biennium was provided through a proposal received by a public relations vendor currently providing print and video creative services for the Nevada Ready! campaign.

In response to Fiscal staff's inquiry regarding the possible use of the Department's non-executive Gift Fund budget to fund promotional items in the amount of \$7,200 over the 2015-17 biennium, the Department indicated it would not be opposed to a technical adjustment to move these expenditures to the non-executive Education Gift Fund budget (BA 2701).

Does the Subcommittee wish to approve General Fund appropriations totaling \$28,323 in FY 2016 and \$17,898 in FY 2017, to fund an increase in the operating budget of the Department's Public Information Office, net of \$3,600 in each year for promotional items for which the Department can fund through its non-executive Gift Fund budget?

4. Unclassified Salary Increases (E-806, K-12 EDUCATION-50): The Governor recommends General Fund appropriations of \$3,924 in FY 2016 and \$3,925 in FY 2017 to provide a \$561 salary increase of in each year of the 2015-17 biennium for the Deputy Superintendent of Business and Support Services position within the Department to equalize the salaries of the two existing Deputy Superintendent positions at \$107,465 each per year. The Governor also recommends a salary increase of \$2,399 in each year of the 2015-17 biennium to equalize the salary for the Superintendent of Public Instruction position with other Department heads at \$127,721 per year. The remaining \$964 in FY 2016 and \$965 in FY 2017 is recommended for the related benefit increases resulting from the recommended salary increases.

Inclusive of the proposed salary increases, the total salary for the Superintendent of Public Instruction position included in The Executive Budget is \$128,832 in FY 2016 and \$128,833 in FY 2017. Staff notes pay levels for unclassified positions are established in the Pay Bill. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve General Fund appropriations of \$3,924 in FY 2016 and \$3,925 in FY 2017 to provide salary and related benefit increases for the Deputy Superintendent of Business and Support Services position and the position of State Superintendent of Public Instruction, as recommended by the Governor, and provide staff authority to make technical adjustments should the salaries in the Pay Bill differ?

Other Closing Items

As part of the recommended department-wide reorganization, The Executive Budget recommends that 22 full-time positions and one half-time position be transferred either in or out of the Office of the Superintendent budget as shown in the following table. Each transfer is briefly discussed by decision unit in the next several pages.

| Dec Unit | Position/s | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|---|-------------|--------------------------------|------------------------------|-------------------------------|--|
| E-900 | Administrative Assistant | 1.0 | 2705 | Educator Licensure | 2673 | Office of the Superintendent |
| E-950 | Administrative Assistant | 1.0 | 2720 | Department Support Services | 2673 | Office of the Superintendent |
| | Total Transfer To Office of Superintendent | 2.0 | | | | |
| E-902 | Program Officer | 1.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-902 | Education Programs Professional | 3.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-902 | Education Programs Supervisor | 1.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-903 | Education Programs Professional | 5.0 | 2673 | Office of the Superintendent | 2675 | Standards and Instructional Support |
| E-904 | Information Technology Professional | 1.0 | 2673 | Office of the Superintendent | 2675 | Standards and Instructional Support |
| E-904 | Administrative Assistant | 1.0 | 2673 | Office of the Superintendent | 2716 | Data Systems Management |
| E-906 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2706 | Parental Involvement and Family Engagement |
| E-907 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2697 | Assessments and Accountability |
| E-909 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2709 | Office of Early Childhood Education |
| E-912 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2612 | Educator Effectiveness |
| E-919 | Management Analyst | 2.0 | 2673 | Office of the Superintendent | 2719 | District Support Services |
| E-919 | Accounting Assistant | 1.5 | 2673 | Office of the Superintendent | 2719 | District Support Services |
| E-931 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2706 | Parental Involvement and Family Engagement |
| | Total Transfer From Office of Superintendent | 20.5 | | | | |

1. Travel Increase for State Board of Education Members (E-244, K-12 EDUCATION-48): The Executive Budget recommends General Fund appropriations of \$2,062 in each year of the 2015-17 biennium to increase travel funding for members of the State Board of Education (SBE). According to the agency, members of the SBE need the ability to travel to meetings, conferences, and legislative hearings that occur outside the regularly attended SBE meetings. **This recommendation appears reasonable.**
2. Position Transfer (E-500 and E-900, K-12 EDUCATION-49 and 51): The Executive Budget recommends the transfer of reserve funding of \$53,403 in FY 2016 and \$54,759 in FY 2017 to transfer one Administrative Assistant position from the Educator Licensure budget (BA 2705) to this budget. The Executive Budget further recommends the funding source of the position be changed from 100 percent teacher licensure fee support to 100 percent General Fund support (E-500). In response to Fiscal staff's inquiry regarding why the position's funding source be changed from 100 percent teacher licensure fee support to 100 percent General Fund support, the Department indicates that this funding change would align the Administrative Assistant position to the same budget as the proposed Deputy Superintendent of Educator Effectiveness and Parental Involvement position, as the Administrative Assistant position would report to the proposed new Deputy Superintendent position. **These recommendations appear reasonable.**
3. Position Transfer (E-520 and E-950, K-12 EDUCATION-49 and 57): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement totaling \$47,346 in FY 2016, and \$48,375 in FY 2017 to transfer one Administrative Assistant position and associated operating costs from the Department Support Services budget (BA 2720) to this budget. The Executive Budget further recommends the funding source of the position be changed from 100 percent cost allocation reimbursement support to 100 percent General Fund support (E-520). The Administrative Assistant position for the Deputy Superintendent of the Business and Support Services Division is recommended to be transferred from the Department Support

Services budget to this budget as this position performs support functions to the entire Department. **These recommendations appear reasonable.**

4. Replacement Equipment (E-710, K-12 EDUCATION-50): The Governor recommends a General Fund appropriation of \$1,925 in FY 2017 to replace one laptop computer and docking station. **This recommendation appears reasonable.**
5. Positions Transfers (E-902, K-12 EDUCATION-51): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$473,270 in FY 2016 and \$481,483 in FY 2017 to transfer one Education Programs Supervisor position, three Education Programs Professional positions, and one Program Officer position from this budget to the Student and School Support budget (BA 2712). **This recommendation appears reasonable.**
6. Position Transfers (E-903, K-12 EDUCATION-52): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$713,460 in FY 2016, and \$722,850 in FY 2017 for five Education Programs Professional positions and associated operating costs inclusive of the operating expenses (\$83,073 each year) for the Commission on Educational Technology from this budget to the Standards and Instructional Support budget (BA 2675). The Department indicates the positions work on standards and instructional support for Math and Science, Education Technology and Social Studies. **This recommendation appears reasonable.**
7. Position Transfers (E-904, K-12 EDUCATION-52): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$170,091 in FY 2016, and \$169,485 in FY 2017 for one Information Technology Professional position and one Administrative Assistant position and associated operating costs from this budget to the Data Systems Management budget (BA 2716). The Department indicates the positions work on data systems management. **This recommendation appears reasonable.**
8. Position Transfer (E-906, K-12 EDUCATION-53): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$108,994 in FY 2016 and \$112,403 in FY 2017 to transfer one Education Programs Professional position and the operating costs (\$14,978) for the Office of Parental Involvement and Family Engagement from this budget to the Parental Involvement and Family Engagement budget (BA 2706), as this position is assigned to the Office of Parental Involvement and Family Engagement. **This recommendation appears reasonable.**
9. Position Transfer (E-907, K-12 EDUCATION-53): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$91,965 in FY 2016, and \$95,198 in FY 2017 to transfer one Education Programs Professional position and associated operating costs from this budget to the Assessments and Accountability budget (BA 2697). This position is assigned accountability duties. **This recommendation appears reasonable.**
10. Position Transfers (E-909, K-12 EDUCATION-54): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$107,073 in FY 2016, and \$106,423 in FY 2017 to transfer one Education Programs Professional position and associated operating costs from this budget to the Office of Early Learning and Development budget (BA 2709) in order to establish the Office of Early Childhood Education within the

Department. The Education Programs Professional position is assigned to the state Pre-K program. **This recommendation appears reasonable.**

11. Position Transfer (E-912, K-12 EDUCATION-54): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$104,917 in FY 2016, and \$104,285 in FY 2017 to transfer one Education Programs Professional position and associated operating costs from this budget to the Educator Effectiveness budget (BA 2612). The Education Programs Professional position is assigned to the Educator Evaluation and Development, Library Services program. **This recommendation appears reasonable.**
12. Position Transfers (E-919, K-12 EDUCATION-55): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$226,254 in FY 2016, and \$232,408 in FY 2017 to transfer two Management Analyst positions and one full-time and one half-time Accounting Assistant positions and associated operating costs from this budget to the District Support Services budget (BA 2719). The positions in this decision unit are assigned to school district support and reporting, including class-size reduction reporting. **This recommendation appears reasonable.**
13. Teachers and Leaders Council Funding Transfer (E-922, K-12 EDUCATION-55): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$15,465 in each year of the 2015-17 biennium to transfer the operating expenditures of the Teachers and Leaders Council from this budget to the Educator Effectiveness budget (BA 2612). **This recommendation appears reasonable.**
14. End-of-Course Examination Funding Transfer (E-925, K-12 EDUCATION-56): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer the General Fund appropriations funding totaling \$3.2 million in FY 2016 and \$3.7 million in FY 2017 from this budget to the Assessments and Accountability budget (BA 2697). **This recommendation appears reasonable.**
15. Position Transfer (E-931, K-12 EDUCATION-56): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of \$79,575 in FY 2016 and \$82,249 in FY 2017 to transfer one Education Programs Professional position and associated operating costs from this budget to the Parental Involvement and Family Engagement budget (BA 2706). **This recommendation appears reasonable.**
16. Audit Unit Funding Transfer (E-943, K-12 EDUCATION-57): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$7,656 in each year of the 2015–17 biennium to transfer travel and training costs associated with the audit unit from this budget to the District Support Services budget (BA 2719). **This recommendation appears reasonable.**

Staff recommends all Other Closing Items be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.

Title: NDE - EDUCATIONAL TRUST ACCOUNT
 Account: 101 - 2614

Budget Page: K-12 EDUCATION-41, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | 167,466 | 369,946 | 120.91 | 449,852 | 21.60 | 472,622 | 5.06 |
| INTERAGENCY TRANSFER | 198,684 | 109,000 | (45.14) | 140,000 | 28.44 | 140,000 | |
| Total Revenues | 366,150 | 478,946 | 30.81 | 589,852 | 23.16 | 612,622 | 3.86 |

Total FTE

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|-------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|---|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

The 2007 Legislature approved the creation of the Educational Trust Account (NRS 120A.610(8)) to be funded by year-end transfers of 60 percent of the unredeemed or uncharged value of expired or abandoned gift certificates from the Abandoned Property Trust Account. Pursuant to statute, funding in the Educational Trust Account can only be expended for educational purposes as authorized by the Legislature.

Major Closing Issues

1. New Graduate Student or Educator in Residence Program
2. Teacher of the Year Program Expenses

Discussion of Major Closing Issues

1. New Graduate Student or Educator in Residence Program (E-294; K-12 EDUCATION-42):
 The Governor recommends a reduction to reserves totaling \$204,920 over the 2015-17 biennium for two \$50,000 stipends and travel costs each fiscal year for either two Graduate Students or two Educators in Residence (District Educators), or a combination of both, to work approximately nine months at the Department of Education (Department) on projects related to accountability, educator effectiveness, or data-driven instruction. The Department indicates funding would be allocated as a grant to the sponsoring institution, with the possibility of matching funds, yet to be identified by the Department. According to the Department, the Educator in Residence program would

provide a path to prepare educators for careers in leadership in schools or administration, while enhancing the knowledge and effectiveness of the Department by introducing the thinking of an education practitioner into the Department's day-to-day operations. Duties of the Educator in Residence would include assisting with research, drafting and reviewing language for regulations, standards, budgets and instructional manuals.

According to the Department, Graduate Students or Educators in Residence would not be established as state positions. University interns (unpaid) have previously been utilized by the Department through use of interlocal agreements or through vendor contracts with entities such as WestEd. The new Graduate Student or Educator in Residence program would be continued through the same interlocal agreement process. In developing the amount of the stipend to be paid, the Department requested information from the universities regarding the compensation level for graduate students. The University of Nevada, Las Vegas responded that graduate students earn \$30,618 annually. In addition, in determining a compensation level for Educators in Residence, the Department considered the average salary for a teacher without benefits, which was \$53,095 in FY 2014.

The Department noted this funding may draw matching funding for this program, and the Department speculated that any matching funds would be used to compensate the educators at the same level they are accustomed to in their districts. If additional funds were secured, extra stipends would be offered. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve a reduction to reserves totaling \$204,920 over the 2015-17 biennium for the new Graduate Student or Educator in Residence program?

2. Teacher of the Year Program Expenses (E-297; K-12 EDUCATION-42): The Executive Budget recommends a reduction to reserves of \$4,660 each fiscal year for an enhancement to the Teacher of the Year program. The 2013 Legislature approved expenditures of \$3,307 in each year of the 2013-15 biennium for the state Teacher of the Year program, which included a \$500 stipend and \$2,807 for travel to a national teacher of the year conference. The Governor's recommendation includes funding the cost of \$1,890 for the state teacher of the year to attend the International Space Camp, previously funded by the Council of Chief State School Officers. The Department indicates that other options could be made available to the teacher of the year if the individual is unable or chooses not to attend the International Space Camp. The Governor's budget recommends four out-of-state trips for the state teacher of the year. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve a reduction to reserves of \$4,660 in each year of the 2015-17 biennium for additional Teacher of the Year program expenses?

Other Closing Item

Parental Involvement Summit: During the budget hearing on March 3, 2015, the Department testified that an enhancement of \$10,000 was inadvertently omitted from The Executive Budget to support the biennial Family Engagement Summit. The 2013 Legislature approved reserve funding of \$10,000 to support costs of the Summit in FY 2014, which was subgranted to the Washoe County School District (WCSD). The Department indicates that of the total \$10,000 subgranted to the WCSD, \$8,000 was expended on fees for two speakers and \$2,000 was expended on technology services.

Does the Subcommittee wish to approve a reduction to reserves of \$10,000 in FY 2016 to support the Parental Involvement Summit?

Information Item – No Action Required

Legislation: Senate Bill 25, as amended, heard on April 29, 2015, in the Assembly Committee on Education would, among other things, authorize money in the Educational Trust Account to be expended as authorized by the Interim Finance Committee when the Legislature is not in session.

Title: NDE - DISTRICT SUPPORT SERVICES
 Account: 101 - 2719

Budget Page: K-12 EDUCATION-60 Volume I

| Revenues | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| FEDERAL FUND | | | | | | | |
| GENERAL FUND | | | | 802,332 | | 830,892 | 3.56 |
| INTERAGENCY TRANSFER | 1,760,511 | 1,889,671 | 7.34 | 518,026 | (72.59) | 526,076 | 1.55 |
| Total Revenues | 1,760,511 | 1,889,671 | 7.34 | 1,320,358 | (30.13) | 1,356,968 | 2.77 |
| Total FTE | | 25.00 | | 16.02 | | 16.02 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--|-----|------|---|---------|---------|
| E230 | 03 | 6000 | Transfer travel funds from Audit Travel and Training category to the Travel category for the Grants Unit. | 2,978 | 2,978 |
| E230 | 11 | 6000 | Transfer travel funds from Audit Travel and Training category to the Travel category for the Grants Unit. | (2,978) | (2,978) |
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |

| | | |
|---|---|---|
| Total | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | 0 | 0 |

Overview

The District Support Services budget is proposed to fund position and operating expenditures for the Department of Education (Department) staff assigned to administer and distribute state and federal funds to the 17 school districts and the State Public Charter School Authority. The budget would also include support related to the state and federal grant monitoring function, as well as the Department's state auditing function.

Major Closing Issues

1. Funding Source Change for Four Positions
2. New Grants and Projects Analyst Position

Discussion of Major Closing Issues

1. Funding Source Change for Four Positions (E-225, K-12 EDUCATION-61): In conjunction with the creations of a Grants Management Unit within the Department, the Governor recommends a funding source change for three Grants and Projects Analyst positions and one Administrative Services Officer. As such, The Executive Budget recommends General Fund appropriations totaling \$503,520 in FY 2016 and \$511,508 in FY 2017, a reduction of Cost Allocation Reimbursements, totaling \$388,451

in FY 2016 and \$396,439 in FY 2017 and an increase of federal Indirect Cost expenses of \$115,069 in each year of the 2015-17 biennium. The table below shows each position, the existing funding source, and the proposed funding source. It should be noted that The Executive Budget incorrectly indicates there are 12 positions recommended for a funding source change.

| Positions with Recommended Funding Source Changes | | |
|--|---|----------------------------------|
| Position Description | Existing Funding Sources | Proposed Funding Sources |
| GRANTS & PROJECTS ANALYST | 35% General Funds and 65% Federal Carl D. Perkins Grant | 100% Indirect Cost * |
| GRANTS & PROJECTS ANALYST | 100% Grant Funds = 50% Striving Readers 50% Math & Science Prtnrs | 100% Indirect Cost * |
| GRANTS & PROJECTS ANALYST (Supervisor) | 100% Grant Funds (various) | 100% Indirect Cost * |
| ADMINISTRATIVE SERVICES OFFICER | 50% Gen Fund/ 50% Indirect Cost | 100% General Fund Appropriations |

* Indirect Cost allocations are comprised of approximately 50 percent General Fund appropriations and 50 percent federal indirect cost allowance.

In reviewing this budget, Fiscal staff has identified issues with how the budget was built that create a lack of clarity as to the needed funding and extent of proposed changes. For example, Fiscal staff would note that the total General Fund appropriations recommended in this decision unit of \$503,520 in FY 2016 and \$511,608 in FY 2017 are comprised of two components. The first component reflects the restoration of the base funding for the support of the existing General Fund positions in this budget. The General Fund appropriations for these positions were inadvertently eliminated during the adjusted base review process. The second component reflects the General Fund impact of the funding source change recommended for one Grants and Projects Analyst position and one Administrative Services Officer position.

According to the organizational chart provided by the Department, the Administrative Services Officer (ASO) position would be supervising positions funded by 100 percent General Fund appropriations as well as positions funded by federal indirect cost allowance. As shown in the table above, the funding sources for the ASO position are recommended to change from 50 percent General Fund appropriations and 50 percent federal indirect cost allocations to 100 percent General Fund appropriations. Although, the Department proposed to change the funding source for the ASO position to 100 percent General Fund appropriations; given that the duties of the position may involve the supervision of positions supported by both federally-funded grants and grants funded by General Fund appropriations. Fiscal staff worked with the Department and the Executive Budget Office and has determined that this position should be funded by 75 percent General Fund appropriations and 25 percent indirect cost allocations, and will make a technical adjustment to reflect the change in funding.

As shown in the table above, the funding sources for the supervising Grants and Projects Analyst position are recommended to change from 100 percent federal funds to 100 percent indirect cost allocations. Fiscal staff had concerns with the recommended proposal to change the funding source for the Grants and Projects Analyst position to 100 percent indirect cost allocations, given that the duties of the position may involve the supervision of positions supported by both federally-funded grants and grants funded by General Fund appropriations, and also oversee several specific federal grants.

Fiscal staff worked with the Department and the Executive Budget Office and has determined that this position should be funded by 75 percent federal funds and 25 percent indirect cost allocations, and will make a technical adjustment to reflect the change in funding. **With the technical adjustments noted to change the funding of the Administrative Services Officer position and the supervising Grants and Projects Analyst position, this recommendation appears reasonable to staff.**

- **Does the Subcommittee wish to approve General Fund appropriations totaling \$503,520 in FY 2016 and \$511,508 in FY 2017 to restore base funding for the support of existing General Fund positions in this budget, which was inadvertently eliminated during the adjusted base review process?**
 - **Does the Subcommittee wish to approve the change to the funding source for one Grants and Projects Analyst position and one Administrative Services Officer position, with authority for Fiscal staff to make technical adjustments to modify the funding percentages as discussed?**
 - **Does the Subcommittee wish to approve the remaining components of Decision Unit E-225 for the recommended funding source change of three Grants and Projects Analyst positions and one Administrative Services Officer position, including a recommended reduction to Cost Allocation Reimbursements totaling \$388,451 in FY 2016 and \$396,439 in FY 2017 and a recommended increase of Indirect Cost expenditures totaling \$115,069 in each year of the 2015-17 biennium, with authority for Fiscal staff to make any necessary technical adjustments?**
2. New Grants and Projects Analyst Position (E-228, K-12 EDUCATION-61 and 62): The Governor recommends General Fund appropriations of \$60,666 in FY 2016 and \$76,342 in FY 2017 for the personnel and associated operating costs for one new Grants and Projects Analyst position to administer state-funded grants. Currently, the Department has three full-time and one half-time Grants and Projects Analyst positions assigned to administer multiple federal grants.

The Department indicates that due to the increased number of recommended new state-funded grants in The Executive Budget for the 2015-17 biennium, one full-time Grants and Projects Analyst position would be needed to manage the new grants, if approved. Duties of the new position would include the new distribution of new grant funds, and compliance and report monitoring.

The Department further notes that currently, the state-funded grant duties are assigned to several positions within the Department, and that if the Governor's recommended state grants are not approved, this position would still be necessary to complete the Grants Unit, and provide grant support to existing state grants. The Department indicates that this position would have ample state grants to manage, and would not work on federal grants, and focus on state grants to schools and districts.

Does the Subcommittee wish to approve General Fund appropriations of \$60,666 in FY 2016, and \$76,342 in FY 2017 to fund one new Grants and Projects Analyst position, as recommended by the Governor?

Other Closing Items

As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of 22 positions to be transferred either in or out of the District Support Services budget as shown in the following table:

| Dec Unit | Position/s | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|--|------|--------------------------------|--------------------------------|-------------------------------|---|
| E-918 | Grants and Projects Analyst | 1.0 | 2678 | GEAR UP | 2719 | District Support Services |
| E-929 | Grants and Projects Analyst | 0.5 | 2676 | Career and Technical Education | 2719 | District Support Services |
| E-949 | Grants and Projects Analyst | 1.0 | 2713 | Literacy Programs | 2719 | District Support Services |
| E-901 | Administrative Assistant | 1.0 | 2719 | District Support Services | 2676 | Career and Technical Education |
| E-905 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2715 | Individuals with Disabilities Education Act |
| E-905 | Fiscal/Business Professional Trainee | 1.0 | 2719 | District Support Services | 2715 | Individuals with Disabilities Education Act |
| E-905 | Administrative Assistant | 1.0 | 2719 | District Support Services | 2715 | Individuals with Disabilities Education Act |
| E-908 | Administrator, Southern Office/Teacher Licensure | 1.0 | 2719 | District Support Services | 2705 | Educator Licensure |
| E-911 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2612 | Educator Effectiveness |
| E-919 | Management Analyst | 2.0 | 2673 | Office of the Superintendent | 2719 | District Support Services |
| E-919 | Administrative Assistant | 1.5 | 2673 | Office of the Superintendent | 2719 | District Support Services |
| E-930 | Administrative Assistant | 1.0 | 2719 | District Support Services | 2720 | Department Support Services |
| E-933 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2675 | Standards and Instructional Support |
| E-937 | Program Officer | 1.0 | 2719 | District Support Services | 2697 | Assessments and Accountability |
| E-937 | Education Programs Professional | 2.0 | 2719 | District Support Services | 2697 | Assessments and Accountability |
| E-944 | Business Process Analyst | 1.0 | 2719 | District Support Services | 2716 | Data Systems Management |
| E-952 | Education Programs Director | 1.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-952 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-952 | Administrative Assistant | 2.0 | 2719 | District Support Services | 2712 | Student and School Support |
| | Total | 22.0 | | | | |

1. In-State Travel Increase (E-230, K-12 EDUCATION-62): The Governor recommends a General Fund appropriation of \$2,978 in each year of the 2015-17 biennium to increase the in-state travel expenses for additional grant monitoring. Narrative included in The Executive Budget indicates the recommended increase for in-state travel is for the grants unit; however, the decision unit adds the funding to the category for Audit Travel and Training. **Fiscal staff worked with the Department and has determined that a technical adjustment is necessary to transfer the \$2,978 in each year of the 2015-17 biennium from the Audit Travel and Training category to the Travel category, which is included in this closing document.**
2. Position Transfer and Funding Change (E-518 and E-918, K-12 EDUCATION-62 and 67): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funding totaling \$69,155 in FY 2016 and \$71,159 in FY 2017 to transfer one Grants and Projects Analyst position and associated operating costs from the GEAR UP budget (BA 2678) to this budget. The Executive Budget further recommends the funding source of the position be changed from 100 percent GEAR UP federal grant funds to 100 percent cost allocation reimbursements (E-518). The duties and amount of federal funding for the position do not change. **These recommendations appear reasonable to staff.**
3. Position Transfer and Funding Change (E-530 and E-929, K-12 EDUCATION-63 and 68): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funding totaling \$46,692 in FY 2016 and \$46,885 in FY 2017 to transfer one half-time Grants and Projects Analyst position and associated operating costs from the Career and Technical Education budget (BA 2676) to this budget. The Executive Budget further recommends the funding source of the position be changed from 100 percent federal Perkins grant funds to 100 percent cost allocation reimbursements (E-530); however, staff has worked with the Department and Executive Budget Office, and has determined the position should be split funded with 65 percent federal funds and 35 percent General Funds. Fiscal staff will make a technical adjustment to change the funding for this position as described in this closing document. **With the technical adjustment noted to change the funding of this position, these recommendations appear reasonable to staff.**

4. Audit Unit Expense Transfer and Funding Change (E-538 and E-938, K-12 EDUCATION-63 and 70): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal administrative indirect cost allowance funds of \$7,952 in each year of the 2015-17 biennium to transfer travel and training costs associated with the audit unit from the Department Support Services budget (BA 2720) to this budget. The Executive Budget further recommends the funding source of the audit unit costs be changed from 100 percent federal administrative indirect cost allowance funds to cost allocation reimbursements (E-538). **These recommendations appear reasonable to staff.**
5. Position Transfer and Funding Change (E-549 and E-949, K-12 EDUCATION-63 and 71): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$76,569 in FY 2016 and \$79,042 in FY 2017 to transfer one Grants and Projects Analyst position and associated operating costs from the Literacy Programs budget (BA 2713) to this budget. The Executive Budget further recommends the funding source of the position costs be changed from federal Striving Readers grant funds to cost allocation reimbursements, as the position will no longer be working on the expired federal grant (E-549). **These recommendations appear reasonable to staff.**
6. Equipment Replacement (E-710, K-12 EDUCATION-64): The Executive Budget recommends a General Fund appropriation of \$1,258 in FY 2016 to replace one desktop computer. **This recommendation appears reasonable to staff.**
7. Position Reclassification (E-808, K-12 EDUCATION-64 and 65): The Governor recommends cost allocation reimbursement increases of \$7,438 in FY 2016 and \$7,431 in FY 2017 to reclassify a Grants and Projects Analyst position as a result of proposed changes to the duties of this position, including the addition of supervisory responsibilities over two full-time and one half-time Grants and Projects Analyst positions. **This recommendation appears reasonable to staff.**
8. Position Transfer (E-901, K-12 EDUCATION-65): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$62,026 in FY 2016 and \$61,506 in FY 2017 to transfer one Administrative Assistant position and associated operating costs from this budget to the Career and Technical Education budget (BA 2676). The position would be assigned solely to the federal Perkins Grant, rather than be assigned split duties. **This recommendation appears reasonable to staff.**
9. Position Transfers (E-905, K-12 EDUCATION-65): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$205,329 in FY 2016 and \$208,537 in FY 2017 to transfer one Education Programs Professional position, one Fiscal/Business Professional Trainee position and one Administrative Assistant position and associated operating costs from this budget to the Individuals with Disabilities Education Act budget (BA 2715), as these positions will only be assigned to IDEA-funded duties. **This recommendation appears reasonable to staff.**
10. Position Transfer (E-908, K-12 EDUCATION-66): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$118,608 in FY 2016 and \$117,914 in FY 2017 to transfer one Administrator, Southern Office/Teacher Licensure position and associated operating costs from this budget to the Educator Licensure budget (BA 2705), as this position will no longer be assigned supervisory duties of the Southern Office, but will only supervise the Teacher Licensure program. **This recommendation appears reasonable to staff.**

11. Position Transfer (E-911, K-12 EDUCATION-66): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$106,809 in FY 2016 and \$106,163 in FY 2017 to transfer one Education Programs Professional position and associated operating costs from this budget to the Educator Effectiveness budget (BA 2612). This position is assigned duties related to Educator Effectiveness. **This recommendation appears reasonable to staff.**
12. Position Transfers (E-919, K-12 EDUCATION-67): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$226,254 in FY 2016 and \$232,408 in FY 2017 to transfer two Management Analyst positions and one full-time and one half-time Accounting Assistant positions and associated operating costs from the Office of the Superintendent budget (BA 2673) to this budget. These positions are assigned duties supporting school districts and charter schools rather than duties pertaining to the Superintendent's Office. **This recommendation appears reasonable to staff.**
13. Position Transfer (E-930, K-12 EDUCATION-68): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$65,068 in FY 2016 and \$64,907 in FY 2017 to transfer one Administrative Assistant position and associated operating costs from this budget to the Department Support Services budget (BA 2720). One of the main functions of this position is facilities management, which is aligned with the Department Support Services budget. **This recommendation appears reasonable to staff.**
14. Position Transfer (E-933, K-12 EDUCATION-69): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$113,661 in FY 2016, and \$112,986 in FY 2017 to transfer one Education Program Director and associated operating costs from this budget to the Standards and Instructional Support budget (BA 2675). **This recommendation appears reasonable to staff.**
15. Position Transfers (E-937, K-12 EDUCATION-69): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$289,970 in FY 2016, and \$291,654 in FY 2017 to transfer one Program Officer position, and two Education Programs Professional positions and associated operating costs from this budget to the Assessments and Accountability budget (BA 2697). There are no recommended changes to the assigned duties or funding for these positions. **This recommendation appears reasonable to staff.**
16. Audit Unit Expense Transfer (E-943, K-12 EDUCATION-70): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$7,656 in each year of the 2015–17 biennium to transfer travel and training costs associated with the audit unit from the Office of the Superintendent budget (BA 2673) to this budget. The audit unit costs will be aligned with the positions in this budget. **This recommendation appears reasonable to staff.**
17. Position Transfer (E-944, K-12 EDUCATION-70 and 71): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$92,444 in FY 2016 and \$91,887 in FY 2017 to transfer one Business Process Analyst position and associated operating costs from this budget to the Data Systems Management budget (BA 2716). This position's duties include support for assessment reporting programs. **This recommendation appears reasonable to staff.**

18. Position Transfers (E-952, K-12 EDUCATION-71 and 72): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement funds totaling \$338,171 in FY 2016 and \$337,486 in FY 2017 to transfer one Education Programs Director position, one Education Programs Professional position and two Administrative Assistant positions and associated operating costs from this budget to the Student and School Support budget (BA 2712). The positions in this decision unit are assigned to duties related to the federal Title I grant program. **This recommendation appears reasonable to staff.**

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, with technical adjustments noted by staff, and requests authority to make other technical adjustments, as necessary.

Title: NDE - STANDARDS AND INSTRUCTIONAL SUPPORT
 Account: 101 - 2675

Budget Page: K-12 EDUCATION-74, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| FEDERAL FUND | | | | 1,095,876 | | 1,096,503 | 0.06 |
| GENERAL FUND | | | | 1,174,149 | | 1,169,103 | (0.43) |
| INTERAGENCY TRANSFER | | | | | | | |
| Total Revenues | | | | 2,270,025 | | 2,265,606 | (0.19) |
| Total FTE | | | | 12.00 | | 12.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|---|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

Pursuant to NRS 389.0185, NRS 389.520 and NRS 390.140, the Department of Education (Department), through the Council to Establish Academic Standards and the State Board of Education, establishes standards of academic content and performance, prescribes courses of study, and makes the final selection of all textbooks to be used in public schools within the state. As part of the Department's proposed reorganization, the "Standards and Instructional Support" budget is a proposed new budget to support the positions that coordinate the monitoring and technical support of school district and regional training program implementation of standards through the approval of textbooks and other instructional support measures. The operational expenses of the Commission on Educational Technology are also funded in this budget. With the exception of the enhancement decision unit discussed under the major closing issue, this budget is created through transfers of existing programs and activities.

Major Closing Issue

Additional Operational Funding for Nevada Ready 21 Technology Plan MBI

Discussion of Major Closing Issue

Additional Operational Funding for Nevada Ready 21 technology plan MBI (E-281, K-12 Education-74): As part of the Governor's Nevada Ready (NR) 21 technology plan Major Budget Initiative (MBI), the Governor recommends General Fund appropriations of \$195,000 in FY 2016 and \$180,000 in FY 2017 to fund an increase in operational expenses for the Nevada Commission on Educational Technology (Commission) to

administer the NR 21 technology plan. Inclusive of the recommended increase for the operational funding for the NR 21 technology plan, the Commission's total recommended operating budget is \$278,073 in FY 2016 and \$263,073 in FY 2017.

The NR 21 technology plan is a statewide initiative led by the Nevada Department of Education and the Nevada State Board of Education in partnership with the Nevada System of Higher Education, local school districts, as well as public and private organizations to raise awareness of the state's public school standards. The NR 21 technology plan is a component of the Nevada Ready! initiative that would integrate technology into the student learning process, and uses technology to achieve efficiencies throughout the education system.

In September 2014, the Commission on Educational Technology approved the NR 21 technology plan, which is a six-year initiative to implement statewide one-to-one student computing starting in middle school for the first three years and then expanding to high school in the latter three years. The mission of the plan states: "To provide all Nevada students an equitable, technology-rich education that supports high standards, an engaging learning environment, and the development of the 21st century skills students will need to fuel the economic growth of the state. Additionally, the NR 21 technology plan will support educators in their efforts to create more engaging and personalized instruction by providing the essential tools and the ongoing professional development to guide their transformation." The Commission also established the goal of providing all Nevada students and teachers with 24-hour access to their own personal, portable, technology device connected wirelessly to the Internet. Aside from the funding recommended in this budget, \$24.2 million in each year of the 2015-17 biennium for this initiative is recommended in the Other State Education Programs budget (BA 2699).

The Standards and Instructional Support budget would fund the operational expenses in support of the recommended NR 21 technology plan, which includes a contracted Program Director position to oversee the implementation of the NR 21 technology plan; consultant fees with the Maine Department of Education to assist with contract negotiations, as Maine is the only other state to implement a similar program; contract costs for program mentoring; and other travel and operating expenses. Fiscal staff notes that limited details of the operational funding increase have been included in The Executive Budget. Recommended operational expenses for the NR 21 technology plan are outlined in the table below:

| Recommended Nevada Ready 21 Plan Operational Expenses | FY 2016 | FY 2017 | Total |
|--|------------|------------|------------|
| Program Director Salary - Contracted Employee | \$ 120,000 | \$ 120,000 | \$ 240,000 |
| Consultant Fees for Assistance with Contract Negotiations | \$ 10,000 | \$ - | \$ 10,000 |
| Consultant Fees for Program Mentoring | \$ 50,000 | \$ 50,000 | \$ 100,000 |
| Program Operating Expenses (Travel, Meetings, Supplies, Program Director's Office Setup) | \$ 15,000 | \$ 10,000 | \$ 25,000 |
| Total | \$ 195,000 | \$ 180,000 | \$ 375,000 |

As shown in the table above, this decision unit includes funding for equipment and operating costs for the contract Program Director. Specifically, General Fund appropriations are recommended for the purchase of office furniture, computer equipment, travel and various operating costs. Fiscal staff would note that typically, contract staff provide for their own offices, equipment and operating costs, which is reflected in the hourly compensation contractors receive; however, the Department clarified that the position would be hired through a state-approved temporary employment agency, and that such a position would be typically housed within the Department.

The Department indicates the estimated cost of \$10,000 for a contract with the Maine Department of Education to assist the Nevada Department of Education with development of a Request for

Proposal (RFP) and contract negotiations is based on 200 hours at \$50 per hour. In response to Fiscal staff's inquiry of whether the Purchasing Division would be able to assist with contract negotiations, the Purchasing Division indicated it supports this method of contract negotiations, as it does not have the expertise necessary to fully negotiate this specific type of contract. Additionally, the Department provided additional details of the proposed contract with the One-to-One Institute, who would provide services as a NR 21 technology plan mentor and perform the following duties: Work directly with the NR 21 technology plan project director, project manager and Department staff, strategic planning for program rollout and implementation, legislation drafts writing process, develop RFP to solicit district applications, review district applications, develop RFP to solicit applications for devices and services from vendors, and develop administrator and teacher programs.

During the March 17, 2015, budget hearing, the Subcommittee questioned the plans for the accountability of the leased or loaned devices to the students for this program, including leasing costs and costs related to losses. In a follow-up response, the Department indicates it consulted with the Maine Department of Education and reports that the Maine requires the school district to be responsible for the safety of the student electronic devices and allows the schools to set local policy. The Maine Department of Education sets some minimum requirements for acceptable use policies and that devices must be allowed to go home with the students. Maine's annual lease on the devices range from \$273 to \$319 per year per student depending on the type of device, inclusive of a 2 percent overage to cover lost, stolen or broken devices.

The Department notes that should the NR 21 technology plan be approved, the Department would base the device contract and RFP on Maine's model, and would contract with the former director of Maine's program to assist with creation of the RFP and with negotiations. **Fiscal staff notes that approval of this decision unit should be contingent upon the approval of the grant component of the Nevada Ready 21 technology plan recommended in the Department's Other State Education Programs budget (BA 2699) in Decision Units E-294 and E-295.**

Contingent upon the approval of Decision Units E-294 and E-295 in the Department of Education's Other State Education Programs budget (BA 2699), does the Subcommittee wish to approve General Fund appropriations totaling \$195,000 in FY 2016 and \$180,000 in FY 2017, to fund an increase in operational expenses for the Nevada Commission on Educational Technology to administer the Nevada Ready 21 technology plan, as recommended by the Governor, with authority for Fiscal staff to make technical adjustments, as necessary?

Other Closing Items

As part of the recommended department-wide reorganization, The Executive Budget recommends that 12 full-time positions be transferred into the Standards and Instructional Support budget as shown in the table below. Each transfer is briefly discussed by decision unit that follows.

| Dec Unit | Position Title | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|---|-------------|--------------------------------|--------------------------------|-------------------------------|-------------------------------------|
| E-903 | Education Programs Professional | 5.0 | 2673 | Office of the Superintendent | 2675 | Standards and Instructional Support |
| E-913 | Education Programs Supervisor | 1.0 | 2697 | Assessments and Accountability | 2675 | Standards and Instructional Support |
| E-913 | Administrative Assistant | 1.0 | 2697 | Assessments and Accountability | 2675 | Standards and Instructional Support |
| E-933 | Education Programs Director | 1.0 | 2719 | District Support Services | 2675 | Standards and Instructional Support |
| E-935 | Education Programs Professional | 2.0 | 2713 | Literacy Programs | 2675 | Standards and Instructional Support |
| E-935 | Administrative Assistant | 2.0 | 2713 | Literacy Programs | 2675 | Standards and Instructional Support |
| | Total Transfers To Assessments and Accountability Budget | 12.0 | | | | |

1. Position Transfers (E-903, K-12 Education-75): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$713,460 in FY 2016, and \$722,850 in FY 2017 to transfer five Education Programs Professional positions and associated operating costs from the Office of the Superintendent budget (BA 2673) to this budget. Of the total amount, \$83,073 in each fiscal year is recommended to transfer the operating expenses of the Commission on Educational Technology of which \$75,000 each year is used to contract with a vendor to provide program evaluation services of the state-funded educational technology grants and the state educational technology needs assessment. **This recommendation appears reasonable.**
2. Position Transfers (E-913, K-12 Education-75): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$208,858 in FY 2016, and \$209,760 in FY 2017 to transfer one Education Programs Supervisor position, one Administrative Assistant position and associated operating costs from the Assessments and Accountability budget (BA 2697) to this budget. **This recommendation appears reasonable.**
3. Position Transfers (E-533 and E-933, K-12 Education-74 and 76): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of one Education Programs Director position and associated operating costs from the District Support Services budget (BA 2719) to this budget. Recommended funding is 50 percent General Fund appropriation and 50 percent federal grant totaling \$113,661 in FY 2016 and \$112,986 in FY 2017. This position is responsible for overseeing the work performed on educational standards within the Department. **These recommendations appear reasonable.**
4. Position Transfers (E-935, K-12 Education-76): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal State Assessment and Math and Science Partnerships grant funds totaling \$1.0 million in each year of the FY 2015-17 biennium for two Education Programs Professional positions, two Administrative Assistant positions, and associated operating costs, as well as the federal Math and Science Partnerships grant administrative expenditures and aid-to-schools pass-through funding from the Literacy Programs budget (BA 2713) to this budget. **This recommendation appears reasonable.**

Staff recommends all Other Closing Items be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.

Title: NDE - DEPARTMENT SUPPORT SERVICES
 Account: 101 - 2720

Budget Page: K-12 EDUCATION-78, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | (243,409) | 705,838 | (389.98) | 1,401,653 | 98.58 | 2,235,313 | 59.48 |
| INTERAGENCY TRANSFER | 2,494,007 | 3,277,222 | 31.40 | 3,485,939 | 6.37 | 3,524,757 | 1.11 |
| Total Revenues | 2,250,598 | 3,983,060 | 76.98 | 4,887,592 | 22.71 | 5,760,070 | 17.85 |
| Total FTE | | 15.00 | | 15.00 | | 15.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|---|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

The Department Support Services budget (formerly the Education Support Services budget), provides for the Department of Education’s (Department), accounts payable and receivable, payroll and personnel, budgeting and purchasing, and information technology support functions. This account is funded by indirect cost assessments charged to other Department of Education budgets. The Department Support Services budget does not include any General Fund appropriations directly appropriated to the account, but includes General Fund appropriations transferred from other Department budgets in which specific programs are funded. The cost to be charged to each budget is based on two indirect cost rates which are calculated each year and are negotiated annually between the Department of Education and the United States Department of Education. One rate is for the restricted programs that are not permitted to pay certain costs through an indirect cost system (most notably rent), and the other rate (unrestricted) is for the other budgets that have no such restrictions. Based on FY 2014 rates, the restricted indirect cost rate used for budgeting purposes is 17.9 percent and the unrestricted indirect cost rate used is 22.5 percent.

Major Closing Issues

1. New Accounting Assistant Position
2. New Management Analyst Position

Discussion of Major Closing Issues

1. **New Accounting Assistant Position (E-226, K-12 EDUCATION-80)**: The Governor recommends reserve reductions of \$39,991 in FY 2016 and \$49,013 in FY 2017 to fund the personnel and associated operating costs of one new Accounting Assistant position. The Department indicates the new position is needed to provide additional accounting support and assistance in processing federal and state grants. Currently, the Department has two Accounting Assistant positions assigned to the accounts payable function. The Department indicates that based on the number of new state grants recommended in The Executive Budget for K-12 education, as well as the addition of new federal grants awarded to the Department during the 2013-15 biennium (Safe and Respectful Schools grant, Now is the Time grant and the Emergency Management grant), a new full-time Accounting Assistant position would be needed to process the increased amount of payment vouchers and complex billing claims.

Additionally, the Department indicates the position would assist with increased workload resulting from a change in the Controller's Office, mandating a seven digit job number assigned to all federally funded payments, relating each payment to one of 45 federal grants. However, staff would note that the requirement to use the coding has only increased from five digits to seven digits. The Department further indicates the position would assist with higher level accounting duties including: billing claims, correcting journal vouchers, and approving transactions. Currently, a Program Officer position is assigned to higher level approvals and supervision of the accounting staff. This new position would add an additional layer of supervisors to the three accounting staff positions. The Department indicates the Program Officer position would have more time to update policies and procedures, audit transactions and train staff, which are duties already assigned to the position, as well as be able to perform payroll reconciliation reports.

As justification for the need of a new Accounting Assistant position, the Department made a comparison between it and the Division of Welfare and Supportive Services, who processes a similar number of accounting transactions as the Department. Staff is unable to validate this information. The Division of Welfare and Supportive Services has an accounting unit consisting of six positions, compared to the Department's existing four accounting positions. The Department reports overtime is not currently being worked by any of the accounting staff to process accounting transactions; however, the Department reports travel claims are being processed in 5-10 working days instead of the 2 working days mandated by the State Administrative Manual (SAM). Staff would note that the 2-working day turnaround is required only when a state sponsored credit card is used. All other claims are required to be paid within 30 days, according to SAM 2600. The Department also reports vendor claims are not being processed in a timely manner; however, the Department did not provide any supporting details concerning a workload backlog. **Based on the workload information and testimony provided, this recommendation does not appear to Fiscal staff to justify the addition of a new Accounting Assistant position.**

Does the Subcommittee wish to approve a reduction to reserves totaling \$39,991 in FY 2016 and \$49,013 in FY 2017 to fund a new Accounting Assistant position, as recommended by the Governor?

2. **New Management Analyst Position (E-227, K-12 EDUCATION-80 and 81)**: The Governor recommends reserve reductions of \$51,456 in FY 2016 and \$64,752 in FY 2017 to fund the personnel and associated operating costs of one new Management Analyst position to assume contract management duties. The Department indicates that previously, the duties were performed by an Administrative Assistant position and then subsequently divided among three other positions. The Department indicates that the three other positions would still monitor fiscal authority for contract procurement and contract processing. Currently, Department employees have not incurred overtime to

administer the 65 active contracts; however, by eliminating some of the contract responsibilities from the three positions, the Department reports that the duties of those positions would expand to include providing bi-weekly and monthly reports to program teams.

The Department indicates the recommended position would be located in Carson City and would oversee the request for proposal process, contract negotiations, and contract compliance. In addition, the Department advises that this position would oversee the performance-based budgeting aspects of 20 budgets. Currently, the Department advises that there is no assigned staff person to specifically monitor and oversee this function. The Department also notes that more time must be spent on assuring contract data is reliable and valid to ensure budget performance. **Based on the workload information and testimony provided, this recommendation does not appear to Fiscal staff to justify the addition of a new Management Analyst position.**

Does the Subcommittee wish to approve a reduction to reserves totaling \$51,456 in FY 2016 and \$64,752 in FY 2017 to fund a new Management Analyst position, as recommended by the Governor?

Other Closing Items

1. Increased In-State Travel (E-233, K-12 EDUCATION-81): The Executive Budget recommends reserve reductions of \$4,366 in each year of the 2015-17 biennium to fund additional in-state travel for Information Technology (IT) staff and/or Fiscal staff to travel to Las Vegas to attend meetings or to provide IT support. **This recommendation appears reasonable to staff.**
2. Position Transfer (E-530 and E-930, K-12 EDUCATION-81 and 83): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer one Administrative Assistant position and associated operating costs from the District Support Services budget (BA 2719) to this budget. Additionally, in conjunction with the recommended position transfer, the Governor recommends (E-530) the funding source of the position and associated operating costs (\$65,068 in FY 2016 and \$64,907 in FY 2017) be changed from cost allocation reimbursement to federal administrative indirect cost allowance funding. **These recommendations appear reasonable to staff.**
3. Replacement Equipment (E-710, K-12 EDUCATION-82): The Executive Budget recommends reserve reductions totaling \$99,099 in FY 2016 and \$88,928 in FY 2017 to replace equipment in the Carson City and Las Vegas offices, which includes five desktop computers, one laptop computer and docking station, two servers, one data storage, four network switches, six rack-mounted UPS backups, one rack replacement and video conferencing equipment, purchased in 2008 and no longer supported by the vendor. **This recommendation appears reasonable to staff.**
4. Cost Allocation Increase (E-804, K-12 EDUCATION-82 and 83): The Governor recommends reserve reductions of \$4,331 in FY 2016 and \$5,825 in FY 2017 for increases to the Division of Human Resource Management cost allocation for centralized personnel and payroll services. **This recommendation appears reasonable to staff.**
5. Transfer of Audit Unit Travel Costs (E-938, K-12 Education-83): As part of the recommended Department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement totaling \$7,952 in each year of the 2015-17 biennium from this budget to the District Support Services budget (BA 2719) to align audit unit travel costs with the audit positions. **This recommendation appears reasonable to staff.**

6. Position Transfer (E-950, K-12 EDUCATION-84): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of one Administrative Assistant position and associated operating costs totaling \$47,346 in FY 2016, and \$48,375 in FY 2017 from this budget to the Office of the Superintendent budget (BA 2673). **This recommendation appears reasonable to staff.**

7. Position Transfers (E-954, K-12 EDUCATION-84): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of one Information Technology Professional position and one Information Technology Manager position and associated operating costs totaling \$201,877 in FY 2016, and \$201,491 in FY 2017 from this budget to the recommended new Data Systems Management budget (BA 2716). These positions do not work on department issues, but are focused on the data management of the System of Accountability Information in Nevada (SAIN) system. **This recommendation appears reasonable to staff.**

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, and requests authority to make technical adjustments as necessary.

Title: NDE - ASSESSMENTS AND ACCOUNTABILITY
 Account: 101 - 2697

Budget Page: K-12 EDUCATION-87, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|------------------------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | (179,029) | 179,029 | (200.00) | 119,971 | (32.99) | 119,971 | |
| FEDERAL FUND | | | | 5,004,546 | | 4,664,457 | (6.80) |
| GENERAL FUND | 6,732,044 | 6,518,000 | (3.18) | 13,722,586 | 110.53 | 13,974,190 | 1.83 |
| INTERAGENCY TRANSFER REVERSIONS | (769,183) | | | | | | |
| Total Revenues | 5,783,832 | 6,697,029 | 15.79 | 18,847,103 | 181.42 | 18,758,618 | (0.47) |
| Total FTE | | 9.00 | | 15.00 | | 15.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--------------------------------------|-----|------|--|---------|-----------|
| E299 | 00 | 2501 | Reduce General Fund appropriations to reflect removal of Alternate Assessment contract per Budget Amendment A150542697 | | (500,000) |
| Sub-total | | | | 0 | (500,000) |
| Line Item Changes to Revenues | | | | 0 | (500,000) |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--|-----|------|--|---------|-----------|
| E299 | 33 | 7000 | Reduce General Fund appropriations to reflect removal of Alternate Assessment contract per Budget Amendment A150542697 | | (500,000) |
| Sub-total | | | | 0 | (500,000) |
| Line Item Changes to Expenditures | | | | 0 | (500,000) |

| | | | | | |
|---|--|--|--|---|-----------|
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | (500,000) |

Overview

The Assessments and Accountability budget (formerly the Proficiency Testing budget) includes funding for the Nevada Proficiency Examination Program (NPEP) and supports the costs of administering student assessments that are required pursuant to Chapter 389 of the *Nevada Revised Statutes* (NRS), including criterion-referenced tests (CRTs), the Nevada High School Proficiency Examination (HSPE), the Nevada State Writing Assessment, and the National Assessment of Educational Progress (NAEP). The Assessments and Accountability budget is funded with General Fund appropriations, as well as federal State Assessments grant funding. The Assessments and Accountability budget also includes funding for the Council to Establish Academic Standards.

In addition to funding for the NPEP assessments, the Assessments and Accountability budget includes funding for the System for Accountability Information in Nevada (SAIN). The SAIN system, formerly known as the Statewide Management of Automated Records Transfer (SMART), is an automated system of accountability information for Nevada's students, which pursuant to NRS 386.650, reports the results of student achievement and provides longitudinal comparisons of academic achievement, rate of attendance,

and rate of graduation of students over time. However, as a part of the department-wide reorganization, the Governor recommends the transfer of the funding for SAIN to the newly proposed Data Systems Management budget (2716).

The following is a brief description of the four major NPEP assessments, including the grade in which the assessments are administered:

- Criterion-Referenced Tests: The CRTs are administered annually to students in grades 3 through 8 to determine how well students are meeting state academic standards in reading, math, and science (grades 5 and 8 only). The results of the CRTs are used by schools and districts to determine Adequate Yearly Progress (AYP) pursuant to the federal No Child Left Behind Act (NCLBA).
- Nevada High School Proficiency Exam: The Nevada HSPE tests student proficiency in reading, math, and science. It is administered to students beginning in grade 10 and can be taken through grade 12 if a student does not pass all or a portion of the exam on the first or subsequent attempts. The HSPE is being phased out, with the class of 2016, and will be replaced by End-of-Course Examinations, the funding for which is recommended to transfer from the Literacy Programs budget (2713) to this budget.
- Nevada State Writing Assessment: The Nevada State Writing Assessment is administered annually to students in grades 5, 8, and 11. The writing assessment in grade 11 is a component of the High School Proficiency Examination, which, as noted previously, will be phased out and replaced by End-of-Course Examinations.
- National Assessment of Educational Progress: The NAEP is administered annually to a portion of Nevada students in grades 4, 8, and 12. Students are selected for the examination using sampling techniques in order to ensure a statistically representative sample. The examination covers various subject areas, including math, reading, science, writing, the arts, civics, economics, geography, U.S. history, and technology and engineering literacy. The NAEP results are used to compare Nevada's students with other students nationwide.

In addition to the four major assessments, the NPEP also administers the Nevada Alternative Assessment (NAA) program for students with special needs and the English Language Proficiency Assessment (ELPA) for students with limited English proficiency.

Major Closing Issues

1. Smarter Balanced Assessment System
2. New Management Analyst Position

Discussion of Major Closing Issues

1. Smarter Balanced Assessment System (E-275, K-12 EDUCATION-89): The Governor recommends General Fund appropriations of \$1.4 million in each year of the 2015-17 biennium to complete the Smarter Balanced Assessment System, which was developed by the Smarter Balanced Assessment Consortium (SBAC), a group of 21 states, including Nevada, that worked collaboratively to develop an assessment system to align with the Common Core State Standards in English language arts and mathematics.

According to the Department of Education (Department), the Smarter Balanced Assessment System consists of: a summative assessment that occurs at the end of a course, typically at the end of the school year, to allow states to predict student achievement; an interim assessment given during the year to compare achievement mastery to standards; and a digital library to focus on formative assessments and tools to be used in the classrooms to allow teachers to keep track of student learning during instructional time. The Department indicates the Smarter Balanced Assessment will begin in FY 2015 in grades 3 through 8 and will be an ongoing expenditure in future biennia.

The Department indicates the Smarter Balanced Assessment System would benefit education in Nevada by aligning formative tools, interim assessments and the summative assessment to the same standards. The Department also indicates there would be cost savings to the state because the Department would be able use the assessment for College and Career Readiness, as well as use some test items from the Smarter Balanced Assessment System for the End-of-Course Examinations. The Department also identifies benefits of computer adaptive delivery as measuring student achievement more accurately, especially for students performing above or below grade level. Additional benefits cited by the Department include the ability for Nevada to measure student performance against other states across the 3 through 8 grade span, and access to fully aligned interim and summative assessments as well as teacher resources through the digital library.

During testimony at the March 17, 2015, budget hearing, the Department indicated there would be cost savings related to the College and Career Readiness Examination and the End-of-Course Examinations; however, Fiscal staff would note that there are no savings built into the Governor's recommended budget associated with the recommendation for the Smarter Balanced Assessment System. Subsequent to the budget hearing, the Department clarified there could be cost avoidance as opposed to cost savings. The Department estimates that the state could avoid \$1.8 million in future costs from using customized Smarter English language acquisition and math assessments at grades 9 and 10 instead of the End-of-Course Examinations for those subjects. The Department also estimates the school districts could avoid \$2.6 million in costs by using the Smarter Interim Assessments in English language Acquisition (ELA) and Math at grades 3 through 8. However, currently, all school districts independently contract with various vendors to provide the required interim assessments.

In response to questions concerning the future of the Smarter Balanced Assessment after several recent technical malfunctions occurred with the vendor's computer system and with the examinations, the Department provided Fiscal staff with the following statement regarding the status of the Smarter Balanced Assessment System as well as the vendor, Measured Progress:

During the spring 2015 administration of the criterion-referenced tests in English and Mathematics, Nevada schools experienced severe problems with the number of students able to logon to the testing computer servers. Smarter Balanced provided the tests; Measured Progress delivered the tests to schools. This arrangement involved an "open source" computer system and coding. Due to the challenges, testing has been suspended, postponed, and is generally unable to continue for many students in these grades. The Department has notified both Measured Progress and Smarter Balanced that they are in breach of contract provisions. The Attorney General's Office is working with the Department. This situation may warrant new testing vendors for 2016 and 2017, but we cannot speculate about such changes in part due to possible litigation and in part because the State Board, not the Department, prescribes these tests (and thus the provider). However, the cost to the State of Nevada to provide and deliver the tests should not change substantially if this kind of contract changes were made and the State were to choose similar vendors. If we have to design all new tests, costs would increase and the Department might have to request supplemental funding during the interim. In the meantime, it may be advisable to remove any reference to the two vendors from Budget documents.

Does the Subcommittee wish to approve General Fund appropriations totaling \$1.4 million in each year of the 2015-17 biennium to complete the Smarter Balanced Assessment System, or other assessment, based on the information provided by the Department?

2. New Management Analyst Position (E-288, K-12 EDUCATION-89): The Governor recommends General Fund appropriations of \$50,661 in FY 2016 and \$64,707 in FY 2017 for one new Management Analyst position to develop and maintain a system to manage workflow of data inquiries from internal and external stakeholders. The position may be located in either Carson City or Las Vegas. Also, the Department indicates that the proposed new Management Analyst position would document the processes related to assessment development and maintenance, accountability design and maintenance, and the use of the SAIN data system to inform the Department, the state, and the public of student outcomes related to specific initiatives. In addition, the position would also build a comprehensive workflow to improve the effectiveness and efficiency of operations of the state assessment system, data collection and reporting system, and accountability activities. The Department advises the proposed Management Analyst position would also work with school districts to review school improvement performance plans. The Department did not provide any supporting details concerning workload or other measures of need. Based on the information and testimony provided, this recommendation does not appear to be reasonably justified to Fiscal staff.

Does the Subcommittee wish to approve General Fund appropriations totaling \$50,661 in FY 2016 and \$64,707 in FY 2017 for one new Management Analyst position to manage workflow of data inquiries from internal and external stakeholders?

Other Closing Items

As part of the recommended department-wide reorganization, The Executive Budget recommends that 11 full-time positions be transferred either in or out of the Assessments and Accountability budget as shown in the following table, for a net increase of 5 positions. Each transfer is briefly discussed by decision unit in the following pages.

| Dec Unit | Position Title | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|---|------------|--------------------------------|--|-------------------------------|-------------------------------------|
| E-907 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2697 | Assessments and Accountability |
| E-917 | Education Programs Professional | 1.0 | 2706 | Office of Parental Involvement and Family Engagement | 2697 | Assessments and Accountability |
| E-924 | Education Programs Professional | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-924 | Education Programs Supervisor | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-924 | Administrator of Education Programs | 1.0 | 2713 | Literacy Programs | 2697 | Assessments and Accountability |
| E-937 | Program Officer | 1.0 | 2719 | District Support Services | 2697 | Assessments and Accountability |
| E-937 | Education Programs Professional | 2.0 | 2719 | District Support Services | 2697 | Assessments and Accountability |
| | Total Transfers To Assessments and Accountability Budget | 8.0 | | | | |
| E-913 | Education Programs Supervisor | 1.0 | 2697 | Assessments and Accountability | 2675 | Standards and Instructional Support |
| E-913 | Administrative Assistant | 1.0 | 2697 | Assessments and Accountability | 2675 | Standards and Instructional Support |
| E-914 | Information Technology Professional | 1.0 | 2697 | Assessments and Accountability | 2716 | Data Systems Management |
| | Total Transfers From Assessments and Accountability Budget | 3.0 | | | | |

1. Additional Nevada Alternate Assessment (E-299, K-12 EDUCATION-90): The Governor recommends a General Fund appropriation of \$500,000 in FY 2017 to include a new science assessment in the Nevada Alternate Assessment. The Nevada Alternate Assessment is an examination given to severely disabled students, and is supported by federal grant funds in the Individuals with Disabilities Act (IDEA) budget (2715). The Department indicates that the description for Decision Unit E-299 in The Executive Budget is incorrect.

Fiscal staff, in consultation with the Department and Executive Budget Office, has determined that this decision unit was created in error. On March 13, 2015, the Executive Budget Office submitted Budget Amendment A150542697 to eliminate this decision unit, resulting in a General Fund savings of \$500,000 in FY 2017. Fiscal staff would note that Decision Unit E-299 has been eliminated through the budget amendment, as shown on page one of this closing document.

2. Position Transfers and Funding Change (E-537 and E-937, K-12 EDUCATION-90 and 95): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursements totaling \$289,970 in FY 2016, and \$291,654 in FY 2017 to transfer one Program Officer position and two Education Programs Professional (EPP) positions and associated operating costs from the District Support Services budget (2719) to this budget. The Executive Budget further recommends the funding source of the positions be changed from 100 percent cost allocation reimbursements to 100 percent General Fund support totaling \$581,624 over the 2015-17 biennium.

The Department notes that the recommended change from 100 percent cost allocation reimbursements to 100 percent General Fund support is due to the testing requirements of NRS 389.550 and NRS 389.805. The two EPP positions manage all assessments, which include data analysis and reporting. The Program Officer position is the EDFacts Coordinator, which is a federal Department of Education initiative to put performance data at the center of policy, management and budget decisions for all K-12 educational programs. **These recommendations appear reasonable to staff.**

3. Replacement Equipment (E-710, K-12 EDUCATION-91): The Executive Budget recommends General Fund appropriations totaling \$4,408 in FY 2016 and \$1,103 in FY 2017 to replace two laptop computers, one desktop computer with a monitor and one desktop computer without a monitor. **This recommendation appears reasonable to staff.**
4. Position Transfer (E-907, K-12 EDUCATION-91): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$91,965 in FY 2016, and \$95,198 in FY 2017 to transfer one Education Programs Professional position and associated operating costs from the Office of the Superintendent budget (2673) to this budget. **This recommendation appears reasonable to staff.**
5. Position Transfers (E-913, K-12 EDUCATION-92): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$208,858 in FY 2016, and \$209,760 in FY 2017 to transfer one Education Programs Supervisor position and one Administrative Assistant position and associated operating costs from this budget to the Standards and Instructional Support budget (2675). **This recommendation appears reasonable to staff.**
6. Position Transfer (E-914, K-12 EDUCATION-92): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$84,276 in FY 2016, and \$87,042 in FY 2017 to transfer one Information Technology Professional position and associated operating costs from this budget to the Data Systems Management budget (2716). **This recommendation appears reasonable to staff.**
7. Transfer of Federal Grants and Position (E-917, K-12 EDUCATION-93): As part of the recommended department-wide reorganization, The Executive Budget recommends a transfer of \$255,736 in FY 2016 and \$262,140 in FY 2017 from the Parental Involvement and Family Engagement budget (2706) to this budget to transfer one Education Programs Professional position, operating costs and reserve funding for the National Assessment of Educational Progress (NAEP) grant, as well as \$8,448 in operating costs for the National Cooperative Statistics grant. **This recommendation appears reasonable to staff.**

8. SAIN Program Transfer (E-923, K-12 EDUCATION-93): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$729,594 in FY 2016, and \$725,468 in FY 2017 to transfer the System of Accountability Information in Nevada (SAIN) program from this budget to the newly proposed Data Systems Management budget (2716). **This recommendation appears reasonable to staff.**
9. Transfer Federal State Assessments Grant and Positions (E-924, K-12 EDUCATION-94): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funding totaling \$4.9 million in FY 2016 and \$4.5 million in FY 2017 to transfer the federal State Assessments grant program. This transfer includes pass-through funding to the school districts, as well as one Education Programs Professional position, one Education Programs Supervisor position and one Administrator of Education Programs position to be transferred from the Literacy Programs budget (2713) to this budget. **This recommendation appears reasonable to staff.**
10. Transfer End-of-Course Examination and Smarter Balanced Assessment Programs (E-925 and E-927, K-12 EDUCATION-94 and 95): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$3.2 million in FY 2016 and \$3.7 million in FY 2017 to transfer the End-of-Course Examination program funding from the Office of the Superintendent budget (2673) to this budget. The Governor further recommends the transfer of General Fund appropriations totaling \$3.1 million in FY 2016 and \$3.0 million in FY 2017 to transfer the Smarter Balanced Assessment program funding from the Literacy Programs budget (2713) to this budget. **These recommendations appear reasonable to staff.**

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, inclusive of Budget Amendment A150542697, which eliminated Decision Unit E-299 and reduced General Fund appropriations by \$500,000 in FY 2017, and requests authority to make technical adjustments as necessary.

Title: NDE - EDUCATOR LICENSURE
 Account: 101 - 2705

Budget Page: K-12 EDUCATION-98, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | (432,313) | 1,086,009 | (351.21) | 1,004,332 | (7.52) | 966,068 | (3.81) |
| GENERAL FUND | 100 | 100 | | 100 | | 100 | |
| INTERAGENCY TRANSFER | | | | | | | |
| OTHER FUND | 1,793,017 | 1,471,710 | (17.92) | 1,793,017 | 21.83 | 1,793,017 | |
| REVERSIONS | (100) | | | | | | |
| Total Revenues | 1,360,704 | 2,557,819 | 87.98 | 2,797,449 | 9.37 | 2,759,185 | (1.37) |
| Total FTE | | 13.00 | | 13.00 | | 13.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |

| | | |
|--------------|---|---|
| Total | 0 | 0 |
|--------------|---|---|

| | | |
|---|---|---|
| Grand Total General Fund Impact of Closing Changes | 0 | 0 |
|---|---|---|

Overview

The Educator Licensure budget (formerly Teacher Education and Licensing) funds the Office of Educator Licensure within the Department of Education (Department), as well as the Commission on Professional Standards in Education. The Office of Educator Licensure is responsible for determining teacher eligibility for licensure, approving and issuing licenses for teachers and other educational personnel, and maintaining a competency-testing program for educational personnel. The Commission on Professional Standards in Education, which consists of nine members appointed by the Governor, sets licensure standards for state educational personnel.

Funding is also included in the Educator Licensure budget for the Competency Testing Program for educational personnel, which requires applicants for initial licensure to demonstrate competence in basic skills, professional knowledge, and the specialty area(s) in which they desire to teach. The Educator Licensure budget is funded by the fees collected for teacher licenses, renewals, endorsements, fingerprinting (pass-through), and testing. The budget has also historically received an annual \$100 General Fund appropriation to allow the Department to request Contingency Funds from the Interim Finance Committee, if needed.

Major Closing Issues

1. Study of Educator Licensing Requirements
2. Replacement of Educator Licensure System

Discussion of Major Closing Issues

1. Study of Educator Licensing Requirements (E-241, K-12 EDUCATION-100): The Governor recommends a reserve reduction of \$60,000 in FY 2016 to fund a study of the current licensing requirements for educators in Nevada. Specifically, the Department indicates the study would entail a comprehensive review of *Nevada Administrative Code* Chapter 391, established in 1981 by the State Board of Education, related to the licensure of educational personnel. According to the Department, the goal of the study is to obtain recommendations on how to align licensing laws and regulations with the elements of the Nevada Educator Performance Framework to make them more current, cohesive, and legally defensible.

The Department indicates that the study will include, but not be limited to: the Nevada Academic Content Standards, Special Education; non-renewable/provisional/conditional licensure; No Child Left Behind requirements; career/technical and business/industry endorsements; alignment with Nevada Educator Performance Framework; national reciprocity; renewal requirements for standard and professional licenses, suspension and revocation grounds and processes; educator preparation program reviews, licensure fee structures, alternative and adult education requirements, and deletion of endorsements no longer taught in Nevada, as well as the addition of new endorsement areas.

The Department indicates that the cost of the recommended study was based on a proposal, which ranged between \$41,000 and \$74,000, received from The New Teacher Project for a review and revision of licensure to align with the Nevada Education Performance Framework. The Department also contacted other national educator licensure offices to estimate the requested funding level. Fiscal staff notes that during the 2013-14 Interim, the Office of Educator Licensure participated in two studies: one study was conducted by WestEd and the other study was conducted by a community partner. However, it appears these studies were focused on processes, practices, and organizational structures within the Office of Educator Licensure rather than licensure requirements. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve a reserve reduction of \$60,000 in FY 2016 to fund a study of the current licensing requirements for educators in Nevada, as recommended by the Governor?

2. Replacement of Educator Licensure System (E-550, K-12 EDUCATION-101): The Governor recommends reserve reductions of \$41,105 in FY 2016 and \$217,527 in FY 2017 for the Department to purchase and customize an automated educator licensure system that would allow for the electronic submittal of teacher licensure applications and fingerprints. The Department indicates that the total cost of the project would be \$423,054, with completion of the project projected in FY 2018. A technology investment request (TIR) has been approved by the Division of Enterprise Information Technology Services (EITS) for this customized off the shelf (COTS) system with vendor managed hosting.

According to the Department, the Office of Educator Licensure currently is supported by a database that was developed in-house, known as the NDE ED-85, for maintaining basic licensing information collected manually. The age of the current database system is unknown. The Department indicates the goal of the new automated educator licensure system is to develop a customized licensing system that will phase-in other modules over time.

The Department has identified the following issues associated with using the existing NDE ED-85 educator licensure system:

- a. Prompt customer service: The Department indicates that the current licensing system is labor intensive and causes lengthy delays in locating information. The Department also indicates that the current system requires an analyst to access manual folders.
- b. Timely processing of licensing applications: The Legislative Auditor issued its Performance Audit of the Department of Education report (LA14-22) in December 2014, and concluded that the Department should develop policies and procedures for reviewing and approving applications including providing management information for monitoring the timeliness of reviewing applications. Additionally, the Department states that the current process of handling fingerprint background check results is manual including review and entry into the NDE ED-85 system.
- c. Efficient procedures for minimal compliance with laws: The Performance Audit also indicated that the Department should revise procedures for tracking, monitoring, and revoking teacher licenses to provide for supervisory oversight and help ensure timely monitoring, as well as to revise written procedures to help ensure revocation case files include documentation of significant events and actions taken by agency personnel.
- d. Daily reconciliation of revenue resources: The Performance Audit recommended that the Department develop policies and procedures for the collection, safeguarding, and depositing of license fees. The audit results further identified untimely depositing procedures. Although the Department indicates policies have been implemented to correct the current manual system, credit and debit cards cannot currently be handled online, and there is a weakness of reporting and accountability.
- e. Integrity of raw data for reporting: The Department indicates that because of the manual data entry operations, keying errors occur and discrepancies are not easily identifiable. Currently, neither error reports, nor pending work flows exist in the NDE ED-85 system.

The Department indicates that the replacement of the licensure system would allow the Department to: accept online licensure applications and payments; expedite background check results; provide real time statistical data; and allow for fiscal reconciliation. Further, the Department indicates that the overall process would be more user friendly, and would eliminate the need for the applicants to visit a licensure office as frequently, saving time for the applicants.

Additionally, the Department reports that licensees currently submit their social security number (SSN) on their educator license applications, which is initially used to facilitate matching to the data provided to the Department until a unique identifier can be assigned to track the individual applicant, as well as other corresponding testing and background tracking reference number or identification (ID), such as a temporary ID or the initial fingerprint card ID. The Department indicates that the RFP will include security requirements specified by the Division of Enterprise Information Technology Services.

The Department indicates that the \$41,105 in FY 2016 would be used for planning and administration costs, and the \$217,527 in FY 2017 would be used for development of system requirements including, but not limited to, electronic fingerprinting notification, notification validation, initial Public Safety and FBI background determination and eligibility, and testing results interface. The Department further indicates that in FY 2018, \$164,422 would be required to complete the system. Ongoing maintenance costs are estimated to be \$26,100 in FY 2018 and \$51,100 for each year following.

In developing the projected cost of the software system replacement, the Department compared other software systems currently used within the State of Nevada to find examples of solutions for similar needs. The licensing system purchased by the Department of Business and Industry's Real Estate Division was used by the Department to develop the cost estimate. Fiscal staff would note that the cost estimates from the Real Estate Division's implementation of a licensing system dates back to between 2005 and 2009, and as such, may not be reflective of the current price of such a system.

In order to obtain more recent information related to the costs of an educator licensing system, Fiscal staff requested that the Department conduct a survey of other states and jurisdictions that are affiliated with educator licensure to compare systems utilized by those states with requirements of the Nevada Educator Licensure System. The Department survey yielded 24 state responses; however, none of the responders included financial information in the survey. The Department also completed a Request for Information which yielded four vendor responses which provided cost estimates between \$400,000 and \$1.0 million to complete the software system replacement.

Based on the updated cost estimates, the Office of Educator Licensure indicates the funding recommended for the TIR should be increased by an additional \$250,000 in FY 2016 and \$500,000 in FY 2017, which would bring the total funding to \$291,105 in FY 2016 and to \$717,527 in FY 2017, representing a 290 percent increase over the total recommended funding of \$258,632 for the original cost estimate for the TIR project.

Fiscal staff has some concerns regarding this decision unit. The range of costs provided by the most recent RFI conducted by the Department is wide and uncertainty remains that even with the requested funding increase, the approved funding may not be sufficient to complete the project. Although the recommended funding in the Governor's budget for K-12 education, if approved, would likely lead to the hiring of a significant number of new teachers thereby increasing licensing fee revenues, no projections have been provided and as such, Fiscal staff is unable to incorporate a projected revenue increase into an analysis of the agency's reserves.

While Fiscal staff does not have an issue with the TIR project itself, it appears the cost to replace the educator licensure system is not firm enough for staff to support at this time. Therefore, Fiscal staff would recommend that the Subcommittee not approve funding for the TIR project until such time as the agency can provide updated fee revenue projections, firm cost estimates, and can demonstrate that sufficient reserves would be available to fund the TIR project. As discussed in the previous decision unit, if approved, the licensing requirements for the teachers in the State of Nevada may change; therefore, it may be appropriate to delay this project until the study is complete and the agency is able to provide a more accurate estimate of the project. Additionally, staff would recommend that the agency approach the Interim Finance Committee (IFC) to receive approval to proceed with the TIR project, once the the study is complete and costs have been refined.

Does the Subcommittee wish to not approve reserve reductions totaling \$41,105 in FY 2016 and \$217,527 in FY 2017 for the Department to purchase and customize an automated educator licensure system at this time?

If so, does the Subcommittee wish to issue a letter of intent to direct the Department to approach the Interim Finance Committee to seek approval of the educator licensure system TIR project at such time as the Department has developed firm cost estimates and can demonstrate the ability to fund the TIR project while maintaining a sufficient reserve level?

Other Closing Items

1. **New Phone System (E-238, K-12 EDUCATION-100)**: The Governor recommends a reserve reduction of \$51,522 in FY 2016 for a new telephone system for the Office of Educator Licensure. Fiscal staff notes the 2009 Legislature approved fee funding of \$54,396 for the purchase and installation of a new telephone system for the Las Vegas office that would be compatible with the state phone system. However, the Department reports a new telephone system was not purchased during the 2009-11 biennium due to declining revenues, which impacted the agency's operating reserves. In a July 2014 response to a letter of intent from the 2013 money committees, the Office of Teacher Licensure noted that a more effective phone system with enhanced capabilities for voicemail and automation was needed in order to better meet the workload demands and improve customer service. **This recommendation appears reasonable.**

2. **Position Transfer (E-508 and E-908, K-12 EDUCATION-100-102)**: As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement totaling \$118,608 in FY 2016 and \$117,914 in FY 2017 to transfer one Administrator, Southern Office/Teacher Licensure position and associated operating costs from the District Support Services budget (BA 2719) to this budget. The Executive Budget further recommends the funding source of the position be changed from 100 percent cost allocation reimbursement to 100 percent fee funding via reserves (E-508). **These recommendations appear reasonable.**

3. **Position Transfer (E-900, K-12 EDUCATION-102)**: As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of reserve funding of \$53,403 in FY 2016 and \$54,759 in FY 2017 to transfer one Administrative Assistant position from this budget to the Office of the Superintendent budget (BA 2673). The Department indicates the position provides support to the Commission on Professional Standards. **This recommendation appears reasonable.**

Fiscal Staff recommends closing all Other Closing Items as recommended by the Governor, with authority for staff to make technical adjustments as necessary.

Title: NDE - EDUCATOR EFFECTIVENESS
 Account: 101 - 2612

Budget Page: K-12 EDUCATION-105, Volume I

| Revenues | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| FEDERAL FUND | | | | 11,098,969 | | 10,476,370 | (5.61) |
| GENERAL FUND | 150,000 | 170,000 | 13.33 | 315,058 | 85.33 | 341,702 | 8.46 |
| INTERAGENCY TRANSFER | | | | | | | |
| Total Revenues | 150,000 | 170,000 | 13.33 | 11,414,027 | 6614.13 | 10,818,072 | (5.22) |
| Total FTE | | | | 5.00 | | 5.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|---|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

The Educator Effectiveness budget, established during the 2013-15 biennium, provides resources to support the certification of administrator and teacher preparation programs, professional development and high quality learning, development and support of a statewide evaluation system, and the Nevada Educator Performance Framework. State funds support educator preparation programs and the associated evaluation system. Federal funds to support high quality teachers and leaders as defined by the federal Elementary and Secondary Education Act are recommended to be transferred into this budget account. Funding for the support of the Teachers and Leaders Council and the Statewide Coordinating Council for Regional Training Programs is also recommended to be transferred into this budget.

Major Closing Issues

1. New Education Programs Professional Position
2. New Administrative Assistant Position

Discussion of Major Closing Issues

1. New Education Programs Professional Position (E-285, K-12 EDUCATION-106 and MAJOR BUDGET INITIATIVES-14 and 15): As part of the Great Teaching and Leading Fund Major Budget Initiative (14 and 15), the Governor recommends General Fund appropriations totaling \$104,240 in FY 2016 and \$120,822 in FY 2017 to fund the personnel, effective October 1, 2015, and associated

operating costs of a new Education Programs Professional position. Of the total amount, \$30,000 is recommended in each year to fund an external evaluation of the new program.

The Department of Education (Department) indicates that, in collaboration with the State Board of Education, this position would establish procedures for application, distribution, and monitoring of the proposed Great Teaching and Leading Fund. The Department has established five major goals:

- All students are proficient in reading by the end of third grade.
- All students enter high school with the skills necessary to succeed.
- All students graduate college and career ready.
- Effective educators serving students at all levels.
- Efficient and effective use of public funds to achieve the highest return on educational investment.

The Department indicates that the Great Teaching and Leading program is being proposed to meet one of the department's five major goals of effective educators serving all students. The Department proposes to incentivize improvements to the quality and quantity of Nevada's educator development infrastructure and improve professional development opportunities for existing educators.

During the budget hearing on March 3, 2015, the Department testified that although there is another Education Programs Professional position in the Educator Effectiveness budget, that position will focus on federal Title IIA programs, focused on improving teacher quality, and the proposed EPP position would focus on the new Great Teaching and Leading Fund program. The Department indicated that there would be sufficient work for a full-time position, as this position would be dedicated to working with the 17 school districts and the charter schools to provide technical assistance and monitor the Great Teachers and Leaders program.

An external evaluation of the new program is recommended by the Governor funded with General Fund appropriations of \$30,000 in each year of the 2015-17 biennium. The Department identifies this evaluation as a tool to determine the effectiveness of the program and the extent the program reaches prescribed goals, to add accountability and determine the need for continuation of the program. The Department indicates the funding amount is based on the projected cost of an evaluation of the federal Pre-School Development grant program. Testimony provided by the Department during the budget hearing, indicated the external evaluator would be selected in FY 2016 and baseline data would be collected and reported in FY 2016 and data for new programs would be collected beginning FY 2017.

Does the Subcommittee wish to approve General Fund appropriations totaling \$104,240 in FY 2016 and \$120,822 in FY 2017 to fund one new Education Programs Professional position and associated costs, including \$30,000 in each year of the 2015-17 biennium for an external evaluation of the Great Teaching and Leading program, as recommended by the Governor?

2. New Administrative Assistant Position (E-286, K-12 EDUCATION-106): The Governor recommends General Fund appropriations totaling \$37,031 in FY 2016 and \$45,925 in FY 2017 to fund the personnel and associated operating costs of a new Administrative Assistant position for the Office of Educator Effectiveness, recommended to be created through the proposed reorganization of the Department.

The Department indicates the new Administrative Assistant position would provide administrative support for the Division Director and four Education Programs Professionals, as well as primary support to the Statewide Council for the Coordination of the Regional Training Programs, and the Advisory Council on Parental Involvement and Family Engagement. The position would also provide secondary support to the Commission on Professional Standards and the Teachers and Leaders Council.

If approved, this position would also provide administrative support for the proposed Education Programs Professional position for the Great Teaching and Leading program.

The Department further notes that the duties of this recommended position were previously performed by four existing Administrative Assistant positions located in various other offices within the Department; however, with the Department reorganization, this office no longer has direct support from those staff. Testimony provided by the Department during the budget hearing on March 3, 2015, indicated that there would be a sufficient workload to justify the need of a full-time Administrative Assistant position.

In response to Fiscal staff's inquiry regarding whether there is a backlog of work related to the new Educator Effectiveness Office, the Department confirmed that there is a backlog as current administrative support is provided by staff from the Office of Educator Licensure. As a result, tasks and projects for the Educator Effectiveness Office are completed when the workload for the Office of Educator Licensure is lighter. The Department reports examples of work partially or not completed to include travel reimbursements for Counsel members and Department staff, policy and procedure manual updates, general filing and reporting, composition and posting of meeting minutes, meeting scheduling and preparation, website updates, and supporting documentation to the Legislative Counsel Bureau for regulation changes for the Commission on Professional Standards. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve General Fund appropriations totaling \$37,031 in FY 2016 and \$45,925 in FY 2017, to fund one new Administrative Assistant position and associated costs, as recommended by the Governor?

Other Closing Items

As part of the recommended department-wide reorganization, The Executive Budget recommends that three full-time positions be transferred into this budget as shown in the following table. Each transfer is briefly discussed by decision unit on the table below.

| Dec Unit | Position Title | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|---|------------|--------------------------------|------------------------------|-------------------------------|------------------------|
| E-911 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2612 | Educator Effectiveness |
| E-912 | Education Programs Professional | 1.0 | 2673 | Office of the Superintendent | 2612 | Educator Effectiveness |
| E-926 | Education Programs Professional | 1.0 | 2713 | Literacy Programs | 2612 | Educator Effectiveness |
| | Total Transfers To Educator Effectiveness Budget | 3.0 | | | | |

1. Position Transfer (E-511, E-911, K-12 EDUCATION-107): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursements totaling \$106,809 in FY 2016, and \$106,163 in FY 2017 for one Education Programs Professional position and associated operating costs from the District Support Services budget (BA 2719) to this budget.

In Decision Unit E-511, The Executive Budget further recommends the funding source of the position be changed from 100 percent cost allocation reimbursements to 50 percent General Fund appropriations (\$53,405 in FY 2016 and \$53,081 in FY 2017) and 50 percent federal support. Because the cost allocation reimbursements were funded by 50 percent General Fund appropriations, no new General Fund support is recommended in this decision unit.

These recommendations appear reasonable.

2. Position Transfer (E-912, K-12 EDUCATION-107 and 108): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$104,917 in FY 2016, and \$104,285 in FY 2017 for one Education Programs Professional position and associated operating costs from the Office of the Superintendent budget (BA 2673) to this budget. **This recommendation appears reasonable.**
3. Transfer of Teachers and Leaders Council (E-922, K-12 EDUCATION-108): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$15,465 in each year of the 2015-17 biennium for the support of the Teachers and Leaders Council from the Office of the Superintendent budget (BA 2673) to this budget. **This recommendation appears reasonable.**
4. Position and Program Transfer (E-926, K-12 EDUCATION-108 and 109): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal Improving Teacher Quality grant funds totaling \$11.0 million in FY 2016, and \$10.4 million in FY 2017, including one Education Programs Professional position and associated program and operating costs for the Teacher Quality grant program from the Literacy Programs budget (BA 2713) to this budget, with no change in purpose. **This recommendation appears reasonable.**

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, and requests authority for staff to make technical adjustments as necessary.

Title: NDE - GEAR UP
 Account: 101 - 2678

Budget Page: K-12 EDUCATION-113, Volume I

| Revenues | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| BALANCE FORWARD | 4 | | | | | | |
| FEDERAL FUND | 2,997,604 | 2,990,995 | (0.22) | 2,999,858 | 0.30 | 3,000,550 | 0.02 |
| INTERAGENCY TRANSFER | 1,825,074 | 3,000,000 | 64.38 | 3,000,069 | 0.00 | 3,000,145 | 0.00 |
| Total Revenues | 4,822,682 | 5,990,995 | 24.23 | 5,999,927 | 0.15 | 6,000,695 | 0.01 |
| Total FTE | | 3.00 | | 3.00 | | 3.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|---|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

The GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) program is a federally-funded program established to provide low-achieving students who are economically disadvantaged with an opportunity to improve academic achievement, increase test scores, decrease the high school dropout rate, and increase enrollment in institutions of higher education and success rates at those institutions. The program targets a group of seventh graders, with a poverty level of at least 60 percent, and follows them for six years to completion of high school, and on to college, if they meet necessary criteria, including graduating with a minimum grade point average of 2.0. The first program of GEAR UP funding began in FY 2002. The second program of GEAR UP students began in FY 2007 with approximately 5,000 students across seven school districts in the state. Nevada was awarded a 2012 GEAR UP federal grant, making this the state's third GEAR UP grant award over a ten-year period. The latest grant award is for \$3.0 million per year for seven years, for a total of \$21.0 million. Currently, the GEAR UP program operates in 40 schools throughout the state, in the following school districts: Clark, Elko, Humboldt, Lyon, Mineral, Nye, Pershing, and Washoe.

Additionally, The Executive Budget includes \$3.0 million each year of the 2015-17 biennium in transfer funds from the non-executive GEAR UP Scholarship Trust Fund (BA 2679) budget to administer the scholarship program, and provide scholarships of \$750 per semester at a community college or \$1,250 per semester at a university or state college for eligible participants. Eligible students must enroll in a degree-seeking program and take a minimum of 12 credits per semester.

Major Closing Issue

New Position

Discussion of Major Closing Issue

New Position (E-225; K-12 EDUCATION-115): The Governor recommends federal grant funding of \$101,017 in FY 2016 and \$98,991 in FY 2017 to fund the personnel and associated operating costs of a new Education Programs Professional position for the federal GEAR UP program to support increased GEAR UP activities, as well as an increased number of schools served. Currently, the GEAR UP program has one Education Programs Professional position, one Grants and Projects Analyst position, and one Administrative Assistant position.

The Department of Education (Department) indicates that the duties to be performed by the recommended Education Programs Professional position include helping schools and school districts design and implement programs that support a diverse student population in achieving targeted outcomes, such as academic preparation for postsecondary education and postsecondary enrollment and providing leadership technical assistance, compliance monitoring and professional development. In addition, among other duties, this position would be responsible for increasing collaboration with the Nevada System of Higher Education (NSHE) and creating partnerships with community organizations, foundations and businesses across the state to assist Nevada GEAR UP in developing mentoring, job shadowing and apprenticeship opportunities for GEAR UP students.

In an October 22, 2014, letter to the Department, the U.S. Department of Education (USDOE) recommended that in addition to the existing three GEAR UP program positions, an Assistant Program Director position would be of considerable benefit to the Nevada GEAR UP grant program, as it would allow for greater expansion and promote participation with the community throughout the state. The USDOE further stated that an Assistant Program Director position would provide for better response to the increased demands for technical programmatic assistance and would ensure continued compliance at the federal level.

In response to Fiscal staff's inquiry regarding why the position recommended in the Governor's budget is an Education Programs Professional (EPP) position instead of an Assistant Program Director position as recommended by the USDOE, the Department indicates it has determined that the duties of the new position more closely align with an EPP and this position classification would be the most appropriate. Further, in response to questions from the K-12/Higher Education/CIPs Joint Subcommittee at its March 3, 2015 hearing, the Department indicates that the existing EPP position and the new EPP position assigned to the GEAR UP program would divide workload between programmatic duties, such as application and approval processes, and outreach duties, such as leadership, networking and collaboration with GEAR UP public and private sector partners including GEAR UP Near Peer Network. Finally, the Department reports that the current GEAR UP EPP position has monitored the program, collected and analyzed data, and provided program improvement planning, which has required an increased number of school site visits, phone, and videoconferences. Consequently, those duties have hindered the EPP position from accomplishing other aspects of the GEAR UP program, such as program improvement, community outreach, collaboration with the Nevada System of Higher Education, professional development opportunities and representation on various boards, councils and consortia. The Department advises it is necessary to add another position in order to more fully implement the GEAR UP program. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve federal GEAR UP program funding totaling \$101,017 in FY 2016 and \$98,991 in FY 2017, to fund a new Education Programs Professional position and associated costs, as recommended by the Governor?

Other Closing Item

Position Transfer (E-918; K-12 EDUCATION-116): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal funds totaling \$69,155 in FY 2016 and \$71,159 in FY 2017 for one Grants and Projects Analyst position and associated operating costs from the GEAR UP budget to the District Support Services budget (BA 2719). The transfer is recommended in order for the Grants Analyst position to support other grant programs in addition to the federal GEAR UP program. **This recommendation appears reasonable.**

Staff recommends the Other Closing Item be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.

Title: NDE - PARENTAL INVOLVEMENT AND FAMILY ENGAGEMENT Budget Page: K-12 EDUCATION-118, Volume I
 Account: 101 - 2706

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | 29,412 | 111,043 | 277.54 | | | | |
| FEDERAL FUND | 96,273 | 130,087 | 35.12 | | | | |
| GENERAL FUND | | | | 193,286 | | 199,369 | 3.15 |
| INTERAGENCY TRANSFER | 68,863 | 164,680 | 139.14 | | | | |
| OTHER FUND | 21,700 | 18,000 | (17.05) | 8,000 | (55.56) | 8,000 | |
| Total Revenues | 216,248 | 423,810 | 95.98 | 201,286 | (52.51) | 207,369 | 3.02 |
| Total FTE | | 2.00 | | 2.00 | | 2.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |

| | | |
|---|---|---|
| Total | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | 0 | 0 |

Overview

In conjunction with the proposed reorganization of the Department of Education (Department), the Governor recommends General Fund appropriations for the Office of Parental Involvement and Family Engagement, established pursuant to *Nevada Revised Statutes* (NRS) 385.630, and the Advisory Council on Parental Involvement and Family Engagement, pursuant to NRS 385.610, be included in this budget. This budget is proposed to fund professional development, review and monitoring of district reports and plans related to family engagement, as well as methods of effective communication with families. Nevada's state and district policies are based on the following six standards:

1. Welcoming all families into the school community
2. Communicating effectively
3. Supporting student success
4. Speaking up for every child
5. Sharing power
6. Collaborating with community

This budget (formerly the Other Unrestricted Accounts budget) includes revenues for the following programs, which are proposed for transfer to other budgets as described in the decision units below:

The federal National Cooperative Statistics grant provides funding for the Department to participate in training designed to assist states in submitting appropriate responses to federal data requests.

The federal National Assessment of Education Progress (NAEP) Task Order grant provides funding for the administration of the NAEP in grades 4, 8 and 12.

The Private School License Fees collected in this budget represent license and renewal fees paid by non-exempt private schools, which are used by the Department for staff and operating expenditures necessary to perform the statewide monitoring functions of private schools.

The Safe Schools Healthy Students grant, supported through a transfer from the Division of Public and Behavioral Health, promotes safe and violence-free schools, the mental, emotional and behavioral health of students, and the connection of families, schools and communities.

The Anti-Bullying grant, supported through a transfer from the Division of Public and Behavioral Health, funds the establishment of an anti-bullying training program for the 17 school districts, the State Public Charter School Authority and their respective boards.

Major Closing Issue

Funding Source Change and Transfer of the Anti-Bullying Program

Discussion of Major Closing Issue

Funding Source Change and Transfer of the Anti-Bullying Program (E-350, E-490, E-972, K-12 EDUCATION-120, 121 and 124):

- E-490 – The Department currently receives grant funding from the Division of Public and Behavioral Health for the support of an Anti-Bullying program and the personnel and operating costs of one Education Programs Professional position. For the 2015-17 biennium, the Governor recommends the elimination of grant authority in the amount of \$111,903 in FY 2016 and \$115,321 in FY 2017 for revenues and costs associated with the grant-funded Anti-Bullying program, inclusive of the Education Programs Professional position. The Department advises the grant funding is scheduled to expire effective June 30, 2015.
- E-350 – As a result of the expiring grant funds currently supporting the Anti-Bullying program, the Governor recommends changing the funding source from grant funds to General Fund appropriations. As such, the Governor recommends new General Fund appropriations of \$102,060 in FY 2016 and \$105,480 in FY 2017 for the continued support of the Anti-Bullying program, including the Education Programs Professional position.

Fiscal staff would note that the decision unit to change the funding source for the Anti-Bullying program (E-350) does not include operating and travel costs. However, the decision unit to eliminate authority for the expiring grant-funded Anti-Bullying program (E-490) reflects \$9,843 in FY 2016 and \$9,841 in FY 2017 for operating and travel costs, which is resolved in the transfer in Decision Unit E-972.

Does the Subcommittee wish to approve the elimination of grant authority in the amount of \$111,903 in FY 2016 and \$115,321 in FY 2017 for revenues and costs associated with the grant-funded Anti-Bullying program, inclusive of the Education Programs Professional position?

Does the Subcommittee wish to approve new General Fund appropriations of \$102,060 in FY 2016 and \$105,480 in FY 2017 for the continued support of the Anti-Bullying program, including an Education Programs Professional position, as recommended by the Governor?

- E-972 – As part of the recommended department-wide reorganization, The Executive Budget recommends a transfer of General Fund appropriations totaling \$112,060 in FY 2016 and \$115,480 in FY 2017 and transfers from the Division of Public and Behavioral Health totaling \$10,000 in each fiscal year from this budget to the Student and School Support budget (BA 2712) for the support of one Education Programs Professional position and associated operating costs related to the Anti-Bullying program.

In response to Fiscal staff's inquiry regarding why this decision unit includes funding transfers from the Division of Public and Behavioral Health in the amount of \$10,000 in each fiscal year for the support of the Anti-Bullying program when grant funding expires on June 30, 2015, the Department responded that the \$10,000 amount recommended to be transferred from this decision unit is grant funding designated for travel and operating costs for an Education Programs Professional position assigned to the Anti-Bullying program. Although the Anti-Bullying federal grant is not being renewed, the Department indicates that the Office of Public and Behavioral Health has identified another grant that would be able to fund these operating expenses. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve the transfer of the Anti-Bullying program, including an Education Programs Professional position and associated costs for the program in the amount of \$112,060 in FY 2016 and \$115,480 in FY 2017, from this budget to the Student and School Support budget, as recommended by the Governor, and with authority for Fiscal staff to make technical adjustments as necessary?

Other Closing Items

1. Advisory Council on Parental Involvement Operating Costs (E-275, K-12 EDUCATION-120): The Governor recommends \$4,717 in each year of the 2015-17 biennium to fund the operating costs of the Advisory Council on Parental Involvement. In FY 2014, the Advisory Council expended \$4,717 for operating expenses from the Office of the Superintendent budget (BA 2673). The base funding of \$4,717 in each year was eliminated in the budget for the Office of the Superintendent and included in this budget; therefore, this a cost neutral decision unit. **This recommendation appears reasonable.**
2. Position and Program Transfer to Office of Parental Involvement and Family Engagement (E-906, K-12 EDUCATION-122): The Office of Parental Involvement and Family Engagement (Office) was created within the Department by the 2011 Legislature, through the passage and approval of Assembly Bill 224 (NRS 385.630). As part of the proposed department-wide reorganization, The Executive Budget recommends a transfer of General Fund appropriations totaling \$108,994 in FY 2016 and \$112,403 in FY 2017 from the Office of the Superintendent budget (BA 2673) to this budget to support the salary and related costs for one Education Programs Professional position. Included in the total funding recommended for transfer is \$14,978 in FY 2016 and \$15,046 in FY 2017 to fund the administrative costs of the Office.

To supplement the operating budget for the Office, the 2013 Legislature approved a transfer in the amount of \$16,484 in each year of the 2013-15 biennium from the Educational Trust Fund (BA 2614). The Office expended a total of \$14,349 in FY 2014 from this funding source.

For the 2015-17 biennium, The Executive Budget eliminates the transfer of \$14,349 received in FY 2014 from the Educational Trust Fund budget (BA 2614) to supplement the operating budget of the Office, as this funding transfer was only approved for the 2013-15 biennium. However, this decision

unit includes a transfer of General Fund appropriations of \$14,978 in FY 2016 and \$15,046 in FY 2017 to continue the enhanced operating budget previously funded by transfers from the Educational Trust Fund in FY 2014. During the March 3, 2015, budget hearing, the Department testified that the operating costs of the Office are ongoing, and as such, should not be funded as one-time expenses. **This recommendation appears reasonable.**

3. Transfer of Federal Grant Programs (E-917, K-12 EDUCATION-122 and 123): As part of the recommended department-wide reorganization, The Executive Budget recommends a transfer of federal grant funds totaling \$255,736 in FY 2016 and \$262,140 in FY 2017 from this budget to the Assessments and Accountability budget (BA 2697) to transfer one Education Programs Professional position and associated operating costs, and program costs. **This recommendation appears reasonable.**
4. Transfer of Safe Schools Healthy Students Program (E-921, K-12 EDUCATION-123): As part of the recommended department-wide reorganization, The Executive Budget recommends a transfer of \$13,713 in FY 2016 and \$13,712 in FY 2017 from this budget to the Student and School Support budget (BA 2712) to transfer funding for the Safe Schools Healthy Students federal grant program. **This recommendation appears reasonable.**
5. Position Transfer (E-931, K-12 EDUCATION-123): As part of the recommended department-wide reorganization, The Executive Budget recommends a transfer of General Fund appropriations totaling \$79,575 in FY 2016 and \$82,249 in FY 2017 from the Office of the Superintendent budget (BA 2673) to this budget to transfer one Education Programs Professional position and associated operating costs. **This recommendation appears reasonable.**

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, and requests authority for staff to make technical adjustments, as necessary.

Title: NDE - OFFICE OF EARLY LEARNING AND DEVELOPMENT
 Account: 101 - 2709

Budget Page: K-12 EDUCATION-126, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | 42 | | | | | | |
| FEDERAL FUND | 18,777,645 | 19,830,611 | 5.61 | 8,970,663 | (54.76) | 12,205,607 | 36.06 |
| GENERAL FUND | | | | 4,731,358 | | 5,929,828 | 25.33 |
| INTERAGENCY TRANSFER | | | | 3,774,548 | | 3,774,548 | |
| Total Revenues | 18,777,687 | 19,830,611 | 5.61 | 17,476,569 | (11.87) | 21,909,983 | 25.37 |
| Total FTE | | 4.00 | | 12.00 | | 12.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--------------------------------------|-----|------|--|-----------|---------|
| E276 | 00 | 2501 | Reduce General Fund appropriations to reduce Social Impact Bonds Feasibility Study per Budget Amendment A150532709 | (100,000) | |
| Sub-total | | | | (100,000) | 0 |
| Line Item Changes to Revenues | | | | (100,000) | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--|-----|------|---|-----------|---------|
| E276 | 10 | 7000 | Reduce expenditures for Social Impact Bonds Feasibility Study per Budget Amendment A150532709 | (100,000) | |
| Sub-total | | | | (100,000) | 0 |
| Line Item Changes to Expenditures | | | | (100,000) | 0 |

| | | | | | |
|---|--|--|--|-----------|---|
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | (100,000) | 0 |

Overview

The Office of Early Learning and Development, previously titled “Discretionary Grants-Restricted” budget, manages and administers programs for at-risk children who are ready for kindergarten. On October 10, 2013, the Governor issued an Executive Order (2013-16) authorizing the relocation of the Head Start State Collaboration and Early Childhood Systems Office from the Department of Health and Human Services to the Nevada Department of Education (Department). Along with the proposed name change, the Governor proposes to utilize this budget to fund programs to prepare at-risk children for kindergarten and for programs focused on the quality of and access to preschool programs.

Major Closing Issues

1. New Nevada Ready! High Quality Preschool Development Grant
2. Feasibility Study for Preschool Social Impact Bonds

Discussion of Major Closing Issues

1. New Nevada Ready! High Quality Preschool Development Grant (E-275, K-12 EDUCATION-128): The Governor recommends federal grant funds of \$8.7 million in FY 2016 and \$11.9 million in FY 2017 and General Fund appropriations of \$4.5 million in FY 2016 and \$5.8 million in FY 2017 for the new

Nevada Ready! High Quality Preschool Development grant to support the improvement and expansion of preschool (Pre-K) for children from low- and moderate- income families. Nevada was 1 of 18 recipients of the 2014 Preschool Development Grant competition and was awarded \$43.8 million over a 4-year period. A state match component totaling \$22.8 million over the 4-year grant period is also required. The first year of the grant period spans January 1, 2015, through December 31, 2015, and requires \$2.1 million in state funding for the match. The grant allows receipt of federal funds prior to the state match funds as long as the match is received by calendar year end. The following table illustrates the state funding match funding requirements of the grant for the four-year grant period:

| Calendar Year 2015 | Calendar Year 2016 | Calendar Year 2017 | Calendar Year 2018 | Total State Match Requirement |
|--------------------|--------------------|--------------------|--------------------|-------------------------------|
| \$2.2 million | \$4.7 million | \$6.9 million | \$9.0 million | \$22.8 million |

The Department intends to expend the grant funding and required state match to:

- build infrastructure for Nevada communities
- increase high-quality Pre-K slots by 58 percent within four years and
- serve approximately 15 percent of the state’s four-year-old population in families living at or below 200 percent of the federal poverty level.

Nevada currently provides a state-funded Pre-K program that offers a minimum of 10-hours a week of instruction to children enrolled in the program. With the addition of this new federal grant and matching General Fund appropriations, preschool instruction time would be increased to a minimum of 25-hours a week for 2,990 children.

The Department has identified eligible subgrantees as Local Education Agencies, private entities, non-profits, charter schools, and faith-based programs. The Department also proposes to subgrant 75 percent of the grant, which is 10 percent greater than the grant requirement. The remaining 25 percent of the grant will be used by the Department to build infrastructure, to provide professional development and training, and to identify physical space for new Pre-K programs.

The following table was provided by the Department demonstrating projected subgrants of the federal High Quality Preschool Development Grant to the school districts.

| School District | Year 1 | Year 2 | Year 3 | Year 4 |
|-----------------|---------------------|---------------------|---------------------|---------------------|
| Nye | \$ 684,237 | \$ 644,870 | \$ 644,870 | \$ 644,870 |
| Churchill | \$ 660,980 | \$ 559,751 | \$ 559,751 | \$ 559,751 |
| Washoe | \$ 679,530 | \$ 1,630,318 | \$ 1,587,235 | \$ 1,587,235 |
| Clark | \$ 1,033,825 | \$ 2,439,747 | \$ 2,720,119 | \$ 2,748,846 |
| Lyon | \$ 792,369 | \$ 1,569,811 | \$ 1,569,811 | \$ 1,569,811 |
| Total | \$ 3,850,941 | \$ 6,844,497 | \$ 7,081,786 | \$ 7,110,513 |

According to supporting documentation, the Department indicates six new positions are needed to administer the federal grant funds. The total projected cost of the positions is \$1.7 million over the 4-year grant period. The following table summarizes the titles and responsibilities of the proposed new positions:

| Position Title | Number of Positions | Responsibilities/Location |
|--|---------------------|---|
| Education Programs Professional Supervisor | 1 | Coordinate Pre-K programmatic activities (Carson City) |
| Education Programs Professional | 2 | Implement Pre-K programmatic activities: 1 position for Lyon, Churchill, Washoe counties; 1 position for Clark and Nye counties (Carson City) |
| Grants and Project Analyst | 1 | Ensure compliance with federal and state regulations (Carson City) |
| Management Analyst | 1 | Data collection, evaluation, and review to present fiscal effects of program (Carson City) |
| Education and Information Officer | 1 | Work with districts to ensure communication, expectations and training of employees coordinating and implementing the program (Carson City) |
| Total Employees | 6 | |

The Department indicates that these positions would be funded with approximately 34 percent General Fund appropriations and 66 percent federal grant funds. The Department anticipates the General Fund portion of these positions to increase in future biennia; however, the increase has not yet been determined. Unless funding is available, the six positions would be eliminated at the time the four-year grant expires. **Based on the information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve federal grant funds of \$8.7 million in FY 2016 and \$11.9 million in FY 2017 and General Fund appropriations of \$4.5 million in FY 2016 and \$5.8 million in FY 2017 as matching funds for the new federal Nevada Ready! High Quality Preschool Development grant, including the funding for six new positions as recommended by the Governor?

2. Feasibility Study for Preschool Social Impact Bonds (E-276, K-12 EDUCATION-128 and 129): The Governor recommends General Fund appropriations of \$125,000 in FY 2016 to conduct a feasibility study for preschool social impact bonds, which, according to the Department, are specific types of financing that leverage private investment to support high-impact social programs. According to supporting documentation, under this type of financing mechanism, investors would loan funds to high-quality preschool programs, and end-payers would provide pay-for-success payments to repay the loans, based on the cost-avoidance associated with the reduced use of special education and remedial services.

The Department indicates the opportunity to expand the financial vehicles to deliver social service programs to enhance Pre-K will allow public agencies to engage the social service sector organizations for higher-level outcome-driven results. In addition, the Department indicates these organizations would play a greater role in the delivery of public services through outcomes-based contracts by the social innovative bond programs providing the risk finance and working capital required. Investors are rewarded by program result-oriented payments, only if outcomes are achieved, transferring some risk away from public agencies, and ultimately the taxpayer.

The Department of Education has identified potential end payers for the bond program as: state government, local government, philanthropic communities and the federal government. The Department notes that by investing in the preschool social impact bonds, government agencies would only repay investors if the outcome of the preschool children is considered successful. The feasibility

study would be open to other possible end payers that could be determined after finding the success metric for the project.

The Department requests funding for this feasibility study to evaluate social benefits, such as improved school attendance, compared to monies made available from public sector budgets. Additionally, the study would consider the costs for the intervention program, as well as the time required to realize the return of investment.

The Department indicates the cost estimate for this study was derived from information obtained by the National Governor's Association and the State Grants Office research. The Department indicates that if a contract is required, the Department would prepare a Request for Proposal and follow normal contract procedures. The Department provided information that Harvard Kennedy School and Third Sector Capital Partners have committed to share the cost of the feasibility study, totaling \$100,000, and requiring a \$25,000 match in funding from the state. Accordingly, this would reduce the cost to the state for this feasibility study from \$125,000 to \$25,000. Fiscal staff notes that Budget Amendment A150532709 was submitted to reduce this decision unit from \$125,000 to \$25,000.

Does the Subcommittee wish to approve a General Fund appropriation, which was reduced through Budget Amendment A150532709, which would reduce from \$125,000 to \$25,000 in FY 2016, for state matching funds to conduct a feasibility study for the Preschool Social Impact Bond Program?

Other Closing Items

1. Elimination of Authority for Federal Refugee Grant (E-491, K-12 EDUCATION-129): The Governor recommends a reduction in federal grant funding of \$58,937 in FY 2016 and \$58,937 in FY 2017 to eliminate authority for the federal Refugee grant that expired on August 30, 2014. The Refugee School Impact grant assisted refugee children as they entered the United States school systems and provided support to ensure family stability and job opportunities. **This recommendation appears reasonable.**
2. Computer Hardware and Software Replacement (E-710, K-12 EDUCATION-130): The Governor recommends federal grant funding of \$3,028 in FY 2016 to replace one laptop and docking station and one desktop computer. **This recommendation appears reasonable.**
3. Position Transfer (E-909, K-12 EDUCATION-130): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$107,073 in FY 2016, and \$106,423 in FY 2017 to transfer one Early Childhood Education Program Professional and associated operating costs from the Office of the Superintendent budget (BA 2673) to this budget. **This recommendation appears reasonable.**
4. Five Position Transfers and Transfer of the Federal Early Childhood and Head Start Grants (E-915, K-12 EDUCATION-131): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal and transfer funding totaling \$4.0 million in each year of the 2015-17 biennium to transfer the federal Early Childhood Comprehensive Systems grant, the federal Head Start grant, and the Child Care and Development Block Grant received as a transfer from the Nevada Division of Welfare and Supportive Services. The recommended transfer includes program funding, one Developmental Specialist position, two Education and Information Officer positions, one Social Services Program Specialist position, and one Education Programs Director position and associated operating costs to be transferred from the Individuals with Disabilities Education Act budget (BA 2715) to this budget. **This recommendation appears reasonable.**

5. Transfer of the Federal 21st Century Community Learning Center Grant (E-920, K-12 EDUCATION-131 and 132): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal funding totaling \$6.6 million in each year of the 2015-17 biennium to transfer the federal 21st Century Learning Center grant from this budget to the Office of Student School Support budget (BA 2712). The 21st Century Community Learning Center grant provides opportunities for academic achievement, including tutorial services, to help students attending low-performing schools meet state academic achievement standards in core academic subjects. The 21st Century programs are extended-day or extended-year programs. **This recommendation appears reasonable.**

6. Transfer of Federal Grant Programs (E-932, K-12 EDUCATION-132): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funding totaling \$8.0 million in each year of the 2015-17 biennium to transfer the federal English Language Acquisition grant, the federal Homeless Children Grant, and the federal Advanced Placement Fee Payment grant programs. The recommended transfer includes pass-through funding to school districts as well as three Education Programs Professional positions and one Education Programs Supervisor position along with associated operating costs from this budget to the Office of Student School Support budget (BA 2712).

The English Language Acquisition federal grant is designed to increase the academic achievement of limited English proficient and immigrant students. The Homeless Children Education federal grant is utilized to identify children from homeless families, and ensure these children have the same equal access to public education as other children within the state. The Advanced Placement Fee federal grant provides funding for reimbursements to economically disadvantaged students for the cost of taking advanced placement (AP) examinations. **This recommendation appears reasonable.**

7. Transfer of Longitudinal Data Systems Federal Grant (E-940, K-12 EDUCATION-133): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of the federal Longitudinal Data Systems grant totaling \$338,157 in FY 2016 from this budget to the proposed new Office of Data Systems Management budget (BA 2716). The federal Longitudinal Data Systems grant allows the Department to further develop the existing System of Accountability Information in Nevada (SAIN) and aid the Department in complying with reporting requirements pursuant to NRS 386.650, which mandates an automated system of accountability for Nevada that includes a system of identification to track students in public schools and the Nevada System of Higher Education. **This recommendation appears reasonable.**

Fiscal staff recommends closing all Other Closing Items as recommended by the Governor, with authority to make technical adjustments, as necessary.

Title: NDE - STUDENT AND SCHOOL SUPPORT
 Account: 101 - 2712

Budget Page: K-12 EDUCATION-135, Volume I

| Revenues | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| BALANCE FORWARD | (5,599) | 5,608 | (200.16) | | | | |
| FEDERAL FUND | 107,884,295 | 117,531,346 | 8.94 | 138,231,023 | 17.61 | 138,256,699 | 0.02 |
| GENERAL FUND | | | | 1,904,801 | | 1,938,811 | 1.79 |
| INTERAGENCY TRANSFER | | | | 23,713 | | 23,712 | (0.00) |
| Total Revenues | 107,878,696 | 117,536,954 | 8.95 | 140,159,537 | 19.25 | 140,219,222 | 0.04 |
| Total FTE | | 5.00 | | 25.00 | | 25.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--------------------------------------|-----|------|---|----------|----------|
| E279 | 00 | 2501 | Increase General Fund appropriation to reflect elimination of funding for an external evaluation included in error. | (30,000) | (30,000) |
| Sub-total | | | | (30,000) | (30,000) |
| Line Item Changes to Revenues | | | | (30,000) | (30,000) |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--|-----|------|---|----------|----------|
| E279 | 04 | 7000 | Decrease expenditures to reflect elimination of an external evaluation included in error. | (30,000) | (30,000) |
| Sub-total | | | | (30,000) | (30,000) |
| Line Item Changes to Expenditures | | | | (30,000) | (30,000) |

| | | | | | |
|---|--|--|--|----------|----------|
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | (30,000) | (30,000) |

Overview

The Student and School Support budget (formerly Elementary and Secondary Ed – Title I) provides for the distribution and administration of federal Title I assistance to Nevada schools for economically and educationally disadvantaged students. Title I funds are utilized to meet the state’s No Child Left Behind Act student performance requirements. Funds to the state are determined by a formula based on recent census poverty data, number of children in foster homes, and the total number of school-aged children in the state. The state match is determined by the amount of state and local support to K-12 education. Title I funds cannot be used to replace programs already provided by state and local funds (supplement, not supplant).

Major Closing Issues

1. Expansion of Participation in Advanced Placement Courses and Examinations in High Schools
2. New Positions and Funding for the Safe and Respectful Learning Office
3. New Positions for Victory Schools and Turnaround Schools Programs
4. New Position for Underperforming Schools
5. One-time Screening Tool and Evaluation of Social Worker/Mental Health Professionals Program

Discussion of Major Closing Issues

1. Expansion of Participation in Advanced Placement Courses and Examinations in High Schools (E-290, K-12 EDUCATION-140): The Governor recommends General Fund appropriations of \$525,875 in FY 2016 and \$662,750 in FY 2017 to fund an expansion of student participation in the Advanced Placement (AP) courses and examinations in high schools. The Department indicates the recommendation to expand the student participation in the courses and examinations consist of the following four components:

| Components of Advanced Placement Course Expansion | FY 2016 | FY 2017 |
|--|-------------------|-------------------|
| Funding for Test Fees for Additional Students - 1,500 in FY 2016, 3,000 in FY 2017 | \$ 136,875 | \$ 273,750 |
| Teacher Preparation - Professional Development | \$ 200,000 | \$ 200,000 |
| Test Fees to be Paid on Behalf of African-American and Native-American Students to Double Participation of those Student Populations | \$ 64,000 | \$ 64,000 |
| Competitive Grants to Increase Participation and Passage of AP Courses and Examinations | \$ 125,000 | \$ 125,000 |
| Total | \$ 525,875 | \$ 662,750 |

In FY 2014, the Department of Education (Department) received \$328,996 from the federal Advanced Placement Test Fee Program, which awards grants to eligible state educational agencies to assist the agencies with paying all or a portion of advanced placement test fees on behalf of eligible low-income students who are enrolled in advanced placement courses and plan to take advanced placement tests. The federal program is designed to increase the number of low-income students who take advanced placement tests and receive scores for which college academic credit is awarded. The Department anticipates the federal program for Advanced Placement Test Fees to continue through the 2015-17 biennium.

The Department indicates that in FY 2013, 7,299 (31.6 percent) of high school graduates participated in AP courses, which is roughly at the national average; yet only 3,901 (16.9 percent) scored a 3 or above as opposed to the national average of 20.1 percent. In regard to African-American students, 5.4 percent participated in AP courses and 3.1 percent scored a 3 or above as compared to the national participation and pass rates of 9.2 percent and 4.6 percent, respectively. In regard to Hispanic/Latino statistics, 26.7 percent participated in AP courses and 23.7 percent scored a 3 or above as compared to the national participation and pass rates of 18.8 percent and 16.9 percent, respectively.

The Department further indicates that the state-funded Advanced Placement expansion would be tracked in ePage (the Department’s electronic grant application), and that criteria for the competitive grant would include demonstrated need, likelihood of success, and program alignment. As indicated in the table above, the recommended funding would be distributed to the school districts and no administrative funding is included in this decision unit. From the additional details provided about this proposal, it appears this decision unit should be transferred to the Other State Education Programs budget (BA 2699), as that budget contains all state pass-through funding to school districts and charter schools.

Fiscal staff would note that \$200,000 in each year of the 2015-17 biennium from this request is being designated for Professional Development for the Advanced Placement Courses and Examinations Program. This calculates to 38 percent of the request for FY 2016 and 30 percent of the request for FY 2017.

Of these amounts, does the Subcommittee wish to approve a General Fund appropriation of \$200,000 in each year of the 2015-17 biennium to fund Professional Development for teachers for Advanced Placement courses and examinations in high schools, as recommended by the Governor?

Does the Subcommittee wish to approve a General Fund appropriation of \$325,875 in FY 2016, and \$462,750 in FY 2017 to fund an expansion of student participation in the Advanced Placement courses and examinations in high schools, as recommended by the Governor?

If so, does the Subcommittee wish to approve the transfer of Decision Unit E-290 to the Department's Other State Education Programs budget (BA 2699)?

2. New Positions and Funding for the Safe and Respectful Learning Office (E-279, K-12 EDUCATION-139): Passage and approval of S.B. 504 from the 2015 Legislative Session would create the Office for a Safe and Respectful Learning Environment within the Department of Education. The Governor recommends General Fund appropriations of \$300,000 in each year of the 2015-17 biennium to create a new Safe and Respectful Learning Office within the Department, including one new unclassified Education Programs Director position and one Administrative Assistant position and related costs. In addition to funding for two new positions, the funding recommended by the Governor includes a General Fund appropriation of \$30,000 in each year of the 2015-17 biennium to fund an external evaluation of the Safe and Respectful Learning Program in FY 2017. The recommended funding would be used to support the following three statutory provisions related to the prevention of bullying:

- *Nevada Revised Statutes* 388.1325 creates the Bullying Prevention Account for school districts to apply for grants to establish programs to create a school environment that is free from bullying and cyber-bullying, including the development and implementation of procedures to discuss bullying policies. The Governor recommends General Fund appropriations of \$100,000 in FY 2016 and \$75,000 in FY 2017 to fund operating expenses of the Bullying Prevention Account.
- *Nevada Revised Statutes* 388.1342 requires the Department to establish training programs on methods to prevent, identify and report incidences of bullying and cyber-bullying to be provided to members of the State Board of Education, school district boards of trustees, and to administrators in the prevention of violence and suicide associated with bullying and cyber-bullying. The Department must also annually review each training program established to ensure that each program contains current information. The Governor recommends General Fund appropriations of \$20,000 in FY 2016 and \$15,000 in FY 2017 to establish the required training programs on bullying and violence and suicide prevention.
- *Nevada Revised Statutes* 388.1341 requires the Department to develop an informational pamphlet to assist students and parents in resolving incidents of bullying or cyber-bullying. In addition, to the extent money is available, the Department must develop a tutorial available on the Department's website that includes the information contained in the pamphlet. The Governor recommends General Fund appropriations of \$23,330 in FY 2016 and \$13,304 in FY 2017 to fund the costs of the informational pamphlet on bullying prevention.

Fiscal staff notes that, in the 2013 Legislative Session, Senate Bill 427 added provisions governing bullying and the Department submitted a zero fiscal note saying the bill has no fiscal impact on the Department.

The following table demonstrates the budget for the Office of Safe and Respectful Learning for the 2015-17 biennium:

| Decision Unit E-279 | FY 2016 | FY 2017 |
|---|------------------|------------------|
| Personnel - Unclassified Director (\$85,462/\$112,633) and Administrative Assistant (\$33,346/\$45,142) | \$118,808 | \$157,775 |
| Office - Equipment/Furnishings/Computer/Software | \$7,047 | \$1,241 |
| In-State Travel | \$3,000 | \$3,000 |
| Grant Funding for Bullying Prevention (NRS 388.1325) | \$70,000 | \$45,000 |
| Informational Pamphlet on Bullying Prevention (NRS 388.1341) | \$23,330 | \$13,304 |
| Training Program on Bullying Prevention - statewide training program to be established by the Department (NRS 388.1342) | \$20,000 | \$15,000 |
| Contracts | \$30,000 | \$30,000 |
| Cost Allocation & Misc. | \$27,815 | \$34,680 |
| TOTAL | \$300,000 | \$300,000 |

The Department indicates that the unclassified Education Programs Director position would oversee the Safe and Respectful Learning Office, that would establish programs of training to prevent, identify and report incidents of bullying and cyber-bullying, and monitor reports of incidents of bullying and cyber-bullying. The office would also monitor compliance of school districts with the program and monitor the impact of programs funded through the Bullying Prevention Account. The Department indicates this position would supervise a staff of four in the Safe and Respectful Learning Office, including one new Administrative Assistant position. The Department justified establishing this position as unclassified by indicating the position could be filled more quickly, and could be held more accountable than a classified position, as well as be terminated more quickly, if necessary. The Department further notes that there are currently no other Education Program Director positions that report directly to the Superintendent of Public Instruction. **If this position is approved as an unclassified director position, the salary would be set in the Pay Bill.**

Staff notes that \$30,000 is recommended for an external evaluation. However, in response to questions from Fiscal staff, the Department indicated that the \$30,000 was included in error and requested the funds be transferred to the operating supplies category. The Department did not provide specific details justifying the need for additional funding for operating supplies. Therefore, Fiscal staff has made a technical adjustment in the closing document to remove \$30,000 in each year of the 2015-17 biennium for the external evaluations.

Based on the information provided by the agency, with the technical adjustment noted by Fiscal staff, this decision unit appears reasonable.

Does the Subcommittee wish to establish the new Education Programs Director position as an unclassified position?

Does the Subcommittee wish to approve General Fund appropriations of \$270,000 in each year of the 2015-17 biennium to create a new Safe and Respectful Learning Office within the

Department, including one new unclassified Education Programs Director position and one Administrative Assistant position and related costs, inclusive of a technical adjustment to remove funding for an external evaluation in the amount of \$30,000 in each year of the biennium included in error, and to make any needed technical adjustments, as necessary?

3. New Positions for Victory Schools and Turnaround Schools Programs (E-278, K-12 EDUCATION-138): The Governor recommends General Fund appropriations of \$176,850 in FY 2016 and \$216,936 in FY 2017 to fund two new Education Programs Professional (EPP) positions and associated operating costs to support the pilot program for underperforming schools designated as Victory Schools and the Turnaround Schools Program. The Governor's recommendation also includes \$30,000 in each year of the 2015-17 biennium for an annual external evaluation of the Victory Schools Program. Senate Bill 432, as amended, and heard in the Senate Committee on Finance on April 30, 2015, would implement the new Victory School Program. Additionally, Senate Bill 77, heard on March 26, 2015, in the Senate Committee on Education, would implement the recommended new Turnaround School Program.

For the 2015-17 biennium, the Governor proposes a Major Budget Initiative (MBI) to create a new Victory Schools grant program to provide additional services to underperforming elementary, middle and high schools identified as one or two star schools in the highest poverty zip codes of a school district. The Executive Budget recommends General Fund appropriations of \$24.9 million in FY 2016 and \$25.0 million in FY 2017, in the School Remediation Trust Fund budget (BA 2615) to fund at least 33 schools that would be known as Victory Schools.

The Governor recommends General Fund appropriations of \$5.0 million in each fiscal year of the 2015-17 biennium in the Other State Education Programs budget (BA 2699) to support the turnaround of persistently underachieving schools. According to the Department, currently there are 78 schools in Nevada identified as underperforming. The Department notes that the term underperforming schools is a general reference to schools designated as Priority and Focus schools and schools classified were one-star schools as of the fall of 2014.

The Department indicates that the two new EPP positions would develop and manage approaches to support the state's persistently lowest-performing schools with the goal of dramatically improving student outcomes and achievement. Fiscal staff notes that the EPP position recommended to support the Victory School Program should be contingent upon the passage and approval of Senate Bill 432. Additionally, the second EPP position recommended to support the Turnaround Schools Program should be contingent upon the passage and approval of Senate Bill 77.

Does the Subcommittee wish to approve General Fund appropriations of \$176,850 in FY 2016 and \$216,936 in FY 2017 to fund one new Education Programs Professional position and associated operating costs to support the new Victory Schools Program, contingent upon the passage and approval of Senate Bill 432, and one new Education Programs Professional position and associated operating costs to support the Turnaround Schools Program, contingent upon the passage and approval of Senate Bill 77, as recommended by the Governor?

4. New Position for Underperforming Schools (E-276, K-12 EDUCATION-137 and 138): The Governor recommends General Fund appropriations of \$50,812 in FY 2016 and \$64,707 in FY 2017 to fund one Management Analyst position and associated operating costs to support the improvement of underperforming schools. According to the Department, a total of 78 schools in Nevada have been identified as underperforming as of the fall of 2014. The Department notes that the term "underperforming schools" is a general reference to schools designated as Priority and Focus Schools and schools classified as one-star schools.

According to the Department, the Management Analyst position would study and catalogue all interactions underperforming schools have with the Department including School Performance Plans and those plans associated with Focus and Priority Schools; develop work flow procedures and criteria to ensure all plans are evaluated by Department staff and schools and districts receive feedback; create policies and procedures to implement actionable goals for the cross-functional team, as well as the schools in their School Performance Plans; and review and recommend changes to the monitoring program by the Department to ensure districts and schools are accountable to their approved plan. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve General Fund appropriations of \$50,812 in FY 2016 and \$64,707 in FY 2017 to fund one Management Analyst position and associated operating costs to support the improvement of underperforming schools, as recommended by the Governor?

5. One-time Screening Tool and Evaluation of Social Worker/Mental Health Professionals Program (E-281, K-12 EDUCATION-140): The Governor recommends General Fund appropriations of \$198,792 in FY 2016 and \$30,000 in FY 2017 for the one-time screening device (\$168,972 in FY 2016) and an annual evaluation of the Social Worker/Mental Health professionals program (\$30,000 in each fiscal year).

The Governor recommends an MBI to establish a new Safe and Respectful Schools Office and a Social Worker or Other Licensed Mental Health Worker Grant program beginning in the 2015-17 biennium. Aside from the funding recommended in this budget, the MBI for the proposed Social Worker or Other Licensed Mental Health Worker Grant program is funded in the Other State Education Programs budget (BA 2699) with General Fund appropriations recommended at \$12.0 million in FY 2016 and \$24.3 million in FY 2017.

A description of this MBI provided in The Executive Budget states that funding is recommended to provide for contract social workers or other licensed mental health workers in schools with identified needs. A mental health screening tool/survey would be administered in the first year to identify those schools in need. The program is intended to operate as a block grant to local districts based on needs identified through the health screening survey tool.

The Department indicates that the one-time screening tool would consist of a Healthy Kids School Climate Survey. The cost estimate for this survey was provided by WestEd based on a price structure utilized in California. According to the Department, the survey would provide data on student risk and protective factors, mental health, and school safety, connectedness, and climate (including discipline, bullying and other forms of victimization), as well as other data related to academic achievement and learning supports (such as student engagement and motivation, and reasons for truancy) that would be useful in guiding school improvement efforts. The grades to be surveyed would include 5, 7, 9 and 11, which would provide data at one grade in elementary and middle school and two grades in high school.

The Department testified at the March 17, 2015, budget hearing that school district social workers utilize a survey within their assigned schools; however, this only occurs in Clark County. The Department indicated that the survey currently used by the Clark County School District could be a useful tool for program evaluation, but could not be used until the social workers could be hired and could specifically tailor the survey to individual outcomes. The Department noted that a school-wide survey would still be required to identify a means of prioritizing schools most in need, if either the funds or social workers are not available for every school.

Fiscal staff notes that a climate survey is included in the federal Project Aware/Now Is the Time Program. The Department indicates that the survey included in that program is intended to help gather data about students' perceptions of school safety, student engagement, relationships, the learning environment, and students' social and emotional growth. This survey will assist schools in making data-based decisions regarding school climate and social/emotional learning initiatives; however, the survey is not specific to mental health.

The costs for the survey recommended in the Governor's budget were estimated at \$1.00 per pupil (\$136,692), \$50 per school report (\$30,100) and \$2,000 for pupil survey set-up costs. Estimated costs do not anticipate any modifications to the existing surveys of a vendor. The vendor used for the cost estimate was used for surveys utilized in California. A request for proposal would be issued to contract with a vendor to conduct the survey.

In addition to funding a one-time mental health screening tool to provide data on student risks and other school climate information, the funding recommended by the Governor includes a General Fund appropriation of \$30,000 in each year of the 2015-17 biennium to fund an annual external evaluation of the Social Worker/Mental Health professionals program.

Fiscal staff notes that approval of funding for this decision unit would be contingent upon the closing action of the Subcommittee in regard to Decision Unit E-281 in the Department's Other State Education Programs budget (BA 2699).

Does the Subcommittee wish to not approve General Fund appropriations of \$198,792 in FY 2016 and \$30,000 in FY 2017 for a one-time screening device and an annual evaluation of the Social Worker/Mental Health professionals program?

Does the Subcommittee wish to approve General Fund appropriations of \$168,792 in FY 2016 for a one-time mental health screening device as recommended by the Governor?

Does the Subcommittee wish to approve General Fund appropriations of \$30,000 in each year of the 2015-17 biennium for an annual evaluation of the Social Worker/Mental Health professional program, contingent upon the closing action of the Subcommittee in regard to Decision Unit E-281 in the Department's Other State Education Programs budget (BA 2699)?

Other Closing Items

1. Zoom School Evaluation and Travel Expenses (E-275, K-12 EDUCATION-137): The Governor recommends a General Fund appropriation of \$30,000 in each year of the 2015-17 biennium for an annual evaluation and \$3,000 for travel expenses to monitor the Zoom Schools Program. Senate Bill 504 approved by the 2013 Legislature appropriated \$50.0 million in each year of the 2013-15 biennium to provide certain services at schools in each school district that have the highest percentage of pupils who are limited English proficient or eligible for designation as limited English proficient and are the lowest performing academically. Senate Bill 405, as amended, and heard in the Senate Committee on Finance on April 30, 2015, would implement the expansion of the Zoom Schools program.

For the 2015-17 biennium, The Executive Budget includes an MBI to expand the Zoom Schools initiative. The Governor recommends additional General Fund appropriations of \$25.0 million in each fiscal year of the 2015-17 biennium to increase the number of Zoom Schools in the Clark County School District (CCSD) and the Washoe County School District (WCSD) from 24 to 48 in FY 2016, which would bring the total funding for Zoom Schools and ELL students to \$50.0 million in each fiscal year. The pass-through funds for school districts and charter schools reside in the

School Remediation Trust Fund budget (BA 2615), and were discussed at the February 19, 2015, budget hearing.

The 2013-15 legislatively approved budget included \$17,715 in each year of the 2013-15 biennium for travel to administer the state-funded English Language Learner programs. Because there is no separate category for Zoom School Programs, it was unclear to Fiscal staff if the full \$17,715 was expended for Zoom School Programs in FY 2014. Fiscal staff worked with the Department and determined the travel expenditures for the Zoom School Program totaled \$2,606 in FY 2014. The Department indicates that only one of the two positions for the Zoom School Program was filled in FY 2014. As such, the additional \$3,000 recommended for travel in each year of the 2015-17 biennium appears reasonable to support the cost of travel for the second position supporting programs for English Language Learners.

The Department indicates the recommended funding amount for each external evaluation is based on the projected cost of an evaluation budgeted in the federal Preschool Development Grant program. Supporting calculations of the cost estimate for the external evaluations were not provided by the Department. The funding for external evaluations recommended by the Governor for various programs was previously discussed in the department-wide overview highlight in the March 3, 2015, budget hearing for the Department. **This recommendation appears reasonable.**

2. Evaluation for Underperforming Schools Turnaround Program (E-280, K-12 EDUCATION-139): The Governor recommends a General Fund appropriation of \$30,000 in each year of the 2015-17 biennium for an annual evaluation for the Underperforming Schools Turnaround Program. The Department indicates the recommended funding for each external evaluation is based on the projected cost of an evaluation of the federal Preschool Development Grant program. The funding for external evaluations recommended by the Governor for various programs was previously discussed in the department-wide overview highlight in the March 3, 2015, budget hearing for the Department. Fiscal staff notes this decision unit should be contingent upon the passage and approval of Senate Bill 432. **This recommendation appears reasonable and is contingent on the passage and approval of Senate Bill 432.**

Position Transfers

As part of the recommended department-wide reorganization, the Governor recommends transferring 15 positions from various budgets to this budget, as shown in the following table, and discussed in the following pages.

| Dec Unit | Position/s | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|--|------|--------------------------------|--|-------------------------------|----------------------------|
| E-902 | Education Programs Supervisor | 1.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-902 | Education Programs Professional | 3.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-902 | Program Officer | 1.0 | 2673 | Office of the Superintendent | 2712 | Student and School Support |
| E-932 | Education Programs Professional | 3.0 | 2709 | Office of Early Learning and Development | 2712 | Student and School Support |
| E-932 | Education Programs Supervisor | 1.0 | 2709 | Office of Early Learning and Development | 2712 | Student and School Support |
| E-942 | Administrative Assistant | 1.0 | 2715 | Individuals with Disabilities | 2712 | Student and School Support |
| E-952 | Education Programs Director | 1.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-952 | Education Programs Professional | 1.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-952 | Administrative Assistant | 2.0 | 2719 | District Support Services | 2712 | Student and School Support |
| E-972 | Education Programs Professional | 1.0 | 2706 | Office of Parental Involvement and Family Engagement | 2712 | Student and School Support |
| | Total Transfer To Student and School Support | 15.0 | | | | |

3. Positions Transfer (E-512 and E-952, K-12 EDUCATION-140 and 144): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursements totaling \$338,171 in FY 2016 and \$337,486 in FY 2017 to transfer one Education Programs Director position, one Education Programs Professional position and two Administrative Assistant positions and associated operating costs from the District Support Services budget (2719) to this budget. The Governor also proposes to change the funding source of this position to 100 percent federal grant funds (E-512). **These recommendations appear reasonable.**
4. Position Transfer (E-542 and E-942, K-12 EDUCATION-141, 143 and 144): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$47,139 in FY 2016, and \$48,181 in FY 2017 to transfer one Administrative Assistant position and associated operating costs from the Individuals with Disabilities budget (2715) to this budget. The Governor also proposes to change the funding source of this position to 70 percent federal grant funds and 30 percent General Fund support (E-542). **These recommendations appear reasonable.**
5. Position Transfers (E-902, K-12 EDUCATION-141 and 142): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$473,270 in FY 2016 and \$481,483 in FY 2017 to transfer one Education Programs Supervisor position, three Education Programs Professional positions, and one Program Officer position from the Office of the Superintendent budget (BA 2673) to this budget. **This recommendation appears reasonable.**
6. Transfer Federal 21st Century Program (E-920, K-12 EDUCATION-142): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$6.6 million in each year of the 2015-17 biennium to transfer the federal 21st Century Learning Center grant program from the Office of Early Learning and Development budget (BA 2709) to this budget. **This recommendation appears reasonable.**
7. Transfer Safe Schools Healthy Students Program (E-921, K-12 EDUCATION-142): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of funding transfers from the Division of Public and Behavioral Health of \$13,713 in FY 2016 and

\$13,712 in FY 2017 from the Parental Involvement and Family Engagement budget (BA 2706) to this budget. **This recommendation appears reasonable.**

8. Transfer Federal Grants and Positions (E-932, K-12 EDUCATION-143): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$8.0 million in each year of the 2015-17 biennium to transfer the federal English Language Acquisition Program grant, Homeless Children Grant, and the Advanced Placement Fee Payment grant program. This transfer includes pass-through funding to school districts as well as three Education Programs Professional positions and one Education Programs Supervisor position to be transferred from the Office of Early Learning and Development budget (BA 2709) to this budget. **This recommendation appears reasonable.**
9. Position Transfer (E-972, K-12 EDUCATION-144 and 145): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of funding transfers from the Division of Public and Behavioral Health in the amount of \$10,000 in each fiscal year and General Fund appropriations of \$102,060 in FY 2016 and \$105,480 in FY 2017 to transfer one Education Programs Professional position from the Parental Involvement and Family Engagement budget (BA 2706) to this budget. **This recommendation appears reasonable.**

Fiscal staff recommends closing Other Closing Items 1, and 3 through 9 as recommended by the Governor, with authority for staff to make technical adjustments, as necessary. Additionally, staff recommends closing Other Closing Item 2 as recommended by the Governor, contingent upon the passage and approval of Senate Bill 77, and Senate Bill 432 with authority to make technical adjustments, as necessary.

Title: NDE - LITERACY PROGRAMS
 Account: 101 - 2713

Budget Page: K-12 EDUCATION-148, Volume I

| | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| Revenues | | | | | | | |
| BALANCE FORWARD | 17,628 | | | | | | |
| FEDERAL FUND | 29,339,295 | 45,808,565 | 56.13 | 14,413,489 | (68.54) | 3,562,041 | (75.29) |
| GENERAL FUND | | | | 120,511 | | 252,067 | 109.17 |
| OTHER FUND | | 978,250 | | | | | |
| Total Revenues | 29,356,923 | 46,786,815 | 59.37 | 14,534,000 | (68.94) | 3,814,108 | (73.76) |
| Total FTE | | 14.00 | | 5.00 | | 2.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|--------------------------------------|-----|------|--|---------|---------|
| E280 | 00 | 2501 | Reduce General Fund appropriations to remove equipment costs. Equipment to be transferred from Striving Readers to Read By Three Program | (3,875) | (3,875) |
| Sub-total | | | | (3,875) | (3,875) |
| Line Item Changes to Revenues | | | | (3,875) | (3,875) |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 | 2016-17 |
|---|-----|------|--|---------|---------|
| E280 | 04 | 7000 | Reduce General Fund appropriations to remove equipment costs. Equipment to be transferred from Striving Readers to Read By Three Program | (146) | (146) |
| E280 | 05 | 8000 | Reduce General Fund appropriations to remove equipment costs. Equipment to be transferred from Striving Readers to Read By Three Program | (1,990) | (1,990) |
| E280 | 26 | 7000 | Reduce General Fund appropriations to remove equipment costs. Equipment to be transferred from Striving Readers to Read By Three Program | (330) | (330) |
| E280 | 26 | 8000 | Reduce General Fund appropriations to remove equipment costs. Equipment to be transferred from Striving Readers to Read By Three Program | (1,409) | (1,409) |
| Sub-total | | | | (3,875) | (3,875) |
| Line Item Changes to Expenditures | | | | (3,875) | (3,875) |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | (3,875) | (3,875) |

Overview

The Literacy Programs budget, formerly the ESEA Titles II, V & VI budget funds programs included in the federal No Child Left Behind (NCLB) Act (2001). Under the recommended reorganization plan for the Department of Education (Department), this budget includes federal Striving Readers grant funding for literacy programs and related costs to improve reading proficiency. The Striving Readers federal grant funding supports five positions in FY 2016 and General Fund appropriations support two positions in FY 2017, with goals aimed at raising middle and high school students' literacy levels at Title I-eligible schools with significant numbers of students reading below grade level. The federal grant also aims to

build a strong, scientific research base for identifying and replicating strategies that improve adolescent literacy skills.

The remaining federal grants from this budget (Teacher Quality, Math and Science Partnerships and State Assessments) are recommended for transfer to other budgets, which are discussed further under Other Closing Items.

Major Closing Issues

1. Smarter Balanced Assessment System
2. Elimination of Federal Striving Readers Grant
3. Two New Positions for Nevada's Read By Three Program

Discussion of Major Closing Issues

1. Smarter Balanced Assessment System (E-275, K-12 Education-150): The Governor recommends General Fund appropriations of \$3.1 million in FY 2016 and \$3.0 million in FY 2017 for the basic Smarter Balanced Assessment System. Although the narrative in The Executive Budget describes this decision unit as funding for End of Course Examinations, Fiscal staff worked with the Executive Budget Office and the Department and has determined the funding recommended is for the Smarter Balanced Assessment System.

According to the Department, the Smarter Balanced Assessment System consists of: a summative assessment that occurs at the end of a course, typically at the end of the school year, to allow states to predict student achievement; an interim assessment given during the year to compare achievement mastery to standards; and a digital library to focus on formative assessments and tools to be used in the classrooms to allow teachers to keep track of student learning during instructional time. The Department indicates the Smarter Balanced Assessment will begin in FY 2015 in grades 3 through 8 and will be an ongoing expenditure in future biennia. The recommended funding of \$3.1 million in FY 2016 and \$3.0 million in FY 2017 includes a \$1.3 million membership fee comprised of \$6.20 per student to be included in the contract with Smarter Balanced Assessment Consortium (SBAC), as well as \$1.4 million in each year of the 2015-17 biennium for state-managed activities, and \$300,000 for grades 5 and 8 science examinations.

The Department indicated that the membership fee is a per-student fee, which pays for a summative test in English and Math along with the computer adaptive technology that is needed to administer the test. The vendor would provide various testing items including science test workbooks or assessment tests, including the actual questions and materials associated with those questions, to the schools. This test, also called the Next Generation Assessment, replaces the previous Criteria Reference Test, which did not include membership fees, but rather included costs for developing the questions.

If this decision unit is approved, funding is recommended for transfer in Decision Unit E-927 from this budget to the Assessments and Accountability budget (BA 2697). Fiscal staff notes that an additional General Fund appropriation of \$1.4 million in each year of the 2015-17 biennium is recommended in Decision Unit E-275 in the Assessments and Accountability budget (BA 2697) for implementing the complete Smarter Balanced Assessment System.

The SBAC also offers a complete system, which includes interim assessment tests for school districts to use, as well as access to the digital library in the SBAC System. This extra component is recommended in the Assessments and Accountability budget (BA 2697) in Decision Unit E-275.

In response to questions concerning the future of the Smarter Balanced Assessment after several recent technical malfunctions occurred with the vendor's computer system and with the examinations, the Department provided Fiscal staff with the following statement regarding the status of the Smarter Balanced Assessment System, as well as the vendor, Measured Progress:

During the spring 2015 administration of the criterion-referenced tests in English and Mathematics, Nevada schools experienced severe problems with the number of students able to logon to the testing computer servers. Smarter Balanced provided the tests; Measured Progress delivered the tests to schools. This arrangement involved an "open source" computer system and coding. Due to the challenges, testing has been suspended, postponed, and is generally unable to continue for many students in these grades. The Department has notified both Measured Progress and Smarter Balanced that they are in breach of contract provisions. The Attorney General's Office is working with the Department. This situation may warrant new testing vendors for 2016 and 2017, but we cannot speculate about such changes in part due to possible litigation and in part because the State Board, not the Department, prescribes these tests (and thus the provider). However, the cost to the State of Nevada to provide and deliver the tests should not change substantially if this kind of contract changes were made and the State were to choose similar vendors. If we have to design all new tests, costs would increase and the Department might have to request supplemental funding during the interim. In the meantime, it may be advisable to remove any reference to the two vendors from Budget documents.

Does the Subcommittee wish to approve General Fund appropriations totaling \$3.1 million in FY 2016 and \$3.0 million in FY 2017 for the basic Smarter Balanced Assessment System, or other assessment based on the updated information provided by the Department?

2. Elimination of Federal Striving Readers Grant (E-490, K-12 Education-151): The Governor recommends a reduction in federal grant funding authority of \$9.6 million in FY 2017 for the Striving Readers federal grant, which is due to expire September 30, 2016. The Department indicates there is no information at this time to indicate the continuation of existing or the implementation of any new federal reading programs in the near future.

In FY 2011, the Department received a \$150,000 federal grant to develop a statewide literacy plan and in FY 2012, the U.S. Department of Education awarded a total of \$180 million in Striving Readers Comprehensive Literacy (SRCL) grant funds to improve literacy for all children, birth through grade 12. Nevada was awarded \$75.0 million over a five-year grant period.

During the budget hearing for the K-12 Education budgets, the Department testified that the federal Striving Readers grant program was used to develop the State Literacy Program for grades K-3. The Department also indicated that the federal Striving Readers grant funding was limited to four counties (Clark, Washoe, Lyon and Douglas). The state funding recommended for the State's Nevada Read By Three program, as discussed below, would fund the program statewide.

With the elimination of the Striving Readers federal grant, four Education Program Professional positions are also recommended for elimination. Currently, three of the four positions are filled and will be subject to layoff procedures when this grant expires; however, the Department indicates that two of the employees may be able to fill the new positions created if the funding for two new Education Programs Professional positions recommended for the Governor's Read By Three Initiative, discussed in Decision Unit E-280 below, is approved.

In addition to the elimination of four Education Program Professional positions, one Grants and Projects Analyst position, partially funded from the Striving Readers grant, is recommended for transfer in Decision Unit E-949 from this budget to the District Support budget (BA 2719), and is proposed to be funded by General Fund appropriations.

The following findings are reported by the Department from an outside evaluation of the Striving Readers Comprehensive Literacy (SRCL) Initiative, conducted by WestEd:

- Department enrollment data shows 67,962 students were enrolled in participating SRCL schools during the 2013-14 school year in Clark, Washoe, Douglas and Lyon County School Districts.
- The SRCL-related professional development served over 4,000 participants across all four participating school districts.
- Teachers reported the professional development was practical and useful, preparing them to better teach literacy using recommended effective literacy strategies in their classrooms.
- Literacy coaches and mentors continued to implement SRCL activities and support teachers in SRCL.
- Each of the four school districts have structure and tools in place to help them become a Data-Based Decision-Making organization.
- Student performance, especially students in grades 10 and 11, improved greatly from school year 2012-13 to school year 2013-14. For all eligible students in those grades, the literacy proficiency rate climbed from 28 to 51 percent. Proficiency rates for students in other grades remain fairly stable from year to year.
- Community partnerships, limited in rural districts, played an active role in literacy instruction, including Institutes of Higher Education and local libraries.
- School districts are planning sustainability by having coaches gradually cede responsibility to school staff, so teachers and administrators can take over responsibility for the literacy program.

Does the Subcommittee wish to approve a reduction in federal grant funding authority of \$9.6 million in FY 2017 for the Striving Readers federal grant, which is due to expire September 30, 2016?

3. Two New Positions for Nevada's Read By Three Program (E-280, K-12 Education-150 and 151): As part of the Governor's Read By Three Major Budget Initiative (MBI), the Governor recommends General Fund appropriations of \$120,511 in FY 2016 and \$252,067 in FY 2017 to fund one new Education Program Professional (EPP) position in FY 2016 and another new EPP position in FY 2017 to administer Nevada's Read By Three program. In addition to funding for two new positions, the funding recommended by the Governor includes a General Fund appropriation of \$30,000 in each year of the 2015-17 biennium to fund an external evaluation of the Read By Three program in both years of the 2015-17 biennium.

In addition, the Read By Three MBI includes General Fund appropriations totaling \$4.9 million in FY 2016 and \$22.3 million in FY 2017 for program funding in the Department's Other State Education Programs budget (BA 2699). Senate Bill 391, amended and re-referred to the Senate Committee on Finance on April 15, 2015, heard in Senate Finance on April 30, 2015, would implement this MBI.

The Department indicates that although the position questionnaires (NPD-19) for both of the proposed positions indicate the positions would be located in Carson City, the Department advises positions would be hired in Carson City or Las Vegas, depending on where the best candidate could be found.

Fiscal staff notes that replacement equipment is recommended for the Striving Readers Program, expiring in FY 2017. If approved, the Ready By Three Program would essentially replace the federal

program, and as such, the equipment could be transferred to the new Read By Three program. Therefore, new computer, furniture and phone equipment would not be required for the two new positions in this decision unit. Fiscal staff has included a technical adjustment to remove the recommended computer, furniture and phone equipment, which results in General Fund savings of \$3,875 in each fiscal year.

Does the Subcommittee wish to approve General Fund appropriations of \$120,511 in FY 2016 and \$252,067 in FY 2017 to fund one new Education Program Professional position in FY 2016 and one new Education Program Professional position in FY 2017 to administer Nevada's Read By Three program, with the technical adjustment noted by staff to remove funding for equipment, inclusive of \$30,000 in each year to fund an annual external evaluation, contingent upon the passage and approval of Senate Bill 391?

Other Closing Items

1. Replacement Equipment (E-710, K-12 Education-152): The Governor recommends federal grant funds of \$7,562 in FY 2016 and \$5,828 in FY 2017 to replace five desktop computers and five laptop computers. Fiscal staff would note that all of the equipment recommended for replacement is assigned to the five positions funded with the federal Striving Readers grant, which is scheduled to expire in FY 2017. The equipment would be retained by the Department, and transferred to the Read By Three program as discussed previously. **This recommendation appears reasonable to staff.**
2. Transfer Federal State Assessment Grant Program and Positions (E-924, K-12 Education-152): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$4.9 million in FY 2016 and \$4.5 million in FY 2017 to transfer the federal State Assessments grant program. This transfer includes pass-through funding to the school districts, as well as one Education Programs Professional position, one Education Programs Supervisor position and one Administrator of Education Programs position to be transferred from this budget to the Assessments and Accountability budget (BA 2697). State Assessment (Title VI) grants support the development and administration of state assessments and standards required by federal law. A portion of this funding supports contract costs for the development and reporting of the Criterion Referenced Tests and High School Proficiency Examination, along with General Fund appropriations in the Proficiency Testing budget (BA 2697) and the IDEA budget (BA 2715). **This recommendation appears reasonable to staff.**
3. Transfer Federal Teacher Quality Grant Program (E-926, K-12 Education-153): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$11.0 million in FY 2016 and \$10.4 million in FY 2017 to transfer the federal Teacher Quality grant program. This transfer includes pass-through funding to the school districts, as well as one Education Programs Professional position to be transferred from this budget to the Educator Effectiveness budget (BA 2612). Teacher Quality (Title II) grants help schools improve teacher quality through professional development in all core academic subjects to ensure teachers are highly qualified in terms of licensure and subject area competence. **This recommendation appears reasonable to staff.**
4. Transfer End-of-Course Examination Funding (E-927, K-12 Education-153 and 154): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$3.1 million in FY 2016 and \$3.0 million in FY 2017 to transfer the End-of-Course Examination funding from this budget to the Assessments and Accountability budget (BA 2697). **This recommendation appears reasonable to staff.**

5. Position Transfer (E-934, K-12 Education-154): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$69,243 in FY 2016 and \$71,329 in FY 2017 to transfer one Business Process Analyst position from this budget to the Data Systems Management budget (BA 2716). **This recommendation appears reasonable to staff.**

6. Transfer Federal Math and Science Program and Positions (E-935, K-12 Education-154 and 155): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$1.0 million in each year of the 2015-17 biennium to transfer the federal Math and Science grant program including two Education Programs Professional positions and two Administrative Assistant positions from this budget to the Standards and Instructional Support budget (BA 2675). Math and Science Partnerships (Title II) provide competitive grants for partnerships between colleges and school districts for educator professional development geared at increasing academic achievement in the areas of math and science, as well as teacher knowledge and ability. **This recommendation appears reasonable to staff.**

7. Position Transfer (E-949, K-12 Education-155): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$76,569 in FY 2016 and \$79,042 in FY 2017 to transfer one Grants and Projects Analyst position from this budget to the District Support budget (BA 2719). **This recommendation appears reasonable to staff.**

Fiscal Staff recommends closing all Other Closing Items as recommended by the Governor, with authority for staff to make technical adjustments as necessary.

Title: NDE - CAREER AND TECHNICAL EDUCATION
 Account: 101 - 2676

Budget Page: K-12 EDUCATION-157, Volume I

| Revenues | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| BALANCE FORWARD | 15 | | | | | | |
| FEDERAL FUND | 8,141,570 | 11,913,289 | 46.33 | 8,126,403 | (31.79) | 8,144,054 | 0.22 |
| GENERAL FUND | 688,233 | 688,233 | | 688,233 | | 688,233 | |
| INTERAGENCY TRANSFER | | | | | | | |
| Total Revenues | 8,829,818 | 12,601,522 | 42.72 | 8,814,636 | (30.05) | 8,832,287 | 0.20 |
| Total FTE | | 12.51 | | 13.00 | | 13.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|---|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

The Career and Technical Education (CTE) budget funds occupational education programs in accordance with an approved state plan. The budget is funded primarily by a federal grant authorized by the Carl D. Perkins Career and Technical Education Improvement Act of 2006. Funding from this grant is used to improve occupational education programs, and to provide improved access to these programs by populations with special needs, including individuals with disabilities, limited English proficiency, the economically disadvantaged, and non-traditional enrollees. Adjudicated youth assigned to correctional institutions and enrolled in CTE programs are also served by the federal Carl D. Perkins grant. The General Fund appropriation in this budget (recommended at \$688,233 in each year of the 2015-17 biennium) represents Nevada’s maintenance of effort (MOE) as required by federal law.

Major Closing Issues

There are no major closing issues.

Other Closing Items

1. Position Transfer (E-501 and E-901, K-12 EDUCATION–159 and 160): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursements totaling \$62,026 in FY 2016 and \$61,506 in FY 2017 to transfer one Administrative Assistant position and associated operating costs from the District Support Services

budget (BA 2719) to this budget. This position would no longer support multiple programs, but would be solely focused on federal Perkins grant programs.

In Decision Unit E-501, The Executive Budget further recommends the funding source of the position be changed from 100 percent cost allocation reimbursements to 100 percent federal Perkins grant funds. Because the cost allocation reimbursements were funded by 100 percent federal funding, no net increase in federal funding occurs.

These recommendations appear reasonable.

2. Replacement Equipment (E-710, K-12 EDUCATION–159): The Executive Budget recommends federal Carl D. Perkins grant funds totaling \$5,987 in FY 2016 to replace four desktop computers and one laptop computer and \$5,828 in FY 2017 to replace one desktop computer and three laptop computers. **This recommendation appears reasonable.**
3. Position Transfer (E-929, K-12 EDUCATION–160): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal Carl D. Perkins grant funds totaling \$46,692 in FY 2016 and \$46,885 in FY 2017 to transfer one half-time Grants and Projects Analyst position and associated operating costs from this budget to the District Support Services budget (BA 2719) to group the position with the new Grants Unit. **This recommendation appears reasonable.**

Staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.

Other Information – No Action Required

Federal Carl D. Perkins Grant Funding (SUMMARY, K-12 EDUCATION–161 and 162): During the 2013 Legislative Session, the Governor recommended a reduction in federal Carl D. Perkins grant funding of \$3.7 million in each year of the 2013-15 biennium, which represented a 40.2 percent decrease when compared to the actual FY 2013 federal Carl D. Perkins grant funding of \$9.2 million. According to the Department of Education (Department), this anticipated reduction was not due to an overall reduction of funding for the Carl D. Perkins grant. Rather, the Department indicated the potential reduction was due to a change in the award process at the federal level to distribute grant funding to states.

During budget hearings in the 2013 Session, the Department indicated that the proposed reduction in federal Carl D. Perkins grant funding might not occur due to the lack of congressional approval to hold a portion of the federal funding aside for competitive grants. On December 8, 2014, the Interim Finance Committee approved a work program for \$3.2 million to restore authority to receive additional federal funds from the federal Carl D. Perkins grant. Fiscal staff would note that the base year level of federal funding (\$8.1 million) is recommended to continue in each year of the 2015-17 biennium, and does not reflect the \$3.2 million of federal Carl D. Perkins grant funds added in FY 2015.

The Department indicates that the allocation methodology of the Carl D. Perkins grant to states continues to be based on census data. The Department has received projected state allocations of \$9.7 million for FY 2016 and the projected amount to Nevada is consistent with what the state was awarded in FY 2014 and FY 2015, adjusted with population growth patterns. The Department is doubtful any future proposal to reduce federal formula funding to states below the 1998 levels would occur.

Title: NDE - DATA SYSTEMS MANAGEMENT
 Account: 101 - 2716

Budget Page: K-12 EDUCATION-175, Volume I

| Revenues | 2013-14 Actual | 2014-15 WP | % Chg | 2015-16 GOV REC | % Chg | 2016-17 GOV REC | % Chg |
|----------------------|-------------------|---------------|----------|--------------------|----------|--------------------|----------|
| BALANCE FORWARD | | | | | | | |
| FEDERAL FUND | | | | 453,622 | | 117,272 | (74.15) |
| GENERAL FUND | | | | 3,849,529 | | 4,187,789 | 8.79 |
| INTERAGENCY TRANSFER | | | | | | | |
| Total Revenues | | | | 4,303,151 | | 4,305,061 | 0.04 |
| Total FTE | | | | 9.00 | | 9.00 | |

Adjustments to Revenue

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--------------------------------------|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Revenues | | | | 0 | 0 |

Adjustments to Expenditures

| Dec Unit | Cat | GL | Description | 2015-16 Gov Rec | 2016-17 Gov Rec |
|--|-----|----|-------------|--------------------|--------------------|
| Sub-total | | | | 0 | 0 |
| Line Item Changes to Expenditures | | | | 0 | 0 |

| | | | | | |
|---|--|--|--|---|---|
| Total | | | | 0 | 0 |
| Grand Total General Fund Impact of Closing Changes | | | | 0 | 0 |

Overview

As part of the department-wide reorganization, the Governor recommends the establishment of a new Data Systems Management budget. The Department of Education (Department) maintains an automated system of accountability information to provide and report information, make longitudinal comparisons and analyses, and assist in the improvement of student achievement, classroom instruction and educator performance. Funding for the System of Accountability Information in Nevada (SAIN) was previously located in the Assessments and Accountability budget (BA 2697). This budget account funds nine positions, contract costs, and hardware/software associated with student data systems.

Major Closing Issues

1. Contract for Statewide Student Information System
2. Climate Survey for Nevada School Performance Framework
3. Contract for Data Privacy and Testing Security Services
4. Enhancement to Nevada School Performance Framework Contract
5. New Information Technology Professional Position

Discussion of Major Closing Issues

1. Contract for Statewide Student Information System (E-243, K-12 EDUCATION-176): The Governor recommends General Fund appropriations of \$1.6 million in FY 2016 and \$1.9 million in FY 2017 for a contract with Infinite Campus software to support student information data collection and reporting.

Pursuant to *Nevada Revised Statutes* (NRS) 386.650 (1) and (3)(a), the Department shall establish and maintain an automated system of accountability information for Nevada, and prescribe a uniform program throughout this state for the collection, maintenance and transfer of data that each school district must adopt, which must include standardized software. In accordance with the provisions of Section 1 of NRS 386.650, the Department developed the SAIN system. In the fall of 2014, the Clark County School District and the State Public Charter School Authority (SPCSA) joined the Washoe County School District in using Infinite Campus as their local student information system. With the addition of Clark County School District, the Infinite Campus software is utilized as the local student information system for 90 percent of the student population in Nevada.

Additionally, pursuant to NRS 386.650 (1) (e), the automated system of accountability information must have the capacity to identify which teachers are assigned to individual pupils. The Department conducted a systems analysis of the existing Teacher Licensure database and determined the teacher identifiers currently being used are not in compliance with this legislation; however, by adopting the Infinite Campus State Edition, a unique identifier would be assigned to each student and educator in the system, replacing the need for the Department to update the current teacher identifier methodology.

The Department indicates that the Infinite Campus State Edition would provide a commercial off-the-shelf solution built specifically for state departments of education to collect data by gathering the data from school districts. According to the Department, the Infinite Campus State Edition would include: unique student and staff ID assignment; student and staff locators; enrollment overlap management; data integration services; district-to-district student record transfers; statewide special education and health solutions; statewide attendance data collection; standard reports; ad-hoc reporting and data analysis. The Department indicates that other functionality would include streamlining district reporting and compliance reporting capabilities.

The Department advises that consolidating the automated system of accountability information systems of all 17 school districts and the SPCSA would be advantageous because schools could electronically transfer student records between districts; all students and educators would receive a unique identifier; the Department could collect Individualized Education Program (IEP) enrollment directly from the system; and a module would allow for common and consistent reporting of Free and Reduced Lunch data across all districts and charter schools.

The Department notes that the initial implementation of the Infinite Campus State Edition system would not require all districts to migrate locally to the system, but rather upload their data to the system using a data adapter. Additional enhancements would be needed, however, to add new districts to the system locally and expand the use of additional modules the product offers.

In the Department's budget overview presented to the Legislative Commission's Budget Subcommittee on January 20, 2015, the Department testified that the cost of implementation for the Department would be \$1.0 million in each fiscal year of the 2015-17 biennium. The remaining recommended funding of \$588,409 in FY 2016 and \$915,409 in FY 2017 would be utilized to convert 5 school districts in FY 2016 and 10 school districts in FY 2017, for a total of 15 school districts over the 2015-17 biennium, to the Infinite Campus Student Information System.

Further, the Department indicates the project would have a positive impact on the Department's infrastructure by reducing the number of data collection points from over 20 to just 1. The Department indicates that the new system would also reduce the time it takes to upload school district and charter school data on a nightly basis. The Department estimates the new system would go "live" between August 2016 and July 2017.

Although the Department reports that it is not requiring all school districts to migrate to Infinite Campus locally, the Department is encouraging them to take advantage of the fiscal opportunity to migrate to the local edition of Infinite Campus and to connect to the State Edition. The Department anticipates full adoption. The Department can require all districts to migrate. The districts could use the funding in this decision unit to integrate existing systems to the State Edition. The Department further indicates that school districts would benefit by utilizing the State Edition of the Infinite Campus by being connected, as it would allow for school district level data exchange, and having more accurate data due to the reduction of manual processes.

At the Nevada Association of School Superintendents meeting on February 5, 2015, the concept of a Statewide migration to Infinite Campus was supported by the school districts. As a result of the meeting, several school districts are currently in discussion with Infinite Campus. If this decision unit is approved, the Department indicates that purchasing the first year of licensing and maintenance costs as an incentive for school districts to migrate to the new State Edition, local funds would become available to invest in integrating existing systems with Infinite Campus or to customize or enhance Infinite Campus beyond the basic installation.

Documentation provided by the Department indicates estimated annual cost avoidance of \$200,000 each year after the implementation of the statewide Infinite Campus system is complete, by possible labor and administrative savings to the Department. This improvement in systems would result in improved operational procedures and processes for exchange of student records electronically and would simplify the data collection and reporting process. The improvements would make processing of information more efficient, and increase the accuracy of the data. The Department indicates that although this cost avoidance is an estimate, the system is a necessary technology investment, and would improve the way student data is managed at the school, district and state level, as well as increase data security and reduce manual data entry. **Based on the testimony and information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve General Fund appropriations of \$1.6 million in FY 2016 and \$1.9 million in FY 2017 for a contract with Infinite Campus software to support student information data collection and reporting, as recommended by the Governor?

2. Climate Survey for Nevada School Performance Framework (E-294, K-12 EDUCATION-176 and 177): The Governor recommends General Fund appropriations of \$356,200 in FY 2016 and \$446,082 in FY 2017 for a contract to complete:
- a school climate survey to conduct state polls of Nevada residents to determine resident's ratings of Nevada's education/schools
 - compare school progress in Nevada and nationally
 - and to measure the workplace engagement of teachers in middle schools and high schools.

All middle and high school students would be required to participate in the survey.

According to the Department, research indicates that students achieve higher scores on standardized tests in schools with healthy learning environments. The Department notes that the concept of a school climate survey allows for educators to learn from the student responses about how students feel about

the school climate and how successful the school is at meeting the needs of the students and their families. Results can then be used to develop strategies to increase levels of student engagement in the classroom with teachers and other students.

The Department has identified three possible reports that may meet the school climate survey need:

- The first report uses the Gallup Student Poll, *Not Enough Students are Success-Ready*, that measures hope, engagement and well-being. The poll is administered to students in grades 5 through 12. The poll measures non-cognitive metrics, such as: if students feel safe in school, if students feel they are going to graduate from high school, and if students have enough energy to get things done, that predict student success in academics and other youth development settings. The results are provided to teachers to assist in developing academic plans. The cost of the Gallup Student Poll is \$607,000 in each year of the 2015-17 biennium.
- The second report uses *The Hope Survey*, which is a series of survey instruments that are given to all of the students at a school. The survey evaluates the ability of schools to encourage positive non-academic outcomes and measures autonomy, belongingness, mastery goal orientation and academic press which leads to education and hope. Higher hope is correlated with overall grade point averages for high school students. The cost of *The Hope Survey* is \$274,000 in FY 2016 and \$360,594 in FY 2017.
- The third report is a study published in the International Journal of Leadership in Education, entitled *The Effects of School Culture and Climate on Student Achievement*. This study investigates whether Exemplary, Recognized and Acceptable schools differ in their school climates. The results of the study suggest that students achieve higher scores on standardized tests in schools with healthy learning environments. No cost was provided for this study.

Fiscal staff notes that funding totaling \$802,282 recommended by the Governor for the climate survey over the 2015-17 biennium would not be sufficient to fund the first report identified on the list above. However, based upon the back-up materials included with the budget, the second report, *The Hope Survey*, appears to have been used to develop the budget recommendation. The Department indicates that it has not yet determined which survey will be used for the Nevada School Performance Framework.

Fiscal staff also notes that a climate survey is included in the Project Aware/Now Is the Time Program, which resides in the Student and School Support budget (BA 2712). The Department concurred that the Project Aware survey could potentially function similar to the Governor's recommended climate survey, depending on the survey selected through the Request For Proposal (RFP) process. Currently, the RFP seeks a survey instrument to collect student information, not necessarily stakeholder information, although, the Department indicates that several potential vendors could also supply parent and staff information to supplement the student information.

Fiscal staff inquired as to what other education funding initiatives would be impacted if this decision unit were not funded for the school climate survey, and the Department responded that the Nevada School Performance Framework stands alone, and as such, there would be no impact to any other recommended initiatives.

Based on information provided by the Department, it appears the survey included in the Project Aware/Now Is the Time Program could be modified to be used for this recommendation. Therefore, staff does not recommend the approval of this decision unit.

- A. Does the Subcommittee wish to approve General Fund appropriations of \$356,200 in FY 2016 and \$446,082 in FY 2017 for a contract to complete a school climate survey, as recommended by the Governor?
- B. Does the Subcommittee wish to not approve General Fund appropriations of \$356,200 in FY 2016 and \$446,082 in FY 2017 for a contract to complete a school climate survey, as recommended by the Governor?
3. Contract for Data Privacy and Testing Security Services (E-229, K-12 EDUCATION-175): The Governor recommends General Fund appropriations of \$250,000 in each year of the 2015-17 biennium to contract services for data privacy and testing security.

During school year 2012, a school-wide cheating incident occurred in Las Vegas prompting the Department to request a contract to review and revise existing policies and procedures and revise them to reflect current standards. The Department contracted with WestEd for a report on the Review of Nevada Test Integrity in January 2015. WestEd compared the Department's existing policies and procedures to the Council of Chief State School Officers' (CCSSO) Operational Standards for Test Security to identify areas of strength, weakness, or ambiguity in detailed areas as listed below:

- Areas of strength included a statewide published security plan and contracts with testing vendors that included security practices in test development and scoring procedures for assessments administered on the computer and in transparent procedures for defining and handling test security incidents.
- Areas with some success included the Nevada Test Security Procedures document which contained some, but not all of the CCSSO suggested elements.
- Areas with gaps in practice included the focus on a culture of testing integrity, transparent test security quality control systems, security policies for computer based testing and electronic media.

The WestEd review recommended that the Department develop and implement: a cohesive, multi-pronged approach defined in a strategic plan for testing integrity; an operational plan tied to best practices; and resources to support testing integrity.

The Department provided a breakdown of the cost estimate for the contract for data privacy and testing security services as: 25 percent project management; 25 percent professional development for teachers; 25 percent auditing and data forensics; and 25 percent computer-based testing. The Department indicates that the quote for the cost of \$250,000 in each year of the 2015-17 biennium was provided by WestEd.

During the budget hearing on March 17, 2015, the Department testified that the school districts have policies and procedures on data privacy and testing security. Additionally, the Department testified there are data security policies adopted by the Board of Education, and the Department is required to follow the Division of Enterprise Information Technology Services' data security policies, standards and procedures. However, the Department indicates testing security requires additional enhancements. The Department indicates that the vendor chosen for the data privacy and testing security services would have unique skills and experience to quickly advance Nevada's test security and data integrity systems to ensure national best practices are followed. **Based on the information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve General Fund appropriations of \$250,000 in each year of the 2015-17 biennium to contract services for data privacy and testing security, as recommended by the Governor?

4. Enhancement to Nevada School Performance Framework Contract (E-278, K-12 EDUCATION-176): The Governor recommends General Fund appropriations of \$385,000 in FY 2016 and \$285,000 in FY 2017 for an enhancement to the Nevada School Performance Framework (NSPF) contract. In 2012, Nevada moved from the federal Adequate Yearly Progress school accountability system to the NSPF, which is a five-star classification of schools used for school accountability. The NSPF includes multiple measures of student achievement and growth; including proficiency, graduation rate and scores on national college-readiness assessments. Schools are designated as Focus schools, Priority schools or Reward schools, or the school receives no designation if the school does not meet the criteria for any designations. Results are published annually in the Nevada Report Card.

Although little information was provided for this recommendation in The Executive Budget, the Department indicates that the contract would consist of two parts, \$300,000 over the 2015-17 biennium for NSPF training and website development, and \$185,000 in each year of the 2015-17 biennium for Growth Model and NSPF enhancements. The Department indicates that no formal quote was obtained for this enhancement; rather a comparison of similar work done within the Department was used for the estimate.

The Department indicates that modifications to the NSPF are needed because currently, the system for the star system is based on existing examinations. However, as a result of the changes to the examinations, modifications are needed to update the NSPF. Costs for this decision unit include website enhancement and training, growth model changes and the Framework for non-traditional schools.

Does the Subcommittee wish to approve General Fund appropriations of \$385,000 in FY 2016 and \$285,000 in FY 2017 for an enhancement to the Nevada School Performance Framework contract, as recommended by the Governor?

5. New Information Technology Professional Position (E-227, K-12 EDUCATION-175): The Governor recommends General Fund appropriations of \$83,083 in FY 2016 and \$107,744 in FY 2017 for a new Information Technology Professional position, to begin in October 2015, to provide additional staffing resources for the SAIN system. The Department indicates that the position would provide the Department with the technical access to the SAIN system, as well as build and maintain the data set to be used by the systems matching hub.

The Department indicates that, as a result of the Department's restructure, the Department discovered that the internal ability to access data residing in the SAIN system was limited and subject to competing demands. The Department reports that internal data requests have been denied by the Department or have not been performed due to lack of data integrity. The Department verifies that currently three staff are primarily responsible for the SAIN operations and reporting; however, none of the positions are dedicated full time to those duties. The Department further indicates that the new data hub adds a new level of information technology requirements to the Department, requiring data matching among the Department, the Nevada System of Higher Education, and the Department of Employment, Training and Rehabilitation.

The Department justifies the need for the new Information Technology Professional position by citing critical data requests being delayed, such as the Research Bulletin, and the Highly Qualified Educator, which require many individual complex data requests to be compiled to complete the reports. The delays were identified by the Department as a result of time spent in identifying data to be extracted,

validation of the data by subject matter experts, and errors in the reporting of the data. **Based on the information provided by the agency, this decision unit appears reasonable.**

Does the Subcommittee wish to approve General Fund appropriations of \$83,083 in FY 2016 and \$107,744 in FY 2017 for a new Information Technology Professional position to provide additional staffing resources for the Student Accountability Information System, as recommended by the Governor?

Other Closing Items

As part of the recommended department-wide reorganization, The Executive Budget recommends that eight full-time positions be transferred into the new Data Systems Management budget as shown in the following table. Each transfer is briefly discussed by decision unit in the following pages.

| Dec Unit | Position Title | FTE | Current Budget (Transfer From) | Description | Proposed Budget (Transfer To) | Description |
|----------|--|------------|--------------------------------|---|-------------------------------|-------------------------|
| E-903 | Information Technology Professional | 1.0 | 1365 | Division of Enterprise Information Technology Services (EITS) Application Support | 2716 | Data Systems Management |
| E-904 | Information Technology Professional | 1.0 | 2673 | Office of the Superintendent | 2716 | Data Systems Management |
| E-904 | Administrative Assistant | 1.0 | 2673 | Office of the Superintendent | 2716 | Data Systems Management |
| E-914 | Information Technology Professional | 1.0 | 2697 | Assessments and Accountability | 2716 | Data Systems Management |
| E-934 | Business Process Analyst | 1.0 | 2713 | Literacy Programs | 2716 | Data Systems Management |
| E-944 | Business Process Analyst | 1.0 | 2719 | District Support Services | 2716 | Data Systems Management |
| E-954 | Information Technology Professional | 1.0 | 2720 | Department Support Services | 2716 | Data Systems Management |
| E-954 | Information Technology Manager | 1.0 | 2720 | Department Support Services | 2716 | Data Systems Management |
| | Total Transfers To Data Systems Management Budget | 8.0 | | | | |

1. **Position Transfer (E-503 and E-903, K-12 EDUCATION-177 and 178):** As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of Application Support Services fees totaling \$144,692 in FY 2016 and \$121,564 in FY 2017 (inclusive of reserve transfers that are eliminated in Decision Unit E-503) to transfer one Information Technology Professional position and associated operating costs from the Division of Enterprise Information Technology Services (EITS) Application Support budget (BA 1365) to this budget.

The Governor also recommends changing the funding source of this position from 100 percent fee funding to 100 percent General Fund support. However, because the EITS billing of \$230,241 in FY 2016 and \$230,201 in FY 2017 to the Department for the dedicated services provided by this IT position exceed the cost of funding the IT position directly in the Department’s budget, the net result, after adding indirect costs of \$25,640 in each year, would be a General Fund savings of \$90,465 in FY 2016 and \$91,298 in FY 2017 (E-503).

The Department indicates the IT position to be transferred performs maintenance on Education programs and develops specialized reports for the Department. The position is 100 percent dedicated to supporting the Department. **These recommendations appear reasonable.**

2. Position Transfer (E-540 and E-944, K-12 EDUCATION-177 and 181): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement totaling \$92,444 in FY 2016, and \$91,887 in FY 2017 to transfer one Business Process Analyst and associated operating costs from the District Support Services budget (BA 2719) to this budget. The Governor also proposes to change the funding source of this position to 50 percent federal grant funds and 50 percent General Fund support (E-540). The duties and funding for this position are not recommended to change. **These recommendations appear reasonable.**

3. Position Transfers (E-544 and E-954, K-12 EDUCATION-178 and 181 and 182): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of cost allocation reimbursement totaling \$201,877 in FY 2016, and \$201,491 in FY 2017 to transfer one Information Technology Professional position and one Information Technology Manager position and associated operating costs from the Department Support Services budget (BA 2720) to this budget. The Governor also proposes to change the funding source of these positions from 100 percent cost allocation reimbursement to 100 percent General Fund support. An increase of \$45,422 in each fiscal year is also included in this decision unit to add indirect costs (E-544). **These recommendations appear reasonable.**

4. Position Transfers (E-904, K-12 EDUCATION-179): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$170,091 in FY 2016, and \$169,485 in FY 2017 for one Information Technology Professional position and one Administrative Assistant position and associated operating costs from the Office of the Superintendent budget (BA 2673) to this budget. **This recommendation appears reasonable.**

5. Position Transfer (E-914, K-12 EDUCATION-179): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$84,276 in FY 2016, and \$87,042 in FY 2017 to transfer one Information Technology Professional position and associated operating costs from the Assessments and Accountability budget (BA 2697) to this budget. **This recommendation appears reasonable.**

6. Transfer SAIN System Funding (E-923, K-12 EDUCATION-180): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of General Fund appropriations totaling \$729,594 in FY 2016, and \$725,468 in FY 2017 to transfer the System of Accountability Information in Nevada (SAIN) program from the Assessments and Accountability budget (BA 2697) to this budget. **This recommendation appears reasonable.**

7. Position Transfer (E-934, K-12 EDUCATION-180): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$69,243 in FY 2016 and \$71,329 in FY 2017 to transfer one Business Process Analyst position from the Literacy Programs budget (BA 2713) to this budget. **This recommendation appears reasonable.**

8. Transfer Longitudinal Data Systems Grant (E-940, K-12 EDUCATION-181): As part of the recommended department-wide reorganization, The Executive Budget recommends the transfer of federal grant funds totaling \$338,157 in FY 2016 to transfer the operating costs of the federal Longitudinal Data Systems (LDS) grant from the Office of Early Learning and Development budget (BA 2709) to this budget. The LDS grant program is scheduled to expire on August 31, 2015, therefore no grant authority is recommended for FY 2017. **This recommendation appears reasonable.**

Staff recommends all Other Closing Items be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.