

Spending and Government Efficiency Commission for the  
System of K-12  
Public Education (SAGE Commission)  
Assembly Bill 421

Thursday, May12, 2016

Department of Education  
700 East Fifth Street  
Board Conference Room  
Carson City, NV

And

Department of Education  
9890 South Maryland Parkway  
Board Conference Room  
Las Vegas, NV

And

Great Basin College  
Room GTA 118  
1500 College Parkway  
Elko, NV

**Commission Members Present**

**Las Vegas**

Glenn Christenson, Vice Chairman – Business Representative  
Maria Gatti – Business Representative  
John Guedry – Business Representative  
Kathy Harney – Retired Educator and Business Representative  
Dr. Beverly Mathis – Retired Educator and Business Representative  
Samantha Morris – Business Representative  
Bill Noonan – Business Representative  
Rev. Dr. Marta Poling-Goldenne – Business Representative  
Sylvia Villalva – Retired Educator

**Carson City**

Dale Erquiaga, Chairman – Chief Strategy Officer, Office of the Governor  
Courtney Cardinal – Business Representative

**Elko NV**

Matt McCarty – Rural Business Representative

## **Staff Present**

Manny Lamarre – LEE Public Policy/Education Fellow, Office of the Governor

Steve Canavero–Superintendent of Public Education, NDE

Gregg Ott – Deputy Attorney General, Office of Attorney General

## **I. Call to Order/ Roll Call**

The secretary called roll call and the meeting began at 8:32 am

## **II. Public Comment**

Chairman Erquiaga called for Public Comment in Elko and Carson City.

There were no comments from either Elko or Carson City.

Chairman Erquiaga then asked Vice Chairman Christenson to manage the meeting from Las Vegas and asked for public comments in Las Vegas.

Mr. Tom Wellman – Retired school counselor from Clark County.

He was concerned about the “revolving door” for employees in the district. He stressed the costs of benefits to both retirees and employees of the district and stated that those costs were the cause for much of the turnaround in education.

Carrie Buck – Principal, Pinecrest Academy

She was concerned regarding the discrepancy between Charter Schools and Public Schools. Charter schools must use operational funding to cover their facility needs.

Due to time restraints, Ms. Buck could not complete her statement and gave the commission her statement. (See statement attachment [here](#).)

Dallen Weimant – Counsel for Sletten Construction.

Mr. Weimant was not in favor of closure of the construction department.

Art McGinty- SH Architecture

Mr. McGinty wanted to be available for any discussion regarding the possible closure of the construction department.

Mark Dowl – DSK Architecture

Mr. Dowl wanted to be available for any discussion regarding the possible closure of the construction department.

Wade Simpson – Pugsley, Simpson, Coulter Architects

Mr. Simpson wanted to be available for any discussion regarding the possible closure of the construction department. He offered his assistance as a resource for the commission.

### III. Opening Remarks

Chairman Erquiaga reviewed the agenda and explained the plans he had for the activities of the day.

### IV. Approval of Prior Minutes

- A. Chairman Erquiaga asked for a motion to accept the minutes for both the December 1, 2015 and February 11, 2016 meetings. Commissioner Harney motioned to accept the minutes, with Commissioner Poling-Goldenne seconding the motion. Commissioner Cardinal abstained due to having not attended the December meeting. The commissioners all voted in favor of accepting the minutes.
- B. Chairman Erquiaga asked for a motion to accept the agenda as posted. Commissioner Christenson motioned with Commissioner Harney seconding the motion. The commissioners approved the agenda. Commissioner Guedry asked for clarification on the costs of portable classrooms as stated in the February meeting minutes. Mr. McIntosh CFO, Clark County School District was available to comment and to clarify.

### V. Work Session

- B. **Items remaining from the [Guinn Center report](#) on school construction & facilities, (*taken out of order*)**

Chairman Erquiaga asked the commission to consider the recommendations as outlined in the February Guinn Center's Policy Recommendations which were not previously addressed during that meeting. He opened the floor up for discussion.

#### **Item 5 - Improve efforts to secure land for schools**

Commissioner Guedry asked to address the issue of acquiring property. He felt that districts could work with the BLM or Parks and Recreation to find sites for building schools. He suggested the use of impact fees on future development to generate revenue to acquire infill sites that are not available through the BLM.

Commissioner Harney motioned that districts consider BLM and Parks and Recreation sites first, and that the districts adopt impact fees to

## V. Work Session (Continued)

generate revenue that districts could then use to purchase sites not available through the BLM. Commissioner Gatti seconded the motion.

### Discussion:

Commissioner Poling-Goldenne asked for clarification from the Guinn Center with regards to why they recommended the six different issues that were brought forth in the report as a way to solve the problem of securing school sites.

Dr. Nancy Brune, Executive Director of the Guinn Center, was called upon to explain. She explained that there were two items that they researched.

- Why only certain jurisdictions legislate that impact fees can be collected?, and
- Why the implementations of the districts vary from jurisdiction to jurisdiction when there is set-aside funding is available? She said it depends on who is in charge at the time.

Commissioner Guedry stated that burdens placing the on the developer cannot be met in today's economy.

Commissioner Poling-Goldenne countered that families and districts will be negatively impacted by having developers and municipalities impose impact fees on them without having any voice coming from the tax payer. She continued stating that anything suggested to the legislature be both reasonable and feasible in order to not overburden the families and districts.

Then she requested that Jim McIntosh from Clark County School District address the commission with his comments. Mr. McIntosh stated that he fully supports impact fees but even though land is being set aside for the building of schools by the districts, the developers are not currently assisting in the costs of the schools that would be needed by the districts to accommodate the growth imposed.

Commissioner Christenson confirmed the motion should state,

- First, ask Parks and Recreation and the BLM to establish any sites that are possibly available, and
- Second, establish a group of relevant parties to decide where appropriate space can be found, and
- Finally, impose an impact fee on the developer for the site selected.

Commissioner Harney asked if any kind of formal interface takes place regarding the master plans of the different jurisdictions.

## V. Work Session (Continued)

Mr. McIntosh confirmed the district has a property management department that meets with each jurisdictions planning committee.

Chairman Erquiaga restated the motion and asked Commissioner Harney if she would agree to the new motion? She agreed and so did the seconder.

Commissioner McCarty asked to move to amend to motion and replace the words "Parks and Recreation and BLM" with the words "Public Lands". He stated that many of the rural areas are in the process of obtaining federal lands, and that by stating "Public Lands" all aspects would be covered.

Commissioner Guedry seconded the amendment. Chairman Erquiaga called for a vote on the amendment and all were in favor. He then asked for a vote on the newly approved recommendation. All commissioners voted yes.

Chairman Erquiaga then asked the committee for comments on the remaining recommendations.

### **Item 6 – Assess the benefit of expanding the role of the state in developing design guidelines and standards**

Commissioner Guedry stated his thoughts regarding the next recommendation of how to get the costs down beyond what has already been reviewed. He suggested changing the type of building to one with a shorter lifespan rather than build one with a longer life if the costs were sufficient enough in making that change. Next, he asked if districts could create a facility that combines the use of different multifunctional rooms and fields to avoid duplication of those amenities on a shared campus, i.e. middle and high school. He stated the cost difference is a meaningful number and adds to the gap that exists between the bonds capacity and what the needs really are.

Commissioner Christenson felt that the audit recommended for value engineering would address most of the items Commissioner Guedry was proposing.

Mr. McIntosh replied to the recommendation by stating that CCSD builds longer lasting schools because the district is not guaranteed funds for capital improvements for maintenance and upkeep. He stated that the district does not have money in the general fund to provide for capital

## V. Work Session (Continued)

improvements. He would be in favor of shorter life buildings if there was a perpetual funding arrangement for capital funds.

Commissioner Guedry stated that he didn't think that Mr. McIntosh was addressing the immediate need of funds which are currently required to close the gaps. The Commissioner felt his proposal would do that.

Commissioner Harney motioned that the Legislature commission an independent operational audit to explore opportunities for value engineering to include: life span of a school facility, the usefulness, the possibility of shared facilities, a comparison of construction costs and inclusion of deferred maintenance. Commissioner Guedry seconded.

Chairman Erquiaga called for a vote and all were in favor.

### **Discussion:**

Commissioner Poling-Goldenne asked for an explanation from the Guinn Center regarding the terms of increasing the Charter Schools funds for capital improvements and the current matching grant program.

Dr. Brune responded the state should increase funding to the existing Account of Charter Schools Revolving Loan Fund and in addition, create a matching grant program that could also be used as an incentive program.

Commissioner Christenson questioned why the state is funding Charter Schools?

Mr. Patrick Gavin, Director of the State Public Charter School Authority, explained that charter schools fill a void that the districts cannot fill.

Commissioner Guedry suggested that Charter Schools be given a capital improvement budget if they achieve a higher performance standard such as a minimum three stars or greater, or some national accreditation ranking acceptable to the state.

Commissioner Christenson stated that he felt it was a choice to go outside the system, but liked the idea of bringing in "higher quality schools."

Chairman Erquiaga returned to the motion that the Legislature increase the Account of Charter Schools Revolving Loan fund and that they create a matching grant program that seeks to address educational inequities for high performing charters that serves at risk students.

## **V. Work Session (Continued)**

Commissioner Poling-Goldenne motioned and Commissioner Noonan seconded.

Commissioner McCarty amended the motion suggesting using the wording “existing public funds” so that there would be no additional cost to the state.

Commissioners Poling-Goldenne and Noonan agreed. The motion passed.

### **Item 10- Consider new options for charter school facility funding**

Commissioner McCarty motioned to accept that the suggestion that the legislature allow facilities funds to be used for leasing expenses of charter schools. Commissioner Christenson seconded the motion.

#### **Discussion:**

Chairman Erquiaga called on Dr. Brune to clarify what was meant by the wording regarding “facility funding”. She stated that facility funding was part of the Account to Charter Schools Loan Fund.

After the clarification, Commissioner McCarty withdrew his motion.

Mr. Gavin felt that the recommendation, as written, would not address any long term assistance to the charter schools.

Chairman Erquiaga revised the recommendation to state, “If the legislature accepts the recommendation regarding the amount of funds for the Account of Charter Schools Loan Fund and a matching grant program, they should consider allowing those funds to be used for leasing as well as construction and purchases.”

Commissioners McCarty and Christenson accepted the revision. All were in favor of the motion.

The Chairman then moved on with the other recommendations.

**Item 7 (a), The feasibility of the state to take a role in assisting small districts with design and project management, and (c), Encourage districts to explore creating incentives for contractors to retain all or some of the realized savings if they finish under budget or ahead of schedule.**

## V. Work Session (Continued)

Commissioner Cardinal asked for clarification of the definition of “Small District” in section (a). He also suggested changing the verbiage from “all or some” in section (c) to just “some”.

Commissioner McCarty agreed. He asked whether the Guinn Center was using the Distributive School Account (DSA) amount to define the districts or were they considering anything outside of Washoe and Clark counties?

Chairman Erquiaga asked the commission to separate the motion into two separate motions, the first one being Item 7(c).

Commissioner Cardinal motioned that the commission suggest that the legislature encourage school districts to explore creating incentives for contractors to retain some share of realized savings if they finish under budget or ahead of schedule. Commissioner McCarty seconded. All commissioners agreed

Chairman Erquiaga returned to Item 7 (a). He confirmed the approximate enrollment then asked the commissioners what should be considered a “small district”. The commissioners determined that anything other than Washoe County School District and Clark County School District be labeled as such. The chairman asked for a motion on the item.

Commissioner McCarty moved with the motion that states, “The SAGE Commission recommends that the legislature consider the feasibility of having the State take on a significant role to assist, upon request, small school districts, defined as anything outside of Clark and Washoe School Districts, with design and project management.” The motion was seconded by Commissioner Harney. All commissioners approved.

### A. **Additional Witness Recommendation (*taken out of order*) [Witness recommendation](#)**

Chairman Erquiaga continued by asking the commissioners to review the Witness Recommendations and discuss any items they had comments on.

#### **Item #1, Guidelines for District Review Panels**

Commissioner Harney motioned that the commission accept the recommendation. Commissioner Christenson seconded.

## **V. Work Session (Continued)**

### **Discussion:**

Commissioner Poling-Goldenne asked for clarification with regards to having additional companies, which are involved with private sector experience, to be included in the proposal process of the construction of the schools.

Chairman Erquiaga asked for vote and everyone approved.

### **Item #2, Gift Limitations**

Commissioner McCarty motioned to accept the recommendation and Commissioner Guedry seconded. There were no questions or discussions from the commissioners.

Chairman Erquiaga asked for a vote and the motion passed

### **Item # 4, Increase of Payback Period for Building Sites**

Commissioner Christenson motioned for passing the item. Commissioner Guedry seconded. The chairman asked for a vote.

Commissioner Harney suggested changing the wording to state “up to 20 years” instead of “5 years to 10 to 20 years.”

Commissioner Cardinal felt 20 years was too long and suggested 10 years.

Blake Cumbers from Clark County School District explained that the district makes these arrangements with the actual utility and not the developer.

Commissioner Cardinal then suggested including developers and/or utilities as an addition to the motion.

Chairman Erquiaga called for a vote on the amended recommendation to state: “The Legislature should require that the payback period for developers and/or utilities to refund amounts advanced by the districts for off sites on their parcels be increased from 5 to up to 20 years.” All commissioners voted yes.

Chairman Erquiaga continued by asking if there were any other recommendations the panel wanted to discuss.

## **VI. Information and Discussion Concerning Cost Drivers – Salaries, Benefits, and Personnel**

### **Item #8 Review of measures to lower costs of construction and maintenance**

Commissioner Mathis asked that the commission accept the suggestion that the legislature review the measures which were stated in the recommendation.

Commissioner Christenson felt that items 3 and 8 were very similar and that item 3 had already been approved.

Chairman Erquiaga suggested the recommendation only include the first two bullet points in Item 8. “Consider moving more schools to 12 month or double sessions” and “Consider requiring a minimum number of schools for 12 month or double sessions in order to eliminate or pushout the need for 10 new schools.”

The commissioners all agreed. After that, Chairman Erquiaga closed the work session.

### **A. Presentation from Guinn Center**

Dr. Brune presented the [Policy Report from the Guinn Center](#) to the commissioners.

The Guinn Center recommended the following:

- Adopt a statewide salary schedule,
- Sponsor a study to assess benefit plans and costs,
- Develop statewide guidance on existing compensation and incentive programs, and
- Improve the integration of all compensation programs.

After finishing her presentation, Ms. Brune yielded the podium to Adrienne Monroe and Stefani Hogan from the Nevada Department of Education.(NDE) They explained of the [Distributive School Account](#).

### **B. Impact of Education Personnel Costs on the Distributive School Account (DSA)**

Adrienne Monroe, ASO III, Nevada Department of Education, explained the DSA. She stated that DSA was developed by the legislature to review the NDE Equity Allocation Model in order to determine equitable distribution of funds for all of Nevada Schools. She spoke about Senate Bill 508 regarding the Equity Allocation Working Group and explained how the working group plans to allocate funds. She also explained the

## VI. Cost Drivers – Salaries, Benefits, and Personnel (continued)

requirements of the bill. She finished by giving information as to where the final model will be available online once it has been completed. Next, Stefani Hogan, NDE, explained the formula used to allocate funds for the DSA.

Finally, Ms. Monroe concluded by stating how the groupings impact each other. She explained that the working group is still trying to decide how to distribute the funding evenly to the districts. Chairman Erquiaga asked for comments and questions from the commissioners.

Questions from the Commissioners were as follows (*comments from the presenters are in italics*)

Commissioner Poling-Goldenne began by stating she was extremely disturbed over the distribution of the funds given the population differences in the districts. She called it an “overwhelming problem” for the state.

- Has there been any assessment done to allocate the funds to the appropriate districts that receive the funds?

*Yes, it does encompass those funds and that the funds and grants are being tracked. Data could be provided if requested.*

Commissioner Christenson commented that the percentage of students enrolled in Clark County numbered 74.2 percent of the state’s total and compared that to Clark County only receiving 71.7 percent of DSA funds. He said that if DSA funds were being distributed equally by the percentage of students, there would be an additional \$64.4 million more given to Clark County.

- Is there collaboration from other districts or states on this subject?

*The districts are collaborating in conjunction with other counsels regarding the DSA.*

Dr. Canavero, Superintendent of Public Instruction, NDE, noted that the new Deputy Superintendent will be working on state formed commissions with regard to the DSA.

## VI. Cost Drivers – Salaries, Benefits, and Personnel (continued)

Chairman Erquiaga finished up with comments stating that the Nevada Plan is difficult to understand and that it was developed almost fifty years ago. Factors in developing it were from a different time. When it was written it was designed to equalize the distribution of funds among the “counties and districts” and not “per pupil”.

Currently there is a new plan in development that will address a “student weighted” factor. The Governor has made the first substantive overhaul to the Nevada Plan in almost fifty years. He is also aware of the lack of transparency. Cost factors currently in the plan were not a part of the law for the state at that time and were added by the districts. The Department of Education has now been tasked to implement a new policy that will isolate, present and publish the cost factors that are currently used and will show the public that cost factors change over time. The Chairman finished by stating that he felt that the Governor has taken great steps in updating this plan. Chairman Erquiaga called for a recess.

## VII. Information and Discussion concerning Pay for Performance and Teacher Incentives

### A. Presentation from the Clark County School District (CCSD)

Mike Barton, Chief Student Achievement Officer, CCSD  
Andre Long, Co-Interim Chief of Human Resources, CCSD

Mr. Barton began with an explanation of [Pay for Performance, Zoom Schools, Victory Schools, and SB 511 Incentive](#). He continued by talking about how CCSD rewards Pay for Performance schools by use of the district designed “ROI Dashboard”. He stated that both administrators and teachers are to be paid from the findings on the dashboard. He explained the Zoom School Retention Plan.

He gave an explanation of how “Victory Schools” are compensated stating the three “categories” from which a teacher can be rewarded.

- Category 1 (required by the law) would reward all effective and efficient teachers at all Victory schools
- Category 2 would reward teachers in all Victory Schools who are affiliated with Special Education and GATE.
- Category 3 can be used to build on special circumstantial needs of the schools.

He said that the funds have really made a difference in retention/recruitment. He finished by asking for questions from the commission.

Questions were as follows. (*Mr. Barton’s responses are in italics*)

## VII. Information and Discussion concerning Pay for Performance and Teacher Incentives (continued)

- Has CCSD isolated the variables in the upper schools?

*The district needs to learn more. CCSD has started a case study program through the Guinn Center and expect results from the study in July. They hope that the information will provide further insight to the variables described.*

- Is there a time table of expectation for meaningful change in the schools?

*It won't happen in a year, but it will once the money is funneled into the school. Progress is expected year to year.*

- Does the district have a focus group to determine the amount of money offered?

*Yes, they did have a focus group.*

- Was support staff included in the pay for performance?

*While support staff is important, it was left up to the principal to provide the climate that would attract those people rather than offering the incentive.*

Chairman Erquiaga requested that CCSD submit in writing how \$500,000 was established using the formula set forth in AB 483.

The presentation continued with Andre Long Co-Interim Chief Human Resources Officer, CCSD

Mr. Long explained the Licensed Teacher Recruitment Status. He said that the district is using SB 511 as a recruitment tool. Then he highlighted the districts Professional Salary Table and the transfer of teachers to and from Title I schools within the district. After that, he opened the floor for questions.

Questions from the commission included the following: (*Mr. Long's responses are in italics*)

- How do current teachers feel about newer teachers getting a higher salary schedule to come here? Does the district have any say in where they have to teach or meet special needs in order to even out the pay?

## VII. Information and Discussion concerning Pay for Performance and Teacher Incentives (continued)

*We are working through it with them and they understand we have to rely heavily on out of district and out of state teachers to come here. There are caveats with additional responsibilities or placement but the incentives are definitely a selling point when added to the Zoom and Victory incentives.*

- How many teachers is the district currently short, especially in the Victory and Zoom schools?

*There were 698 for this past year and 881 expected for the next year. This does not include retirements of several hundred more. There are 181 right now.*

Commissioner Noonan shared what he heard from some of the recruited teachers. They all commented on no income taxes, trailing spouse, contract changes, and no PERS charges.

With no further questions from the committee, Chairman Erquiaga called on Washoe County for their presentation.

### B. Presentation by Washoe County School District, (WCSD)

Dawn Huckaby, Chief Human Resource Officer, WCSD  
Emily Ellison, Director of Talent Acquisition, WCSD

Ms. Huckaby described how Washoe County School District is utilizing [grant incentives in the recruitment and retention of teachers](#). She stated that the district has several grants with regard to retention and recruitment emphasis. She explained the district's requirements for the Teacher Incentive Fund and the "Career Lattice" which was created by the district using the grant money.

Ms. Ellison continued the presentation and explained that SB 391, "Read by Three" grant money is being used to implement a Strategist in each K-3 grade. During FY 15/16, a limited amount of schools had a Strategist. In FY 16/17 the district intends that each elementary school will have one. She continued with SB 133, Reimbursement of Costs to Teachers. She stated that it is used as a promotional incentive. Ms. Huckaby added that the initiative was a great moral booster for the teachers. Using funds acquired from AB 483, Retention and Enhancement Program, Ms. Huckaby explained that incentives of \$1,500.00 were given to schools with the greatest turnover rates and hard to fill subjects and were given first consideration for the funds. If the teachers remain at the schools and are highly effective, they are eligible for the funds.

## VII. Information and Discussion concerning Pay for Performance and Teacher Incentives (continued)

AB 511 Teacher Incentive Fund, (TIF) and Teach Nevada Scholarship is being used in Title I schools and for special needs programs.

Acceleration Zone Bonuses consists of funds for principals who transfer to an Acceleration Zone School. Ms. Huckaby stated that a positive culture and climate in the schools entice teachers to follow those principals to a school where both aspects are being delivered. The incentive is aimed at the principal to positively promote both aspects to the teachers in order for them to follow the principal to the school.

Chairman Erquiaga praised to the district on the use of both Read by Three funds and using funds for the high turnover schools.

Comments and questions from the commissioners included the following (*Responses are in italics*)

- Should these funds be used for leadership instead of giving it broadly to the teachers?

*The district feels that leadership is the real key in keeping teachers. The TIF funds were used for teachers and ESP's because the federal government funded that grant and the money was there, but the other grants should be used for leadership roles.*

- Regarding the Read by Three program, is a teacher who continues teaching the same person who takes on the role of the Strategist, or do they give up the teaching role?

*They are current classroom teachers who remain classroom teachers.*

With no further questions from the commissioners, Chairman Erquiaga invited Lyon County Schools District to give their presentation

### C. Presentation on behalf of Rural Districts

Wayne Workman, Superintendent, Lyon County School District (LCSD)  
Tim Logan, Director of Human Resources, LCSD

Superintendent Workman noted that he had permission to speak on behalf of the Rural Districts. He introduced Mr. Logan who was scheduled to speak regarding [SB 511](#)

## **VII. Information and Discussion concerning Pay for Performance and Teacher Incentives (continued)**

Mr. Logan said that the district already had begun implementing SB 511 even before the state offered it. He said that the district originally offered a \$5,000.00 bonus which came from their general fund but dropped it to \$3,000.00 after the state implemented their bill. \$2,000.00 is given initially and the remainder comes after a teacher re-signs for the second year. He said that SB511 has really helped the district in supplementing their funds and they no longer have to deplete the general fund. The district also offers a Professional Development Program. The district participates in six employment fairs annually since they usually have to go outside the state for most of their recruitments.

Then Mr. Workman continued by explaining how [AB 483](#) is managed. He said the performance pay incentives were used differently. Statistics found that Lyon County did not have many underperforming schools; so the district looked instead at assistance for the “special needs” students. Those students have had to get through the school year without qualified “special needs” teachers. Also, “special needs” student achievement levels were suffering due to the testing that is required. This need resulted in the district deciding to enhance those programs with performance based offers to full time special needs teachers as well as any co-teachers who assisted them. The district is still working on how a teacher would qualify.

Mr. Workman stated the other rural districts are adding “In service days” for training in order to focus on at risk schools. Others are using the STAR system coupled with the Evaluation System. Finally, one district was making the program a school wide competition.

Then he asked for questions from the commission. There were no questions from the commissioners so he moved on the next item on the agenda.

## **VIII. Controlling Costs and Increasing Productivity**

### **Presentation from Houston Independent School District (HISD)**

Dr. Cathy Mincborg, President and CEO, Center for the Reform of School Systems  
David Guedry, Partner, Mc Dermott, Will & Emory LLP

Dr. Mincborg began the [presentation](#) and introduced Mr. Guedry. Mr. Guedry stated that his company met with the Texas School Performance Review and together they analyzed HISD. As a result, they

## VIII. Controlling Costs and Increasing Productivity (continued)

established a central theme of "[Public Private Partnerships](#)" throughout the district.

Dr. Mincberg continued by explaining how the district controlled costs by using programs that were similar to private sector companies. She gave specifics of how the HISD partnered with private enterprise and saved the district over \$100,000,000.00. By using a "matrix" system where all departments worked together, the district began the process by looking at schools from a "Customer Service" aspect. They found that services could be managed better by outsourcing with companies that were experts in their fields and knew the services more efficiently. The district used Key Performance Indicators to identify vendors who could manage various services. Then the district began monitoring and collecting data to identify where changes needed to be made. Departments such as security, office and board services, facility management, food service, human resources, maintenance, technology, and transportation were contracted out or reorganized for management of services. Dr. Mincberg stated that the plan had to be supported by the Superintendent and that new people have to be put into position in order for it to work. She emphasized that too much "old school thought" must be replaced.

She finished by noting the lessons that were learned. They also found that on an overall basis, employees were happier and production increased.

Questions from commissioners were as follows. (*Answers are italics*)

- How quickly were the functions implemented?

*The program was implemented all at once.*

- Where should Nevada start if this idea were to be implemented and what are the pitfalls?

*You must have "buy in" from Superintendent.*

*You must also have a good contract and treat it as a partnership. Taking baby steps would backfire.*

- Should Nevada put one Superintendent in charge of the entire state, or should they break it up for easier management by having several Superintendents?

*Keeping the organization all under one manager is better if using this structure.*

- Was there any initial capital investments needed?

## VIII. Controlling Costs and Increasing Productivity (continued)

*The investments were included in the savings. They were part of the contract with the providers.*

- Were the various school boards elected school boards, or were they appointed boards?

*They have worked mostly with elected boards. Appointed boards don't seem to get along as well.*

- Have you had any other meetings like this where the committee must make recommendations to the Governor?

*No. Measurability was the key to evidence needed for support from officials.*

- Were the schools that participated considered "Empowerment Schools" during this time?

*Yes. The district managed the student curriculum program but the other departments managed their own programs.*

- Is this still sustainable and are the programs still in use?

*Things change over time and nothing is permanent. Sustainability will require that the program change also.*

After concluding the presentation, Commissioner Christenson turned the program over to the chairman.

Chairman Erquiaga asked for recommendations that can be addressed at the next meeting.

## IX. Discussion of the work plan for the committee

Chairman Erquiaga asked the commissioners if they wanted to address the recommendations outlined in the Guinn Center at this meeting, or should they review them further and address the next meeting. He clarified the August agenda for the commissioners.

Commissioner Poling-Goldenne asked for research from the Guinn Center on other states ideas about Pay for Performance.

Commissioner Christenson asked that the research include compensation relative to what other states are seeing regarding student outcomes.

## **IX. Discussion of the work plan for the committee (continued)**

Chairman Erquiaga added that it also should include any educator evaluation systems that are being used across the country which are having an impact.

Chairman Erquiaga will add statements from the Superintendent to the August agenda regarding the Every Student Succeeds Act, ESSA.

Commissioner Christenson wanted to find out if higher degrees or education from the teachers have an impact on student outcomes.

Commissioner Harney asked for a summary of why teachers leave.

Commissioner Noonan asked for an historical accounting of the DSA account to make it more transparent and easier to understand.

Chairman Erquiaga addressed the question by explaining the DSA to the commissioners from his historical background and from SB 508 that was submitted by the Governor. He said that it was created in 1967 and based on equalizing the districts. Around 1973 or 1975 a provision was added that included Special Education funding as a “per unit” way to fund the program; noting that in FY17 that will aspect be changed to a weighted factor. In the 1990’s or early 2000’s and again in 2009 the districts revised the formula. Finally, in 2015 the governor sponsored SB 508 that will change the formula to a completely weighted formula.

Commissioner Christenson clarified that SB 508 states that basic money will be given to each district; then, in addition to that, other categories of students will be funded as well.

Commissioner Noonan asked the chairman if the incentives are being used as envisioned when the SB 511 was being crafted.

Chairman Erquiaga stated that the monies are being used appropriate to the conversation of the bill. However, he was very concerned that while Clark County is within the limits of the bill, they are putting very little of their own funds into the incentives even though they have the largest population of teachers and employees. He felt it demonstrates a disregard of the importance of differentiating pay regarding the outcome of retention. He said that by law, the funds are allowed to be used however the districts want to use them. However, he felt that the idea would have to be re-addressed if the desired outcome is wanted.

Commissioner McCarty commented that by equalizing funding on per student percentage basis, Clark County would reap most of the funds

## **IX. Discussion of the work plan for the committee (continued)**

leaving several rural counties without needed funding. He pointed out that the district budgets in the counties of Eureka, Esmeralda, Pershing, Storey, Lincoln, Mineral, Humboldt, Lander, and White Pine combined would be adversely affected because per student costs are much higher in the rural areas.

Chairman Erquiaga stated both he and the Governor understood the situation and said that DSA would be discussed again at another meeting.

Chairman Erquiaga then moved on to the remaining agenda items.

## **X. Public Comment**

No Public Comments from any of the locations.

## **XI. Adjournment**

The meeting was adjourned at 4:04.