

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON EDUCATION**

**Seventy-Third Session  
February 21, 2005**

The Committee on Education was called to order at 3:52 p.m., on Monday, February 21, 2005. Chairwoman Bonnie Parnell presided in Room 3142 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4401 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Ms. Bonnie Parnell, Chairwoman  
Mrs. Debbie Smith, Vice Chairwoman  
Mrs. Sharron Angle  
Mr. Kelvin Atkinson  
Mr. Joe Hardy  
Mr. Brooks Holcomb  
Mr. William Horne  
Mr. Garn Mabey  
Mr. Mark Manendo  
Mr. Bob McCleary  
Mr. Harvey J. Munford

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Carol Stonefield, Committee Policy Analyst  
Rachel Pilliod, Committee Manager  
Paul Partida, Committee Attaché

**OTHERS PRESENT:**

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, State of Nevada  
Dr. George Ann Rice, Associate Superintendent, Clark County School District (CCSD), Las Vegas, Nevada  
Lonnie Shields, Legislative Advocate, Representing Nevada Association of School Administrators (NASA)  
Dana Bilyeu, Executive Officer, Public Employees' Retirement System of Nevada (PERS)  
Terry L. Hickman, President, Nevada State Education Association (NSEA), Las Vegas, Nevada  
Dr. Mary Pierczynski, Superintendent, Carson City School District, Carson City, Nevada  
Dr. Dotty Merrill, Assistant Superintendent, Washoe County School District (WCSD), Reno, Nevada  
Ray Bacon, Executive Director, Nevada Manufacturers Association (NMA), Carson City, Nevada

**Chairwoman Parnell:**

[Meeting called to order and roll called.] Our first order of business is A.B. 60.

**Assembly Bill 60:   Revises certain provisions regarding school personnel.  
(BDR 34-477)**

Assembly Bill 60 is one of the pieces of legislation that came forth as a result of the Interim Committee on Education. After we had their presentation, I said that I would like to see most of their legislation as soon as possible. This is one of theirs. We will be hearing additional bills on stipends on Wednesday. This will touch on the subject and we will probably continue this discussion on Wednesday, and it would not surprise me if perhaps, at that point in time, we select a subcommittee to further delve into it. At this time, it's my pleasure to introduce Carol Stonefield, who is the policy analyst for the Interim Committee. She will explain A.B. 60 to us. Thank you and welcome.

**Carol Stonefield, Committee Policy Analyst, Legislative Counsel Bureau:**

I was the policy analyst for the Legislative Committee on Education during the interim. I am in that capacity to present A.B. 60. I will neither advocate nor oppose any of the contents of the bill. Before we begin, I would like to make sure everyone is working from the correct copy. There is an asterisk bill; you should have a copy, and there is a stack of them by the door. There should be

an asterisk in the upper left corner of your bill. This was produced to make a technical correction since the printing of the first bill.

[Carol Stonefield, continued.] Section 1 of A.B. 60 includes a number of incentives for teachers and other licensed personnel. Also, it has a provision relating to the assignment of principals. Section 1 provides a one-fifth retirement credit to teachers who are teaching in schools that are designated as demonstrating need for improvement. Previous to the 2003 Session, the retirement credit was provided only to those teachers in those schools.

In 2003, in Senate Bill 8 of the 72<sup>nd</sup> Legislative Session, the Legislature expanded the retirement credit to teachers who have worked in the school district for 2 years and are teaching in a designated school or in a school that has at least 65 percent of the pupils that are defined as "at risk".

Those are economically disadvantaged children, limited English proficient, "at risk" of dropping out, or not meeting academic standards. Also in 2003, the Legislature expanded this provision to include school psychologists and teachers who hold endorsements in certain subjects: math, science, special education, and English as a Second Language.

Assembly Bill 60 is a product of the Legislative Committee on Education, and it recommends the continuation of one-fifth retirement for those teachers in hard-to-fill positions and school psychologists. It expands to include principals and other administrative licensed personnel, counselors, librarians, and, nurses in hard-to-staff schools that would be those demonstrating need for improvement and those that are defined as "at risk." It also creates an option of allowing the teachers to select a cash equivalent, rather than the one-fifth retirement credit.

The Committee on Education heard testimony during the interim from school administrators and also from teachers who weren't participating in panel discussions. The retirement credit was not particularly effective in recruiting and retaining teachers in these hard-to-staff schools. Younger teachers, in particular, are more interested in pursuing graduate degrees, paying off college loans, and considering their family budget. So retirement is not an incentive for them, which is why the Committee considered the option for a cash stipend.

Section 2 provides an appropriation to purchase the one-fifth retirement credit or a cash equivalent for teachers and school psychologists. That figure was based upon information that was provided to the Committee from the Department of Education. Section 3 provides an appropriation for the licensed administrative personnel. This figure does not include counselors, nurses, and

librarians, simply because at the time that the Committee on Education was considering, we were preparing the documents, and we asked the Department to give us a fiscal estimate for administrative personnel. During the work session, counselors, nurses, and librarians were added, so that figure has never been updated.

[Carol Stonefield, continued.] Section 4 provides the signing bonus for new teachers. There is an appropriation of \$5 million, which is calculated at \$2,000 for 2,500 new teachers annually. In fiscal year 2004, the actual use of that appropriation equaled \$4.9 million. In fiscal year 2005, the actual use was \$4.7 million. Section 5 would provide additional stipend to teachers and administrators in isolated or remote rural schools. That was an estimate which was the recommendation from the Committee on Education, that it would be a fixed appropriation. The bill specifies \$500,000 and it also says a stipend not to exceed \$2,000. These rural and isolated schools will be defined by the Department of Education, staff working with the Budget Division of the Department of Administration and the LCB's [Legislative Counsel Bureau] Fiscal Analysis Division, to come up with who would be eligible. It would not automatically eliminate Washoe or Clark Counties since they would also have rural schools that might be difficult to staff.

Section 6 is a transitory section which simply directs the boards of trustees of each school district to review the years of experience of their building principals throughout the district. They are to compare the years of experience for their principals in schools that are making AYP [Adequate Yearly Progress] with those that are failing to make AYP, and then they are to come up with a plan to ensure that the schools that are not making AYP would not be staffed at any higher rate than schools that are making AYP with less-experienced principals.

This is similar to Section 109 of Senate Bill 1 of the 19th Special Session, which directed the school districts to also look at teacher qualifications and to ensure that the teachers are distributed so that children that are in schools that are not making AYP would not be taught by teachers who are less qualified, with less experience than those in the schools that are.

Those are the contents of the bill, Madam Chair. I believe that there are others here that wish to speak to the bill, and I would be happy to attempt to answer any questions that the Committee may have.

**Assemblywoman Angle:**

On the top of the bill, it says it is an unfunded mandate. Could you explain a little bit about that and how much it is going to cost?

**Carol Stonefield:**

I believe it is considered an unfunded mandate because there is a fiscal impact on the local school districts. I don't have at this time figures that would define what the impact would be on the locals. I believe that the Department of Education may have some updated figures. It would be entirely appropriate to ask them to provide their best fiscal estimate before the work session.

**Assemblywoman Angle:**

Madam Chair, could I ask for that?

**Chairwoman Parnell:**

Yes. I was going to ask when Dr. [Keith] Rheault comes up, because those figures would even be revised if there was an estimate of those figures during the interim. So we would want to get a more accurate number for those, even though we have to remember this is the Policy Committee, but I think we are all very concerned about the unfunded mandates to the school districts. There are a couple of areas in this that are in the Governor's budget, and those include continuing the stipend for the newly hired, and why certain licensed personnel and school psychologists that the additional people would add to the current unfunded mandate to the school districts. We will get that information. Are there any other questions for Carol Stonefield?

**Assemblyman Manendo:**

I certainly understand why this was done in the first place. During the interim committee, did we hear from principals and assistants to principals and deans that there is that much of a shortage that they need that type of incentive to do their jobs at an "at risk" school? I certainly understand the nurses, because we have 1 nurse per 4 elementary schools now.

**Carol Stonefield:**

The Committee received testimony that hard-to-staff schools are having a difficult time staffing all positions. I can't recall the numbers, but we could ask the districts for some information along those lines.

**Assemblyman Manendo:**

Madam Chair, I would love to see that, and if it is just in the rural areas or if it is in Clark County and Washoe County, specifically, as well.

**Assemblywoman Smith:**

Carol, do we know the cost equivalent of the one-fifth credit—just the small number, not the big budget number?

**Carol Stonefield:**

The cash equivalent would simply be the same calculation as the retirement benefit. The calculation would be on one-fifth retirement, and then it is up to the individual to opt to take it as a cash stipend.

**Assemblywoman Smith:**

There would be a range then?

**Carol Stonefield:**

The cost for cashing it out would be the same as if they all opted for the one-fifth retirement.

**Assemblywoman Smith:**

I had another question about the \$2,000 to post-probationary, and it says not more than. How does someone get less than? What exactly does that mean?

**Carol Stonefield:**

The provision would allow for prorating, because this would be a fixed appropriation set by the Legislature. Based on estimates, if it would occur that the number of people eligible might exceed the \$2,000, then the figure would be prorated.

**Assemblywoman Smith:**

You and I both heard this at a conference over the weekend about the need to make sure that our information is accurate and not becoming an urban legend. What are we using to make sure that we know the shortage exists and then what level it is? Maybe we have a shortage in a particular classification at middle school and not high school, but we are talking about it in very broad terms.

**Carol Stonefield:**

We are obtaining that information from the Department and they, in turn, are receiving that from the districts.

**Assemblywoman Smith:**

Is there some kind of a report or can we see a breakdown of that? Maybe when Keith Rheault comes up we can talk about that.

**Assemblyman Munford:**

I am just speaking in terms of Clark County. When a new teacher is hired, do they get an opportunity to make a choice of which school they want to go to, or do the personnel people place them? Or are principals allowed to go into the files and pick the new hires first, in some respects, even select the teachers

that have better records or backgrounds, or someone that seems to be better prepared with a more impressive background? I know when I spoke to some principals at the high school level, in some of the minority "at risk" areas, their math departments had four permanent substitutes.

[Assemblyman Munford, continued.] I inquired of the principals why that was. The principal stated to me that the personnel department in Clark County played favorites to some degree with the more elite, upscale area schools. They definitely get staffed with better qualified teachers. It is hard to determine if you are qualified coming fresh out of college. Yet still those in the areas which need the most help in the math and science areas have permanent subs, seemingly like the personnel director is in some ways overlooking them. Before I came into session, I visited these schools and they explained this to me. Do you know anything about this? Can you address this?

**Carol Stonefield:**

I apologize, Mr. Munford. That is a level of detail about the operations of Clark County that I don't have. There might be someone here who would be able to respond your question.

**Assemblyman Munford:**

I'll wait until someone else comes up to address this issue.

**Assemblyman Holcomb:**

What is the major factor why teachers are less inclined to be teaching at these high risk schools?

**Carol Stonefield:**

I could provide research and survey results. I would speculate that the hard-to-staff schools have students who present a greater challenge, and it may be that teachers are finding it more challenging to raise the performance levels of those children.

**Assemblyman Holcomb:**

What assurance do we have that we are, in fact, going to attract the teachers to teaching at these high risk schools?

**Carol Stonefield:**

If I may defer that question to those from the personnel departments and the human resource departments from the districts, they might be able to provide an answer for you.

**Chairwoman Parnell:**

I'm sure we will through testimonies today have that answer.

**Assemblyman Hardy:**

At what point is there a crossover of savings to the school district where you have taken the stipend versus the retirement? Is there a point or several different points depending on where your salary was when you retired? What is the average salary when you retired—therefore, there is an average point that crosses over so that you have retired five years, and you now have benefited the State more money or the Clark County School District more money? Where do the lines cross?

**Carol Stonefield:**

That is a question I am not able to answer.

**Chairwoman Parnell:**

We will get that answer, Dr. Hardy. This is a very complex bill with very complex issues in it. We will need to hear from a number the experts in the audience. Dr. Keith Rheault has prepared testimony for us.

**Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, State of Nevada:**

I have prepared my remarks ([Exhibit B](#)), if you would like to follow along with me. I think there are a number of flaws in the bill that will require a subcommittee to go through. Before I get into my suggested changes, I'd like to respond to Assemblywoman Angle's request about why this is an unfunded mandate. If you look at Section 3 on page 5, under subsection 2 of Section 3, it is the last sentence: "If insufficient money is available to pay the total cost necessary to pay the retirement credit for each fiscal year, the school district shall pay the difference." Last year the difference was about \$3.6 million that was not included in the state appropriations, so the districts ended up paying that. If the numbers increase or the costs go up, the school districts are stuck paying for it at the end of the year. It is probably the worst time of the year, because the budgets are closing out and this takes place in May or June.

I'd like to go through some of the pieces. It is a complicated piece, and the reason I say some of the bill is flawed: I think there was some misinterpretation in the drafting of the bill as to what was intended. [Spoke from prepared testimony [Exhibit B](#).]

I start with Section 1 of the bill that adds to the list of the one-fifth retirement credit. All the individual pieces are specifics including principals, assistant principals, and so on. It would be my

contention that we have covered all licensed personnel. This bill could be cleaned up if it stays as wanting to include everyone. It is calling them all licensed personnel, that way small licensed personnel are not missed. An example that is not included in the bill are educational technology specialists. They teach every day but currently, they don't have their own classroom. They wouldn't be included if you kept this specific wording. By going in and replacing all the individual pieces with saying "all licensed personnel" on line 4, which would help clean up the bill.

[Keith Rheault, continued.] A similar change would be needed in subsection 1(d) on page 3, line 10. If you look at that, there is where one of the major flaws in the bill is. The way that is worded, it talks about the employee as being an employed, licensed teacher or principal for at least 2 years. Then it gives some specifics as to how you qualify for the one-fifth credit. The way it currently works is that all "at risk" teachers are identified, and then we identify separately the employees who were teaching English, math, or science. The way the bill was worded on line 23, which includes the school psychologist, and then the new ones that are being added starting on line 29, is that every administrator, counselor, and nurse who has 1 year of experience would qualify for the retirement. It doesn't make any difference which school they are employed at.

That would be the same that applies to math and science teachers right now. They don't have to be at an "at risk" school; they just have to have taught 1 year and are teaching in a hard-to-fill area. I don't believe that was the intent of the discussion of the Legislative Committee. I think the intent was that they would be employed at an "at risk" school and the reason they may not be hard to fill, but I think the argument was that the administrators, counselors, librarians, and the school nurses all work just as hard to ensure that school needing improvement gets off that list. I think the intent was to help or give an incentive to working with harder-to-serve students at that school, not just because you are an administrator for 1 year, you get the one-fifth retirement credit. To me, if you're going to do it, it needs to be moved back up under "all licensed personnel," "at risk" schools, or 65 percent "at risk" schools.

**Chairwoman Parnell:**

To clarify, Dr. Rheault, that is one of the changes that was made in this new asterisk bill. That would have had a high appropriation amount to it.

**Keith Rheault:**

Another item that I would like to bring up is the one-fifth stipend in lieu of the retirement credit. Starting on subsection 2, page 3, line 35, it specifies in lieu of purchase of service, a licensed teacher—satisfies their criteria of the paragraph—may elect to receive a stipend. What I was proposing is that last year there were 2,477 teachers that received the stipend. That was just for “at risk” schools in a very limited number. This year we have collected data on the hard-to-fill positions; this is the first year that is happening. We have 3,014 teachers who qualified for the hard-to-fill positions.

We have gone out with the “at risk” schools, and there are about 80 more schools on that list than last year. I am anticipating another 3,000 to 3,500 teachers on that list. Now you are talking 6,500 employees that will get the credit, and one of the issues that had come up during the interim is that the PERS [Public Employees’ Retirement System] office needs to do these at the end of the school year. They have 6,000-plus one-fifth retirement credit applications they have to process at the end of the school year, which, when this first occurred, they were not aware that it would have such an impact on their staffing at that time.

My proposal would be in lieu of that. I went through and looked up the average salary for all licensed personnel in the state last year, which was \$45,513. We know how much the retirement credit is; it was 20.25 percent of the salary. A rough estimate for an example of what it would take: if you took 20.25 percent retirement times that average \$45,513 salary, the retirement that would be paid for that individual would be \$9,216. If that is divided by one-fifth, it then comes to \$1,843. That is the amount we were talking on average. I noted in my remarks that to qualify for the money, you have to have at least 5 years in the system, so the average would be a very low estimate. I went back and looked at how much we paid per individual on average last year, which was \$2,600 for the one-fifth retirement credit.

My proposal is to eliminate the big impact on the PERS staff at the end of the year and all the red tape that it takes to do this. The way the bill is worded, you would have sent all the names, whether they wanted the stipend or not, to PERS. They would then have to calculate how much they would earn if they didn’t get the retirement in lieu of the stipend, and then that would have to get back to the school district, saying, “Here is their cash equivalent of the retirement credit.” Then they would have to forward it to the Department to pay

it off. My proposal would be to give them a \$2,000 stipend if they are teaching at an "at risk" school. Cut all the red tape and we can pay them like that at the end of the school year. They could still have the option if that stays in to receive the one-fifth retirement credit, if they didn't want the cash stipend.

[Keith Rheault, continued.] Another one of the bigger flaws that may have gotten corrected in the asterisk version was subsection 4; starting on page 4, line 1. It talks about in no event the years of service, purchased by a licensed teacher, school psychologist, principal, and the others can exceed 5 years. In that one they are talking 5 years of purchased service, and when those 5 years of purchased service are figured up, it equates to 25 years of teaching. As they get one-fifth of a year for every year that they teach, it would take 25 years to get the 5 years of service. Down to subsection b, it explains that a teacher receives a stipend in lieu of the purchase for no more than 5 years, calculated from the date on which the teacher first became eligible. To me it infers, when I read that, you can either get 5 years of service equating to 25 years of teaching or 5 years of cash stipend, not 25 years, so you may want to look at that wording. I think there is no way you would take the cash stipend if you are going to give up 20 years of service for retirement.

In this case, Assemblyman Hardy's question would apply. The way the law is currently, you would get exactly what your retirement was, if it stays this way. If you just give them a cash stipend, there would be a point that the cash stipend might be cheaper than the retirement credit if they chose to do that. Finally, we support the signing bonus. That has been one area that I have heard excellent reviews from the school districts, that it does make a difference to newly hired teachers and also, as a recommendation, all licensed personnel at an "at risk" school. The argument was that all of them deserve that. I have heard in some cases it has caused hard feelings for newly hired counselors, librarians, and licensed staff coming to the state. They are just as hard to entice to come to the state, particularly in rural areas. I would recommend that you include all new hires in the state.

An example of what the difference would be is that this year there are 2,846 new licensed personnel. That is everybody. There were 2,678 licensed teachers out of that group, and only 188 of the administrators, librarians, and counselors. That is how many of those other licensed personnel were hired this school year. That would have come to \$376,000, which is a small amount to cover everybody that is hired and recruited from out of state to come here. I would also support the funding for rural schools for post-probationary teachers. I think that would be a good incentive to keep experienced teachers from leaving the rural areas to get to the city schools. For example, they might start out in Owyhee, where that is the only place they have, but as soon as there is

an opening in Elko, a lot of them leave. This incentive may entice some experienced teachers to stay at the rural schools. With that, I'll answer any questions.

**Assemblywoman Smith:**

Can you help with my question about how we are acquiring our information, how we update it, and do we have it down to the grade level?

**Keith Rheault:**

We do not have hard figures. I think a lot of this was based upon discussions and testimony. I do not have hard figures that said for secondary math we had 300 applicants in the state and had 500 openings. It is consistent information that we have received from the school districts that there are openings, which they are filling with long-term substitutes until they can find someone to hire. I do have some anecdotal information. The hard-to-fill positions can be requested to the superintendent for retired individuals. There was an allowance for that. I do have a record of the types of licenses that there are openings in that the districts have requested that I approve them as critical labor shortage positions, so they can try to hire retired teachers to fill those positions.

I can give you a specific category; it includes things you may not consider hard to fill, depending on the district. There are listed: librarians, school nurses, non-licensed bus drivers. They can't find bus drivers. Then all the others: secondary math, science, ESL [English as a Second Language], special education, those types of things. I'll send that over. I know that isn't part of today's discussion, but that critical labor shortage, I think, sunsets this year and this year they have hired about 160 individuals that had retired in the state system to fill the positions they couldn't find with new teachers. That is going to sunset. That meant 160 positions were being filled with licensed retired teachers instead of subs.

**Assemblywoman Smith:**

I do think we need to figure out a method of getting that information, then we need to also look and see if we are making progress. I'd like to have some discussion about that at a later time if we can. Tracking the information from when this started, I believe that we need to look at each year and see whether those numbers are staying the same or if they are improving. If we have a librarian shortage in one area, but don't in another, we need to make sure we take that into consideration. Certainly with funding we have to make sure we are being prudent, and if we don't look at the numbers, we are not being prudent.

**Keith Rheault:**

In the way we are currently wording it, if you apply the eligible recipients to "at risk" schools, we are not saying they are hard to fill. We are saying that is a bonus or stipend for working at the hard-to-fill schools. If we leave it the same as in the old bill as it was originally worded, that they are eligible because they are administrators, then that would be a problem, because statewide they are probably not hard to fill in some instances.

**Chairwoman Parnell:**

The statute as it exists now in the bill—on page 7, b says, "Established criteria for a determination that a school district has difficulty recruiting and retaining qualified teachers and principals for a school." It may help if we as a Committee actually saw that criteria. I'd imagine that is used in some cases to make that determination.

**Keith Rheault:**

I do not believe that is in statute currently. That is tied to the probationary rural school districts that were to develop that criteria.

**Chairwoman Parnell:**

That is one section that we could all support. Additional questions?

**Assemblyman Hardy:**

The amount of everybody who is licensed, as I heard you say—even bus drivers are licensed?

**Keith Rheault:**

They are unlicensed, the bus drivers, but I have approved those positions for the critical labor shortage positions in a couple of districts.

**Assemblyman Hardy:**

So they would not fit the definition?

**Keith Rheault:**

Correct.

**Assemblyman Hardy:**

If you applied the \$2,000 across the board to all of the "licensed personnel," as defined in proposed statute, what would that amount be? And is that in the proposed Governor's budget, or is that outside of the proposed budget?

**Keith Rheault:**

In the Governor's proposed budget, and if we are talking the newly hired teachers' stipends, there is \$5.2 million per year. The difference in using this year's numbers—they differ from year to year—but I had mentioned there were 2,866 new licensed personnel this year. Of that amount, 2,678 were new teachers. The difference would come to about \$376,000 if we had paid it off this year at \$2,000 per teacher. This is much higher than normal. Usually it has been around 2,200 to 2,400 total new licensed personnel in the past 2 to 3 years. It would only have been a difference of \$376,000 this year.

The one thing that is good about the bonus money is that we don't have to revert it every year, so last year we paid \$4.8 million for new hires. We were able to carry forward the \$200,000 to this year, which will cover most of the new hire costs. Explaining Assemblywoman Smith's question: How can you pay less than \$2,000? If the amount was set and we have \$5.2 million this year and there were 2,800 teachers to pay at \$2,000, we couldn't pay them the \$2,000. We would have to reduce that amount for this year to \$1,900.

**Assemblyman Hardy:**

So that is for the new hires on the stipends. If we did the stipends, what is the cost of that? And is that included in any budget?

**Keith Rheault:**

We are going to have to recalculate based on who is eligible and how it is worded. The bill had a cost of \$18 million and \$20 million. I can tell you in the Governor's recommended budget for both categories—the hard-to-fill and the "at risk" school stipends—there is approximately \$14 million in the Governor's budget. I see these numbers going up, because this year we added 77 schools to the "in need of improvement" list that were eligible. We are adding 3 new tests this year, meaning they are 3 times more likely that a school may get on the watch list. Once you are on the watch list, the next year you are on the improvement list. I see the number of schools going from 122 to 200 to 300 as the years progress, because it is tied to AYP [Adequate Yearly Progress] status.

**Assemblyman Hardy:**

In this bill I don't see the ability to transfer from one "at risk" school to another "at risk" school. Is that in here? Because there may be some stellar person who is at an "at risk" school that wants to go to another "at risk" school and the concept would be, wouldn't it be nice to have that person have that expertise shared somewhere else as well. Is that a possibility?

**Keith Rheault:**

It is not specifically in this bill. I know they could transfer within district. I would have to check it out though, because it says that to be eligible you have to have 2 years at that school. If you transfer from one "at risk" to the next, they technically would not meet the definition and would not be eligible for the money, even though they were getting it at the first school. It may be a consideration.

**Chairwoman Parnell:**

Additional questions for Dr. Rheault? I look forward to continued discussion on this issue. Dr. Rice.

**Dr. George Ann Rice, Associate Superintendent, Clark County School District (CCSD), Las Vegas, Nevada:**

[Read from prepared testimony [Exhibit C.](#)]

I have held my position for 14 years and have been at the district for a total of 33 years. We are appreciative of the fact that the Education Committee is attempting to find ways that will help districts attract and retain the most effective teachers for the schools that have the greatest needs. We also appreciate that you are taking up the bill so early in the session. We will have 180 school administrators recruiting in over 40 states this spring. In fact, our first trips have already gone out. They need to be able to tell recruits about the signing bonus and other related information. The Committee's focus this early in the session is very much appreciated.

In recent years, compelling evidence has emerged that teacher turnover has become a significant problem affecting school performance and student achievement. Drawing on the most recent School and Staffing Survey (SASS) from the National Center on Education Statistics (NCES), reported in 2003, we find that one-third of America's new teachers leave teaching sometime during their first 3 years of teaching; and almost half leave during the first 5 years.

Teacher turnover must be addressed for three very important reasons:

1. It has a disproportionate impact on poor students and low-performing schools.
2. It undermines teaching quality and student achievement.

- The research suggests a strong relationship between high teacher turnover and student achievement.
- In one widely-noted Tennessee study, children who had the least effective teachers three years in a row posted academic achievement gains that were 54 percentile points lower than children who had highly effective teachers three years in a row.
- Studies of teacher effects also have reported that teacher effectiveness improves with experience during the early years of a teacher's career. These low performing schools lose that improvement and teacher effectiveness every time a teacher moves or leaves the profession.
- In high-turnover schools, students are much more likely to be taught by a succession of inexperienced teachers.
- The problem is compounded by the fact that those teachers who initially stay but then leave after 4 or 5 years, take valuable experience and skills with them, depriving their former schools and their novice colleagues of the expertise they need to help students.
- Although private-sector employers place a significant value on learning curve loss, the value of teacher experience and expertise that is lost to schools due to high turnover has been largely unaddressed in education.

3. It drains Nevada and, in general, the nation's human resource investment in teachers

[George Ann Rice, continued.] The one-fifth credit legislation has placed administrative hardships on the Clark County School District:

The cost of the 2003 legislation—this was a question asked previously by members of the Committee—was a total of \$4,255,042.14, of which only \$2,123,480.36 was provided by the State. In other words, we had an unfunded mandate of \$2,131,561.78.

Determining the eligibility of teachers for participation has been a labor-intensive problem. Prior to the passage of the expanded law in July of 2003, district staff was only required to determine eligibility of teachers at schools that were deemed "in need of

improvement," which at the time were approximately five schools. With the expansion of the law to include teachers at the "at risk" schools, the calculations included 77 schools in Clark County in this year alone.

[George Ann Rice, continued.] The district can only calculate an average value of what one-fifth credit for PERS contribution would be. Then we have to send it, as Dr. Rheault gave us the scenario. We have to send it to the PERS for calculation, then they send it back. Then we send the money in, and so on. We have no credible evidence that this program has been of any help at all in attracting and/or retaining qualified teachers for "at risk" schools.

We would like to suggest that there may be better ways of addressing the problem. The stipend that has been suggested as an alternative would be a good start. In 2003, we negotiated with the CCEA [Clark County Education Association], representing the site-based administrators, that we would use a point factor for determining salaries of site-based administrators based upon the difficulty and complexity of the leadership task. In other words, principals in the "at risk" schools are now paid more because their schools represent even greater challenges than other schools.

By some of the more affluent schools we have received phone calls telling us that their schools are seen as a training ground for the "at risk" schools. I think that this point factor thing is working.

With the cost of housing in our State and in particularly in Clark County, we fear we will not be able to staff our schools this fall, because we have to recruit out of state 70 percent of our teachers. The average cost of a home in Clark County, as was set out in the *Las Vegas Review-Journal*, is approximately \$280,000 and it would require an income of \$78,000 to even hope, according to the *Review-Journal*, to swing it. To qualify for a new home, a new teacher would have to be married to another teacher and have one child working as teacher, all contributing their income to the family.

That is one of the reasons why we applaud the bill sponsor for including the \$2,000 signing bonus. We ask though that it be given as soon as possible, possibly August 1 or when a newly hired teacher arrives in town, whichever is later. Could the money, the one-fifth credit costs, be given to teachers in the form of a down

payment on a house? Could we consider a gas stipend for those teachers who generally drive many additional miles to teach in our "at risk" schools?

[George Ann Rice, continued.] We are working with our Chamber of Commerce on many initiatives to help our new teachers. One of them is that we have created a virtual job fair, because it is so important that their spouses be able to have a job in order to cover the expenses and their older children. In addition to that, we are sponsoring a virtual roommate service. Because we realize that many of our new teachers will not be able to afford an apartment on their own, so we, working with the Chamber of Commerce, are sponsoring this for our new teachers coming to town.

In 2003, when we were negotiating our contract with our teachers we began our "Noble Experiment Partnership," comprised of the Teachers' Association, the Association's Foundation and the Clark County School District. This was directed around empowering teachers to work with students in "at risk" schools. We were able to secure a Congressional Earmark Grant in 2004 for \$1.4 million. Thirteen "at risk" schools were included in the project. For the money that was spent this year, we could have included 40 new schools if we had an alternative or had some options about the one-fifth credit.

Two mentors were provided for each of these 13 "at risk" schools, teachers who had proven themselves effective working in "at risk" schools. Principals had 5-week head starts to look for new teachers or current teachers who wanted to transfer. That required a waiver of our contract, which our association willingly gave. In other words, 5 weeks before any other principal was able to go to the files and to select a new hire, the principals in these 13 "at risk" schools had that ability. Six weeks of intensive professional development in July and August were given, in such things as working with children of poverty and working in diverse settings. The time in these professional development classes in July and August was recognized on the salary schedule for credit.

The New Teachers Center staff in California, where they are experiencing phenomenal success in retaining teachers if they are connected with the programs that are espoused by the New Teachers Center, came down and worked with our principals and with these mentor teachers. Learning communities were created in each school for the new teachers, in which they could examine

their own practice and grow under the direction of their mentor teacher.

[George Ann Rice, continued.] Their participation for 1 year, again, is recognized on the salary schedule. Each recognition on the salary schedule is worth \$1,300 to that new teacher. We hope to include them in learning communities for at least 3 years if we can secure the money. The question was raised by our Association: what about the teachers who have been in these "at risk" schools and have dedicated many years of service to them? They suggested and we agreed that the district would pay for their National Board participation. Conceivably, we could have "at risk" schools where all new teachers and all veteran teachers were examining their practices in an effort to become more effective.

I would like to conclude by thanking the Committee for its focus and for understanding the importance of recruiting and retaining effective teachers in "at risk" schools. I would ask you to consider some of the other options that I have considered today.

**Assemblyman Hardy:**

In Boulder City, we have had about three principals in that many years. Your point factory works mostly, but there are some downsides with the principal issue. It is not as clean and straightforward, because you lose principals. They get trained and then go somewhere else. Principals are important as well.

**George Ann Rice:**

We agree with Dr. Hardy that the principal—the leadership provided—is one of the most important factors. If you have the strong leadership and you have the effective teacher who is prepared to do a good job, it is an unbeatable combination. We agree.

**Assemblyman Munford:**

I concur with what Dr. Rice said. I visited C. P. Squires and Kermit R. Booker Elementary Schools before session began. Those two schools, particularly, have strong principals. Their turnover rate is almost nonexistent. The personnel that were there were happy, content, and really driven. They dig right in with the kids; I was very impressed with those two schools. You are correct; it is the principal, and a strong principal helps to retain a lot of the teachers.

**George Ann Rice:**

I agree wholeheartedly. One year we did a study and we looked at the transfer out rate—whether they were leaving for a new school or a different school or

whether they were leaving the profession. We were going to look and see if there are schools that we could focus upon to offer extra help. In the schools that should have lost a lot of staff, according to the factors we were looking at, C.P. Squires and Booker did not lose any. We brought the principals of five schools in to ask what it was they were doing so that we could multiply this, and we have tried to work with principals in taking their interaction and leadership with their staffs and multiplying it across the district.

**Lonnie Shields, Representative, Nevada Association of School Administrators (NASA):**

We are thankful to the Legislative Committee to be included in the discussion on stipends, because it seemed like last session the administrative portion was left out of the bill and left out of the legislation. We also would like to strongly endorse the idea of a subcommittee to look at the entire stipend issue. It is much more complicated than one would begin to think. The issue in Clark County with the point system—in talking to Mr. Steve Augsburg, the Executive Director—we think it is working to a certain degree. However, it can be improved and it can be fine-tuned to meet the issues such as Assemblyman Hardy spoke of in Boulder City.

I don't know if the one-fifth retirement issue is as effective as everyone hoped it would be. It seems to be in all testimony that I have listened to, and what I have heard in talking to my own people, that there is some question as to whether or not it has served its purpose to bring highly qualified professional educators into our "at risk" schools. I think it is because they are so young at the time we are looking at it. I can remember a time in my life when I thought the 25 days leading up to Christmas was an eternity. Now I look back on the last 36 years of my profession and they have gone by in a whisper. It is all in a matter of perspective. If you are looking at the one-fifth as an incentive to get people there, you might want to look at the principals' points of view, because they are older when they come into those positions and would be more interested in the one-fifth retirement.

We are also concerned about why we would want to rush our best and our brightest out of the profession early. Why are we not looking at incentives that would retain the services of our best in the areas where they are needed the most?

That is one area that the subcommittee, and perhaps this Committee, would want to look at: whether or not the effectiveness of the one-fifth retirement is working. Also, in response to a question from the Committee earlier: Do we have proof that money talks? Yes, you do in any business that you look at. You have that guarantee that the more money you make, the more secure you feel

in your own personal life and the more liable you are to stay where you are. We also have to find those incentives to keep the qualified principal who is doing a great job in that position and not to move him up into the greenhouse or somewhere else, even though they are the most qualified to be there. When I was a teacher, then an administrator, I needed to move up into the upper echelon so that I could support my family better, like most of the principals that I have talked with.

**Dana K. Bilyeu, Executive Officer, Public Employees' Retirement System of Nevada (PERS):**

The retirement board is neutral with respect to the bill itself because it is an equivalent cost bill. From the perspective of the system, it is neutral. One point of clarification in respect to the purchase of service credit in the system, because each of those are individually calculated for the member and they depend upon two elements; the first being the individual's salary and the second being the individual's age.

Generally, purchases for teachers who are younger are less expensive and teachers who are older are more expensive. This is a good way to get an idea of the average cost. Individually, when calculating a stipend amount that would be, if tied to the purchase of retirement credit, calculated for any of the teachers or professionals who are going to be able to get that. It is something where we do work with the districts and with the Department to get the lists and do calculations. It is not an equal dollar for every teacher. It really depends upon the age and salary factors.

**Assemblywoman Smith:**

How staff-intensive is this, or could it become?

**Dana Bilyeu:**

Historically, the retirement system process is between 300 and 400 service credit purchases per year. Last year, we processed over 2,400 purchases, because one-fifth of a year purchases are processed identically to all other purchases. It is about a 30 minute process per individual, so it was about 1,500 to 1,800 hours for us to do that. We did it on an overtime basis. Our staff has been speaking with Dr. Rheault from the Department. Our estimates now are that it is going to be a much larger number, so we will be looking at that from a staffing perspective to see what the cost would be associated with it. It is difficult for us to add individual staff persons to do this because it all comes in one fell swoop between the months of June and September.

**Terry Hickman, President, Nevada State Education Association (NSEA):**

I come before you today to share with you concerns that Nevada's teachers and support professionals have about A.B. 60. We have provided you proposed language ([Exhibit D](#)), which is a substitute for Section 1 of A.B. 60, which addresses the eligibility requirements of the one-fifth PERS [Public Employees' Retirement System] credit incentives and clarifies our position that the one-fifth service credit is the best way to address the immediate concerns with identified shortage areas.

Any further incentive plan that creates a differential in salary and benefits absolutely must be bargained at the local level to make sure that they are fairly applied and meet the needs of the local school districts and their employees. It is for this reason that we oppose stipend in lieu of the one-fifth PERS credit. I ask you, please, that on our suggested amendment on page 3, subsection 4, b and c, we will restate those, because they need to be changed. We wanted you to know we are trying to be consistent. That is old language that we simply did not change, but we will change and submit to the Chair tomorrow. The original act excluded a number of licensed education professionals who deserve the benefit of the law, including school librarians, counselors, and nurses.

While A.B. 60 addresses this concern, we believe the bill misses the mark. As written in Section 1, paragraph d, subsection 3, the bill allows these employees to receive the one-fifth PERS credit whether or not these employees are working at a school that is "at risk" or a school demonstrating need for improvement. Additionally, A.B. 60 still excludes an important group of education employees from receiving the one-fifth PERS credit benefit. Those are the paraprofessionals. Paraprofessionals are education support professionals who, like teachers, work directly with students inside the classroom. Under "No Child Left Behind" [The No Child Left Behind Act of 2001], they too are required to be highly qualified. Given the nature of their work and the training they must go through to stay in the classroom, we believe they should receive the one-fifth PERS credit as well.

Another concern we have deals with the time requirements involved to earn the incentive. Currently a person must be working at a school that is "at risk" or a school demonstrating need for improvement for 2 years. Moreover, they are required to have been working in the school district for 5 consecutive years and be vested in the PERS system. Those additional requirements are not only tedious, but also serve as a disincentive for new teachers and teachers new to Nevada who want to work with students in "at risk" schools or schools that are in need of improvement. We propose that the time requirement be limited to working for 2 years in the school district at a school that is "at risk" or a school demonstrating need for improvement.

[Terry Hickman, continued.] We also want to state for the record that we agree with the Department of Education that the signing bonus should apply to all licensed personnel, including counselors, librarians, and nurses—all licensed personnel. I appreciate the opportunity to share NSEA's concerns about A.B. 60 with the Committee and I am open for any questions.

**Assemblyman Horne:**

When a teacher is at a "needs improvement" school and the school is taken off the "needs improvement" list, what happens to the one-fifth retirement?

**Terry Hickman:**

Currently, if the school goes off the "needs improvement" list, they would lose their eligibility for the one-fifth credit.

**Assemblyman Horne:**

That is an incentive that we are using to keep the teacher there. It seems like you are risking a backslide if you lose the incentive.

**Terry Hickman:**

That is something that I hope you will consider. Look at incentives, because that is something to consider when a school gets on the watch list, and eventually becomes a "needs to improve" list. And then, through a joint effort of administration, teachers, and parents, everyone involved in that program, they work and come off that "needs to improve" list, the reward is nothing.

**Chairwoman Parnell:**

It has really been a concern to me, because the incentive is to stay on the "needs to improve" list. That is not what we need in this state. We need schools being encouraged and having the incentives to bring those schools up and have them making adequate yearly progress. I think that is something that has bothered everyone; as long as you are not doing very well, you get the incentive. But if you do well, then we are going to take it away from you. I think we all agree that is reverse psychology. That is something that we will certainly be looking at as part of this discussion.

**Dr. Mary Pierczynski, Superintendent, Carson City School District, Carson City, Nevada:**

The spirit of A.B. 60 is good, but the bill poses concerns, certainly for our school district and school districts of our size. If this bill is not fully funded, it will add to the burdens of school districts already stretched for operating funds, because the bill clearly states that if there is not enough money to pay the entire cost of the additional retirement credit or stipend, the school district shall pay the difference.

[Mary Pierczynski, continued.] In fiscal year 2004, the Carson City School District had 22 teachers who qualified because they were at a school in need of improvement. This cost \$56,738; the district was given about 40 percent, or \$22,635, from the State. The remainder—60 percent—came from the district's general fund, \$34,000. In fiscal year 2005, the Carson City School District will have 147 teachers who qualify because they are in schools in need of improvement and 97 who qualify because they are in hard-to-fill positions. This will result in about 244 teachers who qualify for the additional one-fifth retirement. This percentage is probably not much different from other districts around the state.

If this is not fully funded, you can see the burden this will create for districts. Another concern that we had was one that you just spoke about. It is a disincentive to get off the "needs improvement" list. Two of our Title I schools, Bordewich/Bray Elementary School and Mark Twain Elementary School, have worked extremely hard. Our staff, teachers, and administrators have worked extremely hard to make Adequate Yearly Progress. These teachers do not qualify for any additional retirement because these schools, even though they are Title I, don't have 65 percent of the kids on free and reduced-rate lunch. They don't meet the requirement for "at risk" schools. From a monetary standpoint, they lose money because their students did well on the tests that qualify a school for AYP, so that is a big concern.

Thirdly, hard-to-fill positions with the one-fifth retirement down the road will cause another problem, especially for rural districts. Because you are additionally funding 5 years of retirement, that means science teachers, math teachers, special education, and ESL [English as a Second Language] teachers will be retiring at 25 years of service as opposed to 30 years. That is something that needs to be looked at. The last thing is that we certainly support the signing bonus that has been funded; it has been very effective. I certainly hope that we continue to see that. I would encourage a subcommittee to be formed to study this matter further. The spirit of A.B. 60, the idea of helping to maintain teachers in the hard-to-fill positions at the "at risk" schools, is a very noble cause. The details need to be looked at, so we'd certainly like to see a subcommittee.

**Dr. Dotty Merrill, Assistant Superintendent, Washoe County School District (WCSD), Reno, Nevada:**

I want to echo the comments that you heard from Dr. George Ann Rice. It is important, as we move into our recruitment season, to know what we can say to our potential new hires about a signing bonus. We strongly encourage the continuation of the signing bonus. It has been very important to us. I would like

to, on behalf of the district, support the suggestion by Dr. Rheault about the change in language that would begin in Section 1 and be reflected throughout the bill, moving from naming the various positions you see beginning in line 5 of page 2, and moving instead to "licensed educational personnel." For purposes of clarification, the registrar at all of our schools in the Washoe County School District is a classified position. That is not a licensed position.

[Dotty Merrill, continued.] If we were to provide this kind of support for the registrar, then we might need to move forward to do it for the custodians and others in the buildings who are also classified. So we would support your consideration of "licensed education personnel" throughout this bill. We support the proposal on page 6 for persons who are employed in isolated and/or remote areas. We certainly have those in our district and believe this would be an incentive to attract and retain those teachers that serve in those areas.

No one has yet pointed to Section 6 on page 7—taking just a moment to bring your attention to that section. This requires the board of trustees of each school district to submit a written report reviewing the years of experience of each school administrator in the district, seeking to see if there is a correlation between failure to make Adequate Yearly Progress and years of experience of the principal. We will certainly provide that report if this particular section passes in the bill.

However, I would like to point out that at Anderson Elementary School, which has been an incredible turnaround story in our district, the principal, when he came to the school, had 1 year of administrative experience. He has now been at that school 3 years and they have moved from a school that did not make Adequate Yearly Progress to a school that has had incredible growth and exemplary achievements in many ways. Certainly we can provide this study and we can examine that issue, but we do have anecdotal evidence across the state that there is not a strong correlation here.

I also draw your attention to the bottom of page 7 to Section 7, referring to the provisions of NRS [*Nevada Revised Statutes*] 354.599. This statute would require all school districts to fund the unfunded impact of this legislation and it would seem to trump the statute about not having to adhere to unfunded mandates. In our district, the unfunded nature of this for the current school year has been in excess of \$500,000. It is indeed, as Dr. Rheault, Dr. Rice, and others have indicated, an unfunded mandate.

I would just remind you of the information that you received from Dr. Rheault about \$3.6 million across the state. I also want to reiterate a comment you heard from Dr. Pierczynski. On the one hand, perhaps the proposals in this bill,

excluding the signing bonus, provide an incentive. On the other hand, perhaps the disincentive, and we believe that contradiction certainly merits a closer look and greater exploration.

**Chairwoman Parnell:**

Dotty, I was concerned. I met with some nurses last week and they pointed out if we had in fact kept the new language as is, most school nurses would not qualify because they are not RNs [registered nurses]. If we use the term "licensed personnel," will we then be able to include our LPNs [licensed practical nurses] and our other types of nurses in our school system and not just the RNs?

**Dotty Merrill:**

I believe that is the case. I am not an expert in HR [human resources] matters; perhaps others can address that specifically.

**Chairwoman Parnell:**

Then Dr. Rheault will want to look into that. Otherwise, as it reads, if we just did licensed, it would just mean those RNs, and they are few and far between in most of our school districts. Are there any questions for Dotty? Mr. Bacon is our last to give testimony today.

**Ray Bacon, Executive Director, Nevada Manufacturers Association (NMA),  
Carson City, Nevada:**

I want to address this from a taxpayer's standpoint. We have created a situation, which I testified against 2 years ago when we were doing the retirement thing. We have created a system of complexity, rather than addressing the thing on a short-term basis. That does all the negative things that you have heard about. The early teachers get to retire earlier. You wind up with a burden on the taxpayers during that retirement period of time, and as Dr. Mabey and Dr. Hardy know, in the next 10 years we are going to have a cure for cancer and people are going to start living 10 or 15 years longer. While PERS does a wonderful job of trying to go through what that long-term liability is, one or two medical breakthroughs and all of the sudden their numbers are way off. It is very easy to wind up a very different number, so we are creating a huge unknown liability off in the future by extending the number of average years that the person is going to be in retirement.

Certainly the thing that Dr. Pierczynski [spoke of] is absolutely critical. You wind up with an incentive to stay on the "needs improvement" list. Somehow, you have got to set this thing up, if you go to as Dr. Rheault suggests, a flat \$2,000 per year, or whatever the number turns out to be. Whether it is all personnel or whether it is licensed personnel, it really doesn't matter. But if you

set up some sort of a program like that, you at least have to go through and say—and by the way, not only does that apply while you are on the “needs improvement” list, but it is going to have to apply for at least a couple of years when they get off the “needs improvement” list. You cannot just cut them off immediately. It should be a stipend, and it should not be a part of base salary. Quite frankly, you may wind up with a teacher that is incredibly good at working with the “at risk” populations.

[Ray Bacon, continued.] Quite frankly you want that teacher, once one school has been really corrected and is on the right path and now has the high expectations that we expect of all students, it should be fair game for that teacher to move to another school and see if they can help move that school up, or an administrator for that matter. The concept is right. The details of this bill as it is currently written, in my view, have significant flaws from a taxpayer’s standpoint, from an incentive standpoint, and it needs a lot of work. It is not ready.

**Chairwoman Parnell:**

Seeing no one else to testify on A.B. 60, I will now close the hearing. We will be having a subcommittee as soon as we can hear the other pieces of legislation that address this issue. I think would be the best way to approach it, if at all possible. This morning we held a meeting behind the bar, my first one, to introduce BDRs 479, 378, and 376. I would love to hear all three of those this coming Wednesday, but it is also the address in the Chambers by Senator Harry Reid. Our time may be a bit limited on Wednesday. We will certainly post those and get to as many, at least an initial discussion on all, if possible. We have no work session. We are adjourned [at 5:16 p.m.].

RESPECTFULLY SUBMITTED:

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Paul Partida  
Committee Attaché

APPROVED BY:

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Assemblywoman Bonnie Parnell, Chairwoman

DATE: \_\_\_\_\_

## EXHIBITS

**Committee Name: Education**

**Date: February 21, 2005 Time of Meeting: 3:52 p.m.**

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