

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

**Seventy-Third Session  
April 20, 2005**

The Committee on Education was called to order at 3:50 p.m., on Wednesday, April 20, 2005. Chairwoman Bonnie Parnell presided in Room 3142 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4406 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:**

Kristin Roberts, Principal Deputy Legislative Counsel  
Carol Stonefield, Committee Policy Analyst  
Rachel Pilliod, Committee Manager  
Paul Partida, Committee Attaché

**OTHERS PRESENT:**

Rosemary West, Member, Executive Committee, Nevada Kids Count,  
Las Vegas, Nevada  
R. Keith Schwer, Ph.D., Executive Director, Nevada Kids Count,  
Las Vegas, Nevada  
David Perlman, Administrator, Commission on Postsecondary Education,  
State of Nevada

**Chairwoman Parnell:**

[Meeting called to order and roll called.] We have the pleasure today to hear from the individuals who are responsible for preparing our Nevada Kids Count study and lots of information. Some of it, I would say, is rather sobering. I think it is very important for all of us on this Committee to be aware of and realize that there are situations out there that might seem a little foreign to many of us.

**Rosemary West, Member, Executive Committee, Nevada Kids Count,  
Las Vegas, Nevada:**

I thank you for the opportunity to bring to the Assembly Education Committee a resource for Assembly members, as well as for all Nevadans. Kids Count is a well-respected project funded by the Annie E. Casey Foundation. Its purpose across the nation is to track the well being of children. Within Nevada, UNLV's [University of Nevada, Las Vegas] Center for Business and Economic Research is home for Nevada Kids Count. UNLV began providing data in 1996, and it became a home for it, published by the Center since 2000. Nevada Kids Count partners with Nevada Kids Count's advisory council, a 59-member board, which I'm honored to serve on. We also partner with the University of Nevada Cooperative Extension, Nevada Title 4B, Family Preservation, and Family Support Steering Committee. With that, we produce an annual Nevada Kids Count Data Book ([Exhibit B](#)).

The 59-member advisory council provides data, recommends data, looks at the possibilities of policy briefs, and tries to promote Kids Count throughout the state. That is why we are here today. We represent a diverse population of Nevada, including rural and urban regions. Members of the Kids Count Executive Committee work closely with the Executive Director, Dr. [R. Keith] Schwer, and Project Coordinator to further the objectives of the project. Each of us chairs a committee that brings to your attention some of the specific issues of child well being. They are available for your study. Louise Helton chairs the Committee on Health Conditions and Healthcare. Norma Moyle chairs the Committee on Diversity and Economic Well Being. Candance Young-Richey works in the area of Child and Youth Safety. Juvenile Justice is chaired by Fernando Serrano.

Distressed Community is chaired by Brian Kunzi. The Cost of Being Poor is my committee. Education and Achievement is chaired by Dr. Robert McCord at UNLV.

[Rosemary West, continued.] On your desk, you have your own personalized copy of Nevada Kids Count. You are the first Assembly Committee members to see that. Later today, we'll be passing out specialized packets to your Assembly colleagues as well. I wanted to make aware that they were for your eyes first.

**R. Keith Schwer, Ph.D., Executive Director, Nevada Kids Count, Las Vegas, Nevada:**

I'm here today to help unveil and roll out the 2005 annual Nevada Kids Count Data Book ([Exhibit B](#)). Nevada Kids Count works to develop useful information and database research to better the lives of children and youth. The annual Kids Count Data Book is one of our major products. The Data Book benchmarks the status of kids, giving us fact-based information for policy and discussion. We start by simply noting a point of history, that Kids Count arose out of the work of Jim Casey, who was the founder of UPS [United Parcel Service]. Upon retirement, he became interested in foster care. He then took his stock, which was sizable, and put it into a foundation in the honor of his mother, Annie E. Casey.

Jim Casey said, "Kids don't vote, they don't make political contributions, but they inherit the future." That has been the driving basis for Kids Count. Nationally, Kids Count began to focus on policy issues in Washington, D.C. and found that when data and information was available, both sides of the aisle were able to work together better. Better decisions were made. They took this model to the states. Today, all 50 states have a Kids Count Project. Nevada, for a number of reasons, was the last state to become part of the Kids Count Project. Having said that, I can tell you that we have caught up. Indeed, it has been my privilege to serve on the National Steering Committee for Kids Count and to work with other major organizations nationally to promote Kids Count and Nevada Kids Count.

Let me note that our work is funded by the Foundation, and that no State money is used, although that need not be the case. Indeed, other states have supported the Kids Count Project. That has not been the case in Nevada. We are going forward and we have made significant progress. We are looking forward to making even better progress by maintaining an ongoing conversation with citizens in our state about the critical issues of children, youth, their status, and our future.

[R. Keith Schwer, continued.] You have before you a booklet ([Exhibit B](#)) that includes a cross section of beautiful photos of our state. I would also note that last year's book, which is very different from our new book, includes a review of a lot of issues and provides the latest data. It also includes some wonderful stories by Nevadans about their youth and growing up in our state. Our new book is a much more slimlined version for this year. It primarily focuses on the data. It does not include the policy review and other information. You will also find in your packet a one-page summary that details the comparison of improvement and worsening conditions with respect to the major key indicators that we follow.

The question of indicators and what we are measuring is important. That is an area where primary research goes forward. We know that there are many issues that we're unable to cover, given the funding and given the resources that we have. This will give you a picture of some improvement, and indeed, on four of the indicators we were better off. On four of the indicators we were worse off, in year-to-year comparison. You also have in your packet detailed information about children in your district. We think that may be useful, in a very broad-based review. This was done with help from the Population Reference Bureau in Washington, D.C. We were delighted that we were able to do this.

We would also note that Kids Count has a large number of participants supporting our effort. That is given in the back of the book. You'll also find our website in the front of the book. Our website includes more information. It also includes policy briefs, where we attempt to focus on certain issues and present the facts that we have. We try to identify what we do know and what we do not know to help people better understand where we are on issues that affect the lives of children and youth. I would say that if you review the data over time, you would find in our state that we do much better with younger children than we do with teens.

On a comparison of children's indicators on teens that are done nationally, we tend to do worse than the national average. On measures that primarily deal with younger children, we do better than the national average. On average, we are an average state. What is important to keep in mind is that the process of measuring and benchmarking will enable us to make better decisions going forward in the future.

In closing, let me thank you for your interest in Nevada Kids Count, and thank you for your efforts on behalf of Nevada's children. We look forward to working with you in the future.

**Chairwoman Parnell:**

I'm looking at the packet ([Exhibit B](#)). How deep does your study go looking at our middle school or junior high school students?

**Keith Schwer:**

If you look at the children's indicator, you'll see that it does not go very deep. Indeed, we have been focusing on the dropout rate. We do know that there is a lot of research going forward with respect to education—in particular, how we learn—that is having significant implications. The fundamental research shows that investment in early education pays significant dividends. We know that when you look at Nevada, the indicators would suggest that it is the teens that are areas for greatest concern.

**Chairwoman Parnell:**

We had a bill that came out of this Committee, [A.B. 525](#). In one of the parts of that, we were addressing the need for ninth grade transition programs—perhaps a school within a school—where our ninth graders could be better acclimated into the system and have mentors and more guidance than they do. We just kind of plopped kids into our very large high schools, and I would think that this report would probably add some merit to that argument.

I'm looking at the pull-out on the total teen birth rates in Carson City. There were 721 total births, and that is all births in the community. That is not an age factor; it is all of the babies that were born in Carson City for one year. If you look over, teens 15 years old to 17 years old made up 32 of those births, and then unmarried teens made up 29 of those births. Am I reading that correctly?

I guess for all of us, the extremely alarming figure would be Clark County's number of children below the poverty level, at almost 61,000 children. Those are some interesting figures.

**Keith Schwer:**

I might note that on the front side of the table, you have the numbers, and on the back side, you have percentages. Given the nature of our state, with a relatively small population in our rural counties, one or two incidents can have an impact. We always want to caution people, particularly when making that evaluation from our large urban areas with our rural, smaller, counties, that the relative impacts may be critically important to look at. Where you have a few events over time, we like to average those to get a better feel for that.

**Chairwoman Parnell:**

I think it is especially important for this Committee to understand the population of those students that we are trying to serve in the classroom. It certainly

shows that we have some challenging situations for teachers to deal with, when you look at some of these figures.

**Assemblyman Holcomb:**

There are numbers like, as she had mentioned, Clark County and high school dropouts from grades nine to twelve. Have you considered putting a parenthesis on the side there? You do have the space. Just put the percentage. What percentage are we talking about in dropout? I could compute it, but it would be nice to be able to look at the percentages. I see graphs and things on dropouts. Normally, it is a percentage.

**Keith Schwer:**

The percentages are on the back page.

**Assemblyman Munford:**

I can see where you are funded. Are you asking the Committee to fund you again for next year or something? What are do you actually need from us? I'm not sure on that.

**Keith Schwer:**

I'm not making a request. I'm simply presenting facts for you as part of your decision making process. We have been funded since the beginning of the project by the Annie E. Casey Foundation.

**Assemblyman Munford:**

You are just telling us about it? I think it's a great book.

**Keith Schwer:**

This is our gift to you, and it represents what we are able to do with the funding that we have.

**Assemblyman Munford:**

I think it's great; the book is excellent. There is no question about it.

**Chairwoman Parnell:**

They are just sharing very vital information.

**Assemblyman Munford:**

He has it broken down for District No. 6, and that is my district. That is excellent. I can just turn right there and find all the demographics and information that I need.

**Chairwoman Parnell:**

All of that, and it's free, too; you can't beat that, Mr. Munford.

**Rosemary West:**

I'd like to comment about funding. These are the resources provided to us by the Annie E. Casey Foundation. Sometimes individuals—especially people in decision making situations—are asking for more information, data, and policy briefs. That could be possible, but it would have to be supported. Today, we are just delighted to bring this gift to you and to all Nevadans on the status of the well-being of children in Nevada.

**Chairwoman Parnell:**

Before you go, so that everybody can kind of watch this during the interim and especially be ready with some of this information before the next session starts, you do have the website and the information is in here. We can access that at any time if we needed to get a glimpse of what our child demographics look like.

**Keith Schwer:**

We have a website. I have also included a card. We would welcome any questions that you have. I think it is important, as we go forward and as we gauge in research, do projects, et cetera, knowing the issues as you see them are critically important. We welcome your inquiries.

**Chairwoman Parnell:**

For our next order of business, I'll open the hearing on S.B. 133. This bill was introduced by the Senate Committee on Human Resources and Education on behalf of the Commission on Postsecondary Education.

**Senate Bill 133: Revises provisions regarding refund policies and bonding requirements of private postsecondary educational institutions. (BDR 34-407)**

**David Perlman, Administrator, Commission on Postsecondary Education, State of Nevada:**

My brief comments this afternoon are in support of S.B. 133. This bill makes substantive changes to the refund policies that schools must have and some housekeeping changes to the bonding requirements.

[David Perlman read from [Exhibit C.](#)]

If passed, all schools would be required to have a pro-rata refund policy. This is necessary because during the last few years, the U.S. Department of Education went from mandating a student tuition refund policy to a return of Title IV policy. What we see now are students who think that their guaranteed student loan is going to pay for whatever balance they used while attending school, but it is actually being refunded back to the Department of Education. The school then requires them to come up with a personal loan, credit card, or payments to the school out of their own pockets. This has been a change that has happened over the last 2 1/2 years.

Senate Bill 133 also extends the period for which a student can be considered eligible for a refund from 40 percent of attendance to 60 percent. It would also require that refunds that are due being made in 15 days, instead of being spread over 60 days. We get a lot of complaints from students who have to pay up front before school starts—drop out for whatever reason—then it takes forever, in their minds, to get their money back.

The second part of the bill, which I think is housekeeping, changes the requirement to bonding. It eliminates the need for a school that is participating in Title IV to post a bond if their default rate hits the federal threshold. Currently, if it hits 25 percent, then the bonding requirement kicks in and they have to post a bond. Usually, what would happen anyway is that school would close. This doesn't have to happen. We don't need this anymore. Now, the Department of Education forgives loans if a school closes. Students are off the hook, and we don't have to make refunds, either.

The U.S. Department of Education has also come up with a lot of programs, where the school that has a high default rate can still participate in Title IV. I'm not sure exactly how their programs work, but before, they put them on reimbursement and cut off their funding in that manner. Schools pretty much just closed when that happened. For us to require them to have a bond anyway didn't do much good. These are the two changes. The first one helps students get their money back faster, allows them to stay in school longer, and still get a refund if something were to happen and they had to drop, and then the bonding requirement changes are just housekeeping. I support S.B. 133, and I would urge its passage.



**Chairwoman Parnell:**

I also want to point out to the members: in your files, we have a bill summary from the Senate side ([Exhibit D](#)). The bonding concerned me a little bit when I was first reading this. Any time I see that the bonding requirement has been eliminated, I get a little uneasy. Tell us again exactly why you now do not have to be bonded.

**David Perlman:**

It is for an accredited school that is in the U.S. Department of Education's Title IV program. In the past, the Department of Education said that if a school's default rate—in other words, the number of students who defaulted on their loans—exceeded their threshold, then they would be put on reimbursement and they would have to post cash bonds with the Department of Education to remain eligible. There was also no provision for the Department of Education to pay back loans if a school closed, which they do now. We were looking at refunding a lot of money to students if a school did close, because their default rate was so high that they were forced out of the Title IV program and subsequently closed.

That is not longer an issue, because if that does happen, the Department of Education will pay back their loans. Really, just forcing the school to incur another payment just forces them out of business.

**Assemblyman Hardy:**

Can you give us an example of these kinds of schools that I might know about in Clark County or somewhere else in Nevada or training programs?

**David Perlman:**

The University of Phoenix participates in Title IV, and they were just brought to bear under the microscope of the Department of Education and paid back a healthy penalty. Of course, they are in a financial position to do that. Sierra Nevada College participates in Title IV. We have nationally accredited schools like Heritage College in Reno, Career College of Northern Nevada, and Morrison University.

**Assemblyman Horne:**

I'm curious about which schools are having difficulty paying a bond. Is this just something that they would like to eliminate? The thing with me, I don't know, maybe more of the responsibility—just because if you don't have it, if you are closed, the Department of Education is going to pay the loans anyway. It seems like if you can have a bond, then maybe you should.

**David Perlman:**

It does not eliminate the bond requirement. Right now, a school, upon initial licensure, has to have a bond. It is set by the Commission. The minimum, of course, is \$10,000. Very few of them come in at \$10,000—they are usually around \$50,000 to \$120,000. They have to have that for a period of about three years, after which if—everything being equal—their financials upon renewal look okay, they can drop their bond. This particular provision that we are asking to eliminate is just for a school that participates in Title IV and their default rate hits whatever the U.S. Department of Education says is the threshold, which I believe is 25 percent.

If 25 percent of their students default on their payments, then the Department of Education comes in and penalizes the school by making them go on cash reimbursement. They effectively take away their good credit standing. It puts a financial burden on the school, and usually, they wind up closing. That is usually what happens. In the years that this provision—that we are asking to be removed—has been in law, we have never invoked it. The school has always closed.

**Chairwoman Parnell:**

Is there anyone else in Las Vegas or here that wishes to testify to S.B. 133? Seeing none, I will close the hearing on S.B. 133. In your folders, I've asked Carol Stonefield to provide you with a document ([Exhibit E](#)) that shows what bills this Committee did pass out, and where they are in the process. You might remember that I mentioned the importance of tracking these bills and supporting these bills through the process, if we can. If you see one on there that you have a particular interest in, please let me know. If you would like to testify in support of that bill or present that bill on the Senate side, that would be fine with me. Contact members on the Committee that you know, so that we can expedite their process and their life.

Assembly Bill 162, the Agassi Charter School bill, was heard today in Senate Human Resources and Education. They are starting to move. We also had two bills this morning in Ways and Means that were concurrently referred. They are moving along. Ms. Stonefield will guide you through some of the markings and information on that sheet.

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

There is one update [on [Exhibit E](#)]. When this was printed, A.B. 70 was still on General File. It has since been sent to the Senate. The notes attached to some of the bills indicated that Ways and Means has declared a bill eligible for exemption status or there is an amendment pending. The bills move constantly around as their status changes. As you can see, the bills in the first group are

waiting for action in the Assembly. The second group has been referred to Assembly Ways and Means. The third group begins to identify those that have already gone to the Senate. Then, as the bills move through the process, they will be moved. If there are any that moved to the Chief Clerk's desk—for example, on page 2—and remain there past the deadline for action, they would be moved to that section. The Senate bills in the Assembly are provided there with the date of the hearings scheduled. On the last page are the bills that remained in this Committee after the deadline.

**Chairwoman Parnell:**

If you would like to be the person to carry one of these bills on over to the Senate side, I would be more than happy to have any one of you do that. Please let me know if you have an interest. I know some of you had particular interests in some of these bills. We stand adjourned [at 4:24 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: Committee on Education**

**Date: April 20, 2005**

**Time of Meeting: 3:50 p.m.**

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A	*****	Agenda
	B	Rosemary West and Keith Schwer / Nevada Kids Count	Data book
	C	David Perlman / Commission on Postsecondary Education	Prepared testimony
	D	Chairwoman Parnell	Summary of S.B. 133
	E	Carol Stonefield / LCB	List of bills