

**MINUTES OF THE
JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-third Session
March 3, 2005**

The Joint Subcommittee on Human Resources/K-12 of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order at 8:00 a.m. on Thursday, March 3, 2005. Chair Barbara K. Cegavske presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator William J. Raggio
Senator Dina Titus
Senator Bernice Mathews

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Ms. Chris Giunchigliani, Chair
Mr. Mo Denis
Mrs. Heidi S. Gansert
Ms. Sheila Leslie
Mrs. Debbie Smith
Ms. Valerie E. Weber

STAFF MEMBERS PRESENT:

Bob Atkinson, Senior Program Analyst
Mindy Braun, Education Program Analyst
Laura Freed, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Mark W. Stevens, Assembly Fiscal Analyst
Jo Greenslate, Committee Secretary

OTHERS PRESENT:

Keith Rheault, Ed.D., Superintendent of Public Instruction, Department of Education
Douglas C. Thunder, Deputy Superintendent for Administrative and Fiscal Services, Department of Education
Paul LaMarca, Assistant Deputy, Assessment, Program Accountability and Curriculum, Department of Education
Bill Arensdorf, Office of Fiscal Accountability, Department of Education
Gloria P. Dopf, Deputy Superintendent for Instructional, Research and Evaluative Services, Department of Education
Donnell Barton, Office of Child Nutrition and School Health, Department of Education
Sam Macaluso, Teacher, Florence Drake Elementary School, Washoe County School District

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CHAIR CEGAVSKE:

We will be hearing the budget for the Department of Education, and we have 13 budgets to go through today.

K-12 EDUCATION

NDE – Other State Education Programs – Page K-12 ED-7 (Volume I)
Budget Account 101-2699

KEITH RHEAULT, Ed.D. (Superintendent of Public Instruction, Department of Education):

Budget account 101-2699, of the *Executive Budget*, contains a number of individually state-appropriated funded programs. It starts with the apprenticeship program that funds the education component of apprenticeship programs. It has been funded at the same level for the last four years and is being recommended by the Governor for that amount. When we submitted these budgets last September, we did not have this year's count. In this year alone, the number of instructional hours, submitted by the apprenticeship programs, increased by 6,000 hours. It was 40,276 hours last year and it is 46,107 this year. The increase in hours causes us to prorate the money which gives less per credit hour with the fixed amount of money.

CHAIR GIUNCHIGLIANI:

Remind me how the apprenticeship program works. I have legislation regarding technical and career vocation, and part of it was the old internship program that we called a quasi apprenticeship.

DR. RHEAULT:

This money goes to apprenticeship programs that are not within a Kindergarten through Grade 12 (K-12) system and it pays for related instruction. Enrollees must submit applications and there is no requirement to be unionized.

CHAIR GIUNCHIGLIANI:

What age are the students?

DR. RHEAULT:

The age is from 18 years and up.

CHAIR GIUNCHIGLIANI:

It is not high school age. My legislation is looking at 16- and 17-year olds.

DR. RHEAULT:

Most of the related instruction is provided by the community colleges.

ASSEMBLYWOMAN SMITH:

The numbers of apprentices I have seen, due to growth in the economy in Nevada, indicate the per-apprentice funding has been cut by 50 percent.

DR. RHEAULT:

When you divide the hours by the number of hours we repay the apprentices with the fixed amount, it has been cut by 50 percent. When you look at the

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year 1998, Nevada was paying \$474,000 for 23,000 hours of instruction. It is 46,000 today; it has doubled with approximately the same amount of money.

The next item is a continuation; it is \$200,000 for the System for Accountability Information in Nevada (SAIN), formerly the SMART system. That will support the Department in carrying forward the enhancements we are working on in that system. It was made clear by the 2003 Legislature that the \$1 million that provided one-quarter of a full-time equivalency (FTE) per school district is not included. The districts are picking that up. Within the budget is \$9,950,000 for the Commission on Educational Technology. That funding is broken out in a number of categories.

CHAIR CEGAVSKE:

The Governor did not put SAIN system money into the budget, and I wondered what your plans were for funding that program.

DR. RHEAULT:

I have \$200,000 for SAIN in the Governor's recommended budget in the final closing on page K-12 ED-11, Volume I of the *Executive Budget*. Regarding the district technical support, it was well publicized during the 2003 Legislative Session that it would be the last time the districts would be provided maintenance or ongoing costs. It would be up to the districts to continue the ongoing piece of running the SMART/SAIN system.

CHAIR CEGAVSKE:

For what are you planning to use the federal technical dollars?

DR. RHEAULT:

That is in a different budget, and I will cover that later. We receive federal technology literacy funding, but that would not apply to this case. That is one of the programs being zeroed out by the President's budget for 2007.

ASSEMBLYMAN DENIS:

How is the SAIN system running?

DR. RHEAULT:

We are on target after many years of struggling to get everyone in the system on the same program. One cause of delay, over the years, is that school districts had four different accounting systems. Clark and Washoe districts used the Sassy system. There were three other systems being used by other school districts. Between 2003 and today, new technology was developed that no longer requires all districts to use the same accounting system. A user can take available data from different places online and put it into one system. We contracted that system for this biennium, and our first product was the student report card. That can be viewed on our Web site. It contains every school, every school district and the state totals on all the accountability-reporting elements we must have.

The second deliverable was a program providing common student identifiers for every student in the state. We used to have a mix of locally-generated student numbers and social security numbers. We now have a program giving every student in the state a unique number. If a student moves from Las Vegas to

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Elko, the student identification will remain the same as it will if the student leaves the state and returns three years later.

The third deliverable is a program to create the final reports for this year's accountability system and enable all systems to download on a daily basis. That is currently happening. The enhancements we will start working on this spring are tying in the teacher-licensing database with the student database and our fiscal databases.

ASSEMBLYMAN DENIS:

Every school district is now connected and working, and you are able to obtain data from everybody?

DR. RHEAULT:

That is correct.

CHAIR CEGAUSKE:

We also want you to let us know what your plan is for state and federal dollars and which budget accounts you will be using for SAIN.

DR. RHEAULT:

Yes, I will.

SENATOR RAGGIO:

Regarding the SAIN system, the Letter of Intent made it clear that the General Fund money would be a onetime allocation. Are all the positions under this proposal to be funded by the districts? It appears the \$200,000 recommended by the Governor is contrary to the Letter of Intent.

DR. RHEAULT:

The \$200,000 that remains in the budget is not going to school districts; it is being retained at the state level.

SENATOR RAGGIO:

You are saying ongoing maintenance and support. Is that something the state has to do to continue the SAIN system?

DOUGLAS C. THUNDER (Deputy Superintendent for Administrative and Fiscal Services, Department of Education):

The intent of the \$200,000 was to cover the cost at the Department level, not the school district level, for ongoing maintenance of the entire system.

SENATOR RAGGIO:

What does that mean?

PAUL LAMARCA (Assistant Deputy, Assessment, Program Accountability and Curriculum, Department of Education):

The \$200,000 each year of the next biennium would cover ongoing licensing costs for the Otis Educational Solutions software, which is the standardization tool referenced by Dr. Rheault, that takes all the information from the local schools and standardizes it at the state level. It also pays for hardware maintenance, database maintenance and annual report card maintenance. That

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covers approximately one-half of the \$200,000 per year. The other \$100,000 is for technical support.

SENATOR RAGGIO:
Is this for a position?

MR. LAMARCA:
It would be a position the vendor would provide to the Department for ongoing support. It is not a position within the Department.

SENATOR RAGGIO:
I would like to see a complete analysis of where these funds are supposed to go and why it is not part of the funding now coming from the districts.

I would like to go back to the item on educational technology. This is one budget where we are continuing funding of approximately \$10 million for educational technology needs. There are several other budgets on the agenda today for which I know there is federal funding for this purpose. Can you tell us now, or prepare an explanation, of the total amount of money, both in General Funds and federal funds, that is available in these contemplated budgets for educational technology that would go to the school districts?

DR. RHEAULT:
I brought a summary from the Commission on Educational Technology. We provided similar information to the Assembly Committee on Education. It combines the federal technology and state money.

SENATOR RAGGIO:
How much is available?

DR. RHEAULT:
From the federal side, there was \$3.4 million this year for technology literacy; next year it is being cut by 27 percent. For fiscal year (FY) 2006 it will be \$2.5 million. That budget is scheduled to be zeroed out, or at least eliminated, for FY 2007. This year we have \$9,950,000 in state-appropriated funding. I will leave this summary with the Committee today.

SENATOR RAGGIO:
Budget account 101-2713 provides federal technology funding. Are you saying that is going away?

NDE – Elementary and Secondary Education Titles II, V and VI – Page K-12
ED-70
Budget Account 101-2713

MR. THUNDER:
It is one of the items in the President's proposed budget for their FY 2006 and our FY 2007 to be eliminated.

SENATOR RAGGIO:
Is that the only other proposed technology funding?

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MR. THUNDER:

That is correct. Of course, in the Distributive School Account (DSA), the school districts spend funding for technology to maintain their existing programs. In terms of dollars that flow through the Department, specifically for technology, that would be correct.

SENATOR RAGGIO:

My reason for asking is that when we adopted the Nevada Education Reform Act, we were able, at that time, to propose \$30 million for technology. We have not been able to continue that level of support for technology. Before we address that, I want to know exactly what is available from all of the sources you have referenced.

ASSEMBLYMAN DENIS:

On SAIN, you have a system you are running at the state level that interfaces with the systems from each school district. Is that correct?

DR. RHEAULT:

That is correct.

ASSEMBLYMAN DENIS:

Do you have a maintenance agreement to cover the software?

DR. RHEAULT:

Yes. During the interim we contracted with Otis Educational Solutions who have the system and set up everything. We do not have the technical expertise and staff at this point to take over and run it on our own.

ASSEMBLYMAN DENIS:

Do you have separate hardware to perform that interface?

DR. RHEAULT:

We have separate servers for the system in Clark County, one in Washoe County and one for the rural counties, owned by our Department, that collects the information.

CHAIR GIUNCHIGLIANI:

Regarding the Holocaust education, can you tell me why the Governor moved it to the Department of Museums' budget rather than the Department of Education budget?

MR. THUNDER:

I can tell you what happened until the time it went to the Department of Administration. It used to be funded in the Department of Education budget. When I started working for the state, the funding was provided to the Governor's Advisory Council on Education Relating to the Holocaust. In terms of accountability, the Holocaust Advisory Council wanted to submit bills to us for payment. If it is handled in that manner, we would have to assess an indirect cost. To prevent that from happening, we transferred the money to the Department of Administration which then paid the bills. We transferred it a couple of times, and during the next biennium it was appropriated to the Department of Administration.

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CHAIR GIUNCHIGLIANI:

I will ask staff to investigate whether transferring it to Museums would mean they will have to pay an indirect cost.

MR. THUNDER:

I am not an expert, but I suspect it depends on how the Department of Museums is set up, whether or not they use an indirect cost structure or directly charge those types of costs.

CHAIR GIUNCHIGLIANI:

Staff was saying it would be a straight cost. We still need to ensure there is a second-year fund similar to public broadcasting.

CHAIR CEGAVSKE:

You may return to the funding for the National Board Certification for Teachers, and I have a couple of questions. Since the Governor did not recommend the additional \$28,000, is there enough money to meet the needs of the teachers in FY 2005-2007?

DR. RHEAULT:

This year we had approximately 70 participants in the National Professional Teaching Standards License; 34 were successful, and state appropriations can only be used to reimburse the cost if successful. This year \$51,000 was adequate. We have been averaging approximately 40 successful teachers a year over the last four years, and we ran short in 2003. Therefore, we are making an effort to raise the amount because if 40 teachers were successful, the \$51,000 would not have been enough to reimburse them. We have made up the difference with federal funding provided through the National Professional Teaching Standards Board. As a state, we are only allocated \$10,000, but other states are not utilizing their allocation. We have been able to obtain up to \$50,000 over the last couple of years. We apply that money first because that can be given to every teacher whether they are successful or not, up front, to prevent them from having to pay \$2,300 on their own and wait for reimbursement.

CHAIR CEGAVSKE:

What safeguards are in place to ensure there is not a double reimbursement?

DR. RHEAULT:

We maintain good records on who has applied and we work closely with the National Teaching Board. We know reimbursement of the federal money comes through our licensing office and they keep records. We require all teachers to pay \$300 toward the \$2,300 cost. We have found that if there is a financial commitment, they are more likely to remain in the program. We have been able to give up to \$1,000 to each applicant in federal money, depending on the year. If the teachers are successful, we use state money to reimburse them for the difference in cost. The problem with the federal money is I cannot guarantee some states will not use their portion this year. So far, we have received a larger share of federal funds than some other states.

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CHAIR CEGAVSKE:

You said 34 of the 70 applicants were successful. Do you have plans to increase that number?

DR. RHEAULT:

Two groups provide training for us. Ms. Diane Barone of the University of Nevada, Reno, coordinates northern Nevada teachers, and the Clark County School District has an individual who works closely with the program and organizes it in southern Nevada. Our staff supports them and assists in recruiting teachers. The two training programs can handle a maximum of 100 participants each year.

CHAIR CEGAVSKE:

We would like the success rate to be higher.

DR. RHEAULT:

We have been exceeding the national average which is approximately 40 percent. Approximately 50 percent of our participants have successfully completed the program.

Regarding peer mediation, I know Assemblywoman Sheila Leslie has been involved with this program for a number of years. Approximately \$50,000 is provided over the biennium for peer mediation. We distribute that through application by the schools in amounts ranging from \$2,000 to \$2,500 to each school.

CHAIR CEGAVSKE:

We would like to see performance indicators from 1999 when the program came into effect. We would like to know about the success and benefits of the program. Have we received our \$50,000 worth?

ASSEMBLYWOMAN LESLIE:

The funding has been \$50,000 since the bill passed in 1999, and I am wondering if that is adequate. I noticed it is only budgeted for the first year of the biennium. Is that because we spend it all in the first year?

MR. THUNDER:

This is one of the line items we have used in either year of the biennium with the approval of the Interim Finance Committee (IFC) and the Governor. Last biennium we expended it all in the first year. The districts had the ability to use it throughout the biennium. This year, approximately two-thirds were expended in the first year. The money was allocated, but the districts did not draw it until they needed it. In response, the staff person who administered the program recommended an increase from \$50,000 to \$100,000. He also indicated that approximately 15 percent should be available to the Department to provide oversight and training. The administrator is going to retire in a few weeks, and somebody else will have to assume his tasks along with his or her own work. This arrangement will not be able to continue indefinitely.

ASSEMBLYWOMAN LESLIE:

You requested a doubling of the money, and the Governor chose to give it flat funding. Is that accurate?

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MR. THUNDER:

The administrator suggested we double the amount requested; we did not request it.

ASSEMBLYWOMAN LESLIE:

I would like to see your reports. The feedback I receive from teachers is that it is effective, and they would like to have more similar programs. If you have any backup data regarding why the administrator believed we should allocate more money, I would be interested in seeing it.

MR. THUNDER:

We have incorporated his report into the packet of information we distributed to you, a memorandum dated March 2, 2005, titled "Responses to Questions Resulting from the Pre-Session Legislative Commission Budget Hearing on the DSA and Department of Education: February 1, 2005," ([Exhibit C](#), original is on file at the Research Library).

CHAIR GIUNCHIGLIANI:

I would like to return to the signing bonuses. I do not care for them; I would prefer a different strategy. You awarded 2,353 bonuses in FY 2001-2002. Fiscal year 2001 is when we starting signing bonuses. Do you track how many teachers that received signing bonuses are still employed?

DR. RHEAULT:

We have not tracked this at the Department. The teachers were entitled to the signing bonus after 30 days of teaching. Districts are probably tracking that, but I do not have any information regarding tracking.

CHAIR GIUNCHIGLIANI:

We can ask the districts for that information. We should know, longer term, if it is having an effect. It is disruptive to faculty members, working at the school for 20 to 30 years, to have someone walk in the door and receive a bonus. It is an insult to them. Would you ask the superintendents for a breakdown, by county, of how many were hired, how many received the bonus and how many are still employed, beginning with 2001?

CHAIR CEGAVSKE:

Does the Department know how many have received the bonus since we started the program?

CHAIR GIUNCHIGLIANI:

We have a number for FY 2001. We do not yet have actuals for FY 2004. Is that correct?

DR. RHEAULT:

For the current school year, we do not have the final totals because we pay bonuses throughout the year. I know, for example, there were 2,852 new licensed personnel hired this year, but that includes everyone from administrators to counselors, and some do not qualify. My figures show there could be approximately 2,650 new teachers that could qualify this year.

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CHAIR CEGAVSKE:

We also wanted to know why you thought the numbers were decreasing. Do you foresee that continuing?

DR. RHEAULT:

That fund has been provided approximately \$10 million during the biennium, \$5 million each year. If it is not used the first year, we can carry it over to the second year. This year it is going to work out about right. We had approximately 2,252 new hires the first year for about \$4.6 million; we are going to need approximately \$5.3 million this year, so it averaged out. This year was unusual; we have never had that many new hires in one year. We usually have a maximum of 2,400 new hires.

SENATOR TITUS:

I noticed, in [Exhibit C](#), there are some numbers that indicate the Department of Education does not have a complete survey. However, attachment 2699-A of [Exhibit C](#) indicates that in Clark County, of the 1,812 new teachers that received a signing bonus, 227 left last year, or 12.5 percent. It suggests that is a good indicator of the rest of the state's retention. I notice 26 other states offer some kind of incentives including housing. Since affordable housing is becoming such a problem, I wonder if we should consider providing low-interest loans for housing as opposed to a onetime cash payment as a better way to help new teachers. That may also help with retention of teachers.

CHAIR CEGAVSKE:

That was discussed during the 2003 Legislative Session.

SENATOR TITUS:

Since the 2003 Legislative Session, the price of housing has risen even more, so there may be more of an incentive to review that again this session.

CHAIR GIUNCHIGLIANI:

The low-interest loans for housing are timely with higher housing costs, not just in Clark County, but also across the state. Perhaps, since we have approximately \$10 million, we could talk to Mr. Charles Horsey, Administrator of the Housing Division, to see if there is a low-interest revolving loan account we could set up to assist with something similar. Other states are providing moving expenses, housing and higher salary schedules. In California the salary is from \$35,000 to \$37,000; Nevada is \$10,000 less. We still get into the attract and retain aspects of the issue of low salary, but help with housing might be a better indicator of how to use resources.

Regarding public broadcasting, I do not want to lose that. That account should receive money in the second year as well as in the first year. Do you know why the Governor did not recommend, or did we just not ask because that is what we have done in the past?

MR. THUNDER:

The public broadcasters' line item, for at least the last five or six sessions, has been \$300,000 in the first year. A couple of sessions ago, we asked for it in both years, and it was removed. I need to point out that this money does not

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have a lot to do with K-12 education. It was channeled through us primarily because we had a fairly good method of distributing the funds.

CHAIR GIUNCHIGLIANI:

Do you take indirect costs from the public broadcasters' budget?

MR. THUNDER:

No, they are sub-grants.

CHAIR GIUNCHIGLIANI:

We have not increased the public broadcasters' line item in a long time. We will keep an eye on that.

CHAIR CEGAVSKE:

Would you go back to enhancement 301, the inspection of private and exempt schools?

E-301 Improve Pupil Achievement – Page K-12 ED-9

MR. THUNDER:

The way it is currently set up, the licenses that private schools pay for are deposited directly into the General Fund, much the way the teacher license fees were until three or four sessions ago. At that time they were transferred to the Department and became part of the revenue used to support that agency and has since become self-supporting. The fees for private schools have remained the same. They are deposited into the General Fund. The Department is required by the same statute to carry out several duties regarding private schools. We are suggesting that putting this money into the Department budgets would enable us to cover some of the costs we incur in performing inspections and reviewing applications.

CHAIR CEGAVSKE:

If that happened, would we have to amend *Nevada Revised Statutes* (NRS) 394.331?

MR. THUNDER:

I believe that is correct. It depends on how you define the General Fund, since this budget account is in the General Fund, if that is an acceptable use of that money. It is still in the General Fund, but I do not know the answer to that question.

CHAIR CEGAVSKE:

We asked the Legal Division and they advised we would have to amend that statute. Can you also tell us the average number of applications you receive from private and exempt schools? Do you also know the average cost of the inspections?

DR. RHEAULT:

Mr. Bill Arensdorf is supervisor for the consultant who works for the private schools, and he can answer your questions.

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BILL ARENSDORF (Office of Fiscal Accountability, Department of Education):
We currently have 75 exempt schools. We do not charge those schools a licensing fee, but we are still responsible to inspect their facilities and curricula. We currently have 90 licensed private schools and have the same responsibility and obligation to those. They pay a \$300 initial license fee, and the cost of license renewal is \$250. We would like to see some of those funds returned to the Department to enable the program to become self-supporting. The funds would be used to conduct the on-site inspections. There would be travel costs, and eventually we would like support services for that program, such as secretarial support, to review the applications.

CHAIR CEGAVSKE:
Do you have an estimated cost for inspections?

MR. ARENSDORF:
It is difficult to estimate. Most of them are in Clark County, and the person who is performing the inspections is located in Carson City. We try to perform as many as we can during one trip to Las Vegas. He may spend three or four days inspecting Las Vegas schools, and costs would include the price of an airline ticket, lodging and per diem for those days.

CHAIR GIUNCHIGLIANI:
With 90 licensed private schools and 75 exempt schools, is that number fairly consistent?

MR. ARENSDORF:
The exempt numbers are consistent, but the private numbers are increasing since there are more private schools opening, especially in Clark County.

CHAIR GIUNCHIGLIANI:
Approximately how many students are enrolled in the 90 private schools?

MR. ARENSDORF:
I will get back to you on that.

CHAIR GIUNCHIGLIANI:
Are you comfortable the base will remain, as far as consistency, for the numbers to collect?

MR. ARENSDORF:
We believe so, because the licenses are renewable.

CHAIR GIUNCHIGLIANI:
You need a statutory change. Is that correct? Do you plan to submit a bill draft request or does the Committee need to submit one?

MR. THUNDER:
We have not yet made that request. When we initially submitted this, we were not aware that change would be required.

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CHAIR CEGAVSKE:

Will you work with staff to determine the cost of inspections and your actual needs?

DR. RHEAULT:

To finish budget account 101-2699, there are a number of smaller categories to address. For example, library books have been in the budget and are now in the Base Budget. This will be the sixth year for which that has been funded.

CHAIR CEGAVSKE:

The other items are the school counselor and national board certification.

DR. RHEAULT:

The school counselor certification was funded at \$285,000. This is the first year it has been implemented. It is actually a school counselor/school psychologist bill that provides funding to pay the 5-percent increase in salary for those individuals who receive national certification.

CHAIR CEGAVSKE:

Do you know how many there are?

DR. RHEAULT:

I do not have a final number. We are collecting that. This was the first year that was available during the biennium. The preliminary numbers indicate that amount will cover the cost for this biennium.

CHAIR CEGAVSKE:

Again, will you work with staff in getting those numbers? Do you have the projection for FY 2005-2007?

DR. RHEAULT:

We will provide that as well.

ASSEMBLYWOMAN GANSERT:

You give a 5-percent bonus to the counselors that receive national certification. Is that what you said?

DR. RHEAULT:

Yes. In 2003, the Legislature funded the bonus incentive at \$285,000. If a counselor has national school counselor certification with a school counselor endorsement, the counselor is entitled to a 5-percent bonus.

ASSEMBLYWOMAN GANSERT:

Do we do anything like that for the teachers who receive the national certification?

DR. RHEAULT:

The line item above that on page K-12 ED-8 of the *Executive Budget* is the teacher certification, and that is the one we were talking about at \$51,429. The difference between the national board certification for counselors and the national board certification for teachers is that for teachers we use the funding

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to pay the \$2,300 fee to participate in the program. The school districts are responsible for paying the 5-percent salary bonus.

ASSEMBLYWOMAN GANSERT:

In addition to funding it, you actually provide a bonus to them after they receive their certification.

DR. RHEAULT:

Yes. It is in statute that they are entitled to a 5-percent salary increase above and beyond their normal pay grade steps which is paid by the school district.

SENATOR TITUS:

As I look at these figures, the amount authorized for library books is not increasing. If you divide the students by the amount of appropriated books, it is \$1.15 for each student. Now it is much less. Should we be factoring in growth as we look at appropriation for library books?

DR. RHEAULT:

We submitted the same amount. If you look at what was provided for libraries when the program was first funded to the number of students in the new schools, they are receiving less per student.

SENATOR TITUS:

It appears to be quite a bit less. Children do not have books to take home. They should at least have books in school libraries to read. Do you agree?

MR. THUNDER:

Part of the budgeting process was that we were requested to provide only what was spent in the base year. That is why it was reduced. Originally, it was \$374,000 each year, and not all of it was spent the first year. It was self-perpetuating in a downward trend. We calculated that if the \$1.15 were applied now, \$461,000 would be needed to maintain the same amount per student as it was originally.

SENATOR TITUS:

You would need \$461,000 as opposed to \$346,000?

MR. THUNDER:

That is correct.

SENATOR TITUS:

Why did you not spend the money?

MR. THUNDER:

It goes back to the first year. The money was not spent in the first year, but was allowed to be spent in the second year. There were initial requirements the Legislature dealt with when it came into session after the program started, and a correction in the total amount was not made at that time.

SENATOR TITUS:

In the short amount of time I have been in Finance, I keep hearing about all the excess money that is not being used by different agencies. It is being collected,

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but it is not going out. What is the point if we are not going to fund these programs to provide services to the public as intended?

MR. THUNDER:

I can assure you they are being spent now.

SENATOR MATHEWS:

Are the small counties still required to spend the funds received the year before in this particular account?

MR. THUNDER:

The requirement is that they cannot use this to supplant what they had otherwise scheduled to spend. They are required to spend in the current year at least as much from funds received in the prior year before they are entitled to receive the same amount.

SENATOR MATHEWS:

Therein lies the problem. I thought we had cleared that up in the 2003 Legislative Session.

MR. THUNDER:

That was one of the problems in the first go-around as to why some districts did not get adequate funding. I will check into that and update you regarding the current status.

CHAIR GIUNCHIGLIANI:

Through the Distributive School Account (DSA) funding, schools receive money for library books. This funding is in addition to the line item we have been discussing, is it not? Schools must show they are spending the funds in order to continue to qualify for it, because we did not want people holding the money. Is that accurate?

MR. THUNDER:

I would like to point out the library books line item in the documentation presented to support the DSA. When the amount that goes to the school district is calculated, it is the total amount of money that is, in essence, unrestricted to the districts. Considering their other requirements, they then budget it.

CHAIR GIUNCHIGLIANI:

I have a concern similar to that of Senator Titus. I am tired of inflation not being built into these budgets. I appreciate that you asked for the actual, but if I am going to look at education, the inflation was built into the higher education budget for college students but not for primary education. That is wrong. I will be looking at any equity issues regarding funding for inflation, utilities and so forth, in the entire Kindergarten through 16 specter to ensure all grades are receiving equal allowances for inflation. I will point out the entire K-12 budget, which is approximately 401,000 students, actually was reduced by 2.3 percent in the Governor's budget, and higher education had an increase of 20 percent in General Funds. If we want children to go to college, we had better ensure we give them more than adequate dollars in K-12.

E-302 Improve Pupil Achievement – Page K-12 ED-10

ASSEMBLYMAN DENIS:

I want to return to E-302, the Education Technology funding. Would you explain the process you went through to come up with this budget?

DR. RHEAULT:

Specific to this line item, this year, the Commission on Educational Technology conducted a workshop to review the funding needs. They were under the constraints that they were first happy to get it into the budget because it had been a onetime type of funding in previous years; second, we were entitled to submit two times our Base Budgets, at least from the initial development of our budgets. They were looking at maintaining what they received in FY 2004. Through the workshop held by the Educational Technology Commission, they looked at how things were spent and in which categories. I have the breakout of what happened in the Educational Technology Commission and how they decided to distribute the funds. They are basically the same as in previous years by category, some for maintenance, new equipment and innovative programs.

ASSEMBLYMAN DENIS:

Did you follow tradition and request input from the school districts regarding their needs?

DR. RHEAULT:

Yes, a number of the districts were invited to the workshop, along with other interested parties, to provide input regarding their requests for the proposed budget.

ASSEMBLYMAN DENIS:

As far as the technology issue, when we first started, the initial plan was to put a computer in every classroom in Nevada, and we have nearly accomplished that. Where are we currently as far as technology in education?

DR. RHEAULT:

The current state student-to-classroom instructional computer ratio is 11:1. That has improved. It is still not near the national average, but it is getting better. The percentage of schools with Internet access is 97 percent, but it is actually, according to our staff, closer to 99.9 percent. Percentage of schools with high-speed Internet access is 78 percent. I have a few other statistics including what the Technology Commission prioritized for their funding categories for the next year. They would like to see 40 percent for infrastructure, 8 percent for technical support, 15 percent for professional development, 20 percent for content material and 7 percent for pilot projects.

The Technology Commission prioritized their equipment needs. They still need to purchase computers for their technology infrastructure. Their top priority is level one in which they are trying to purchase at least one computer for every classroom. Level two is reducing the ratio of students to computers to 5:1.

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ASSEMBLYMAN DENIS:

We used to have a document that explained the Education Technology Commission. We have several new Committee members, and it might be helpful if you could send us a copy.

DR. RHEAULT:

We will send you a more detailed document.

CHAIR CEGAVSKE:

I will close the hearing on budget account 101-2699 and open the hearing on budget account 101-2673.

NDE – Education State Programs – Page K-12 ED-14 (Volume I)
Budget Account 101-2673

The two major issues in this area are the new charter school consultant and the new non-Title I school consultant. Can you tell us what the current one does, why you need two and what they would be doing for us?

DR. RHEAULT:

There are a couple of items regarding charter schools. One is that we have a current consultant that has been paid by 50-percent federal funding and 50-percent state funding. The funding came from a competitive charter school federal grant. That grant was not renewed; we applied for it and were not successful.

CHAIR CEGAVSKE:

Do you know why?

DR. RHEAULT:

We provided a response in [Exhibit C](#). They gave us eight or ten reasons why we were not renewed. There was a lot of competition for the money. Additionally, Nevada has fairly restrictive charter school laws, and the federal government was funding states with less restrictive charter school laws. They did not see the growth in charter schools in other states. There were also technical problems with our submission.

CHAIR CEGAVSKE:

Do we have a grant writer in position, and was he or she helpful in writing the grant?

DR. RHEAULT:

We have assigned an individual to look for grants and provide the required information. We still do not have one person to write the grants. The previous group that wrote the first successful grant also wrote the second unsuccessful grant. We thought we knew what they were looking for, but it was not funded. The current consultant was hired when charter schools first started primarily as a regulatory position. The consultant was to provide information to the charter schools and to be the first line of review to ensure the applications for charter schools were complete and compliant before submittal to the local school boards. When charter schools were first in place, we did not have any state-sponsored charter schools. The position was strictly regulatory, working

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with charters, ensuring they were following the law and working with school districts to ensure they were cognizant of state requirements.

CHAIR CEGAVSKE:

We only have 20 charter schools. Are two positions needed to take care of 20 charter schools? Could you work with staff and let us know exactly what the job would entail for each position?

DR. RHEAULT:

We will provide that. Since 2003, we have added four state-sponsored charter schools and we expect that number to increase more than those in the school districts. We have requested a second position which will provide technical assistance and monitoring for the State Board-sponsored charter schools. We were told by the charter schools that it is difficult for a regulatory position, such as our current one, to monitor and provide technical assistance. The Washoe County School District Board of Trustees has already provided a resolution stating they will not sponsor any new charter schools if that practice continues. Statute currently allows the State Board to sponsor charter schools. I see most of the work on charter schools coming to the Department of Education, State Board of Education to oversee all the fiscal, facilities, training and accountability previously performed by local school districts.

CHAIR GIUNCHIGLIANI:

Before we leave this area, can you talk about the non-Title I consultant and how the position fits into remediation funding?

DR. RHEAULT:

We requested a remediation consultant, the non-Title I position, prior to the Governor announcing he wanted to fund and emphasize school improvement.

CHAIR GIUNCHIGLIANI:

Are you saying the requested position could assist with the \$100 million proposal that is in the Governor's budget as well as the current remediation dollars?

DR. RHEAULT:

Most, but not all of the current remediation funding, was allocated. Much of it had to do with limitations on funding. The applications included requests for \$200,000 for some of the schools, but they were not funded because they could only buy programs at \$50,000. Approximately \$1 million was unspent in this year's funding.

CHAIR GIUNCHIGLIANI:

Conceptually, the fund is a good idea, but I do not like taking all the remediation dollars and placing it into the suggested \$100 million. Every school should qualify. We want to keep schools from being put on the adequate yearly progress list, and not give them funding just because they are on the list. Once they are on the list, we do not want to pull the program or the best practices out from underneath them. I want to gain an understanding of what is out there in terms of remediation dollars and perhaps look at innovative programs, such as programs for academically talented, or other programs separate from remediation.

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DR. RHEAULT:

The request for state funding for this position in budget account 101-2673 is appropriate because the state requires non-Title I schools to meet the same requirements as Title I schools that need improvement.

CHAIR GIUNCHIGLIANI:

If we were to fund this consultant, there may be a current need that did not exist in the past. Performance indicators would ensure we know what is expected of that position and how it will interface with the districts and the system with remediation.

Throughout your budget you have unclassified position changes similar to other budgets.

CHAIR CEGAVSKE:

I would like to emphasize the performance indicators throughout your budget need to be added where they do not exist and enhanced where they do exist. The numbers help us see what is happening in each area.

CHAIR GIUNCHIGLIANI:

I would like to explore the grant writer position and perhaps utilize the grant writer in the Governor's Office. I recall the position has not been fully utilized in the past, and we might be able to transfer that position to the Department of Education. The grant writer could focus on K-12 as well as writing grants for other groups. There is a lot of money we are not tapping. Additionally, when Assemblywoman Debbie Smith was chairing the last Standards Commission meeting, she, Ms. Elaine Wynn and I had a conversation regarding the nonexistence of true research and development in any K-12 budget. You should be the clearinghouse for research and development and perhaps take over some of that for the districts. The districts could be the collectors, but we need an independent body to analyze the information collected. We could possibly team with the University and Community College System of Nevada to work to improve student performance. We have grown large enough to warrant an actual research and development division.

GLORIA P. DOPF (Deputy Superintendent for Instructional, Research and Evaluative Services, Department of Education):

With regard to the performance indicators, particularly in the federal programs, we are required to have extensive indicators attached to the expectations of the federal government. In trying to integrate some of those into the state system, one issue we faced was consistency with performance indicators over years. We would be happy to work with staff in looking at integration of the federal performance indicators and making those attached to specific budget accounts more specific and meaningful. At the Department level, we are studying the relationship of school improvement, district improvement and state improvement plans, and achievement indicators attached to those. Additionally, we are studying our ultimate performance and overriding state and district improvement indicators.

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CHAIR GIUNCHIGLIANI:

In addition, we should be tracking the cost impact of underfunded programs mandated by the federal government as a performance indicator.

Ms. DOPF:

We would work with staff to accomplish those goals.

DR. RHEAULT:

Regarding the requested unclassified positions, we currently have eight directors and my secretarial support, Ms. Doris Arnold, included in the unclassified proposal. The numbers released in the press indicate individuals are going to receive a 20-percent and higher salary increase by going from classified to unclassified. We require Master of Science degrees from our staff. Most of our directors have been in the education field from 20 to 30 years. The increase would raise salaries from approximately \$76,500 to \$78,000, a 2-percent increase. Along with that 2-percent increase, they are gaining the fact that I can hire or fire them at will. There is no overtime pay or compensatory time off. Our office probably works more Saturdays, Sundays and Friday nights than most offices. Those facts make it difficult to keep good people, when they can go somewhere else for more money, when there is no compensatory time off.

CHAIR CEGAVSKE:

Your point is well taken. I will close the hearing on budget account 101-2673 and open the hearing on budget account 101-2720.

NDE – Education Support Services – Page K-12 ED-25 (Volume I)
Budget Account 101-2720

MR. THUNDER:

Regarding the enrollment audits, the numbers in our performance indicators were less than projected.

CHAIR CEGAVSKE:

You projected 75 percent, and the actual was 32 percent.

MR. THUNDER:

One thing that has affected our auditing department, besides a changeover in staff, which has been significant, is the addition of the charter schools. Each charter school requires more time than each district. The increase in the number of charter schools and the amount of time spent monitoring them has prevented the final figure from being at a higher percentage.

CHAIR CEGAVSKE:

How many new charter schools did you have over the last biennium?

MR. THUNDER:

Four this year, and over the three previous Legislative Sessions that charter schools have been in existence, the number has grown from one to twenty. Each time a charter school starts up, a substantial amount of time is required to help with their financial management and school operation.

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CHAIR CEGAVSKE:
Do you have that down to a science now?

MR. THUNDER:
Yes, we do.

CHAIR CEGAVSKE:
I will close the hearing on budget account 101-2720 and open the hearing on budget account 101-2697.

NDE – Proficiency Testing – Page K-12 ED-31 (Volume I)
Budget Account 101-2697

The major issue is the new position for the Nevada writing examination, E-300.

E-300 Improve Pupil Achievement – Page K-12 ED-34

DR. RHEAULT:
That is the only new item in the budget. The other funding is based on growth of students and the number of tests we must administer. The new writing consultant is addressed beginning on page 12 of [Exhibit C](#). We have one person in charge of the writing program in which we use teachers to test the hand-written responses to the writing examinations. The number of writing tests has doubled which means a doubling of the scoring sessions and related duties. There has been a lot of turnover in the position over the last six or seven years. It has a high burnout rate because the scoring sessions occur on Saturdays, and once the writing test is administered, the administrator could be busy for the next four Saturdays scoring tests.

CHAIR CEGAVSKE:
Have we changed the writing examination?

DR. RHEAULT:
We have changed the grades tested, but the number of grades has not changed. The grades tested are fourth, seventh and high school.

CHAIR CEGAVSKE:
In several areas in which you have requested new staff, we have not seen an increased workload to justify the need. Will you be able to use federal dollars in this budget for that position?

DR. RHEAULT:
We requested state appropriations since the test was a state-required test prior to the No Child Left Behind Act of 2001 (NCLBA). We have a proposal for use of some of the assessment money in the other federal budget. Since this is for a state-mandated test that has nothing to do with the NCLBA, it is a state responsibility.

CHAIR CEGAVSKE:
With the NCLBA requirements and because the writing examination is a part of adequate yearly progress, would we be able to use federal dollars for it?

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DR. RHEAULT:

I am not saying we could not use federal dollars.

CHAIR CEGAVSKE:

Will you work with staff on this issue? Those dollars can be used in this area.

SENATOR MATHEWS:

Could we get a summary of who is spending their library money by district? If they are not spending the money, why not? I would like to know why the rural districts are not receiving the money they are supposed to be receiving.

CHAIR CEGAVSKE:

Has the passing rate on the high school proficiency examination increased?

DR. RHEAULT:

I do not have specific numbers with me. During the 2001 Legislative Session, when the new math test was instituted, we had a low passing rate. We were asked to reduce the cut score back to the original cut score and increase it again over the next four years to restore it to the previous cut score. We have increased the cut score one time and have had higher standards. The passing rate increased by 3 or 4 percent. It increased from 89 percent in FY 2001 to 92 percent in FY 2004. This is specifically in the area of mathematics. We have had a higher pass rate in the reading category.

CHAIR CEGAVSKE:

Has the State Board of Education and State Board for Occupational Education thought about making the minimum requirement Algebra I?

DR. RHEAULT:

The State Board had not discussed that. Their last effort was to mandate a requirement of three mathematics courses. There has been a lot of input during discussions about the Millennium Scholarship Program as well as other scholarships to the effect that, to be successful, students should have Algebra I at a minimum. However, the Board has not reached the point of requiring Algebra I of all students.

CHAIR CEGAVSKE:

Do you know how many districts require Algebra I as a minimum mathematics requirement?

DR. RHEAULT:

Clark and Washoe Counties, as well as several others, require Algebra I as a minimum requirement.

CHAIR CEGAVSKE:

Could you check with the superintendents to see which districts require Algebra I?

SENATOR RAGGIO:

This is an area of great concern. I am looking at guidance for Nevada. When we adopted the Nevada Education Reform Act of 1997, we were optimistic of increasing standards to match those nationwide. Now we have mandates from

the NCLBA as well. It troubles me that we had to ratchet the passing grade down in mathematics. We are ratcheting the passing score up again until we reach the pre-No Child Left Behind score. I am not clear where we are on the ratchet process. Are we back to where we were before we lowered it?

DR. RHEAULT:

It may be one more year before we are back to where we were.

SENATOR RAGGIO:

It is still troublesome that we have to lower our standards. These tests were not designed to ensure that everybody passed. They were designed to ensure that what we were providing to students would make them competitive, not only with their peers across town, but also with their peers across the nation and the world. We have to stop trying to make sure the test score is at a level everybody can pass. I am being realistic. We are performing a disservice to young people if we graduate them from high school and they are unable to compete in the world. I am asking for recommendations and guidance. It ties in with what we discussed in our University and Community College System of Nevada budget hearing. We are one of the states with the least number of students who go on to higher education. We then have from 30 to 50 percent of students who must take remedial courses once they get to college. That is for English. As far as mathematics, most high school students are taking few mathematics classes. Students have not been required to take mathematics courses and are therefore performing poorly on mathematics examinations.

The Board of Education survey states schools are teaching the breadth, in large measure, of what is required in the standards but not the depth. We have provided funding for the professional development courses for teachers designed to ensure they are teaching to the standards. What needs to be done? Are we ever going to reach the goal established in 1997; it is now 2005. This is a disservice to our children, to families and the people paying for higher education standards. People say it is not fair because the students have not had enough exposure to the subject to learn what is on the tests. What is wrong with what we have been trying to do? How can we expedite this? I keep hearing excuses. Somebody is not doing what we have mandated to be done in this regard. Which department is responsible? Is it our fault as Legislators? We have the primary responsibility of the State Constitution to provide adequate and proper education. I see national surveys and reports from different agencies in which we receive C pluses and Fs because we are not doing enough. We are moving too slowly. We are punishing children by not providing the type of education they need to succeed.

DR. RHEAULT:

When the Nevada Reform Act passed in 1997, you set the stage for standards we never had before. The first wave was adopted in 1999. Part of the explanation for reducing the mathematics score was because the standards were just developed and adopted in 1999, and districts had not had the opportunity to provide that information by the time the first class graduated in 2003. The stage has been set, and we now have clear standards in mathematics and English. It is not a question of what they need to know. Reports and studies have been performed by the universities regarding when students take a mathematics course. We have not stepped in at the state level

to advise that if students take a mathematics course in their freshman and sophomore years, by the time they take the high school test and enter college, they have forgotten what they learned and end up taking remedial courses. Some of it is timing; some may be that we need to mandate certain types of mathematics courses. We have only required that students take four English, three mathematics and two science courses. We have not dictated what types of courses those should be.

SENATOR RAGGIO:

After this session, do we have to mandate that for the senior year?

DR. RHEAULT:

The Legislature should not have to do that. From the State Board and State Department's end, school districts within the state have been charged with providing the curriculum. We dictate the standards to which they must teach. It has been mentioned that some districts have mandated their students take Algebra I. In Clark County, students must take Algebra I in eighth grade. A number of districts have revised science courses, for example, because our science standards covered approximately ten different subject areas. A biology course did not cover all of the science standards; however, a physical science course did. Courses have been integrated. We are making progress. It may be slower than anticipated, but we are improving.

SENATOR RAGGIO:

It was your Department that provided the report, and it was your conclusion that the districts are teaching the breadth but not the depth. What does that mean?

DR. RHEAULT:

A criticism of the initial standards was there were too many standards trying to cover everything in a subject, and there are so many standards to cover that they could only cover the surface but not get into detail. We just completed the first review of the original standards. Science was the first and we have tied it to the selection of the textbook process. The initial science document was 50 pages of standards, and the biggest complaint was that it was too broad and covered everything. The science standards were just adopted by the standards council at their last meeting, and they will be on the agenda for the State Board meeting. We have honed in on the most critical pieces of standards. It is much improved from the first document. When we move forward, we can say to not teach the breadth, but teach the depth because we have defined specifically what the science standards are for elementary, middle and high school levels.

CHAIR CEGAVSKE:

Is there a plan to help implement a mathematics curriculum that will cover the depth? If you do not have it outlined, staff is willing to help.

DR. RHEAULT:

The next standards we are reviewing are mathematics. We are currently forming a review task force.

CHAIR CEGAVSKE:

How long does that usually take?

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DR. RHEAULT:

We expect to have the proposed revisions to the standards council by early fall. It is still 1.5 years before the mathematics textbooks will be revised and selected. We need to coincide the new standards with that. We will provide the districts with revised standards at least 1.5 years ahead of time to enable districts to revise their curriculum before they have to select textbooks. There is a plan in place to address and review the mathematics standards.

CHAIR CEGAVSKE:

Would you share that plan with staff? It is unfortunate that it takes so long to make and implement the changes.

ASSEMBLYWOMAN SMITH:

Mathematics is not one of the areas we have been concerned about as far as the number of standards or too much breadth and not enough depth. We have heard that continually about science, in particular, and some of the social studies. We need to talk about the root causes and figure out what is missing rather than using a Band-Aid approach to improving student performance. We need to correlate qualified teachers with the test scores. We also need to review attendance rates and substitute teachers. We need to ask where we are missing the connection, especially with mathematics teachers. Everything we have been hearing over the last few years, when we talk about mathematics scores, is about the teachers. We know qualified teachers are the key to children being successful in mathematics. The highly qualified issue is a good reporting mechanism. We need to be looking at recruiting and retention in areas like mathematics, and ensure we fill those slots with certified mathematics teachers and that we continue professional development.

We continually hear about Regional Professional Development Programs (RPDP) being vital to implementation of the standards and ensuring the teachers who need that help in the classroom are getting it through the RPDP program. I am thoroughly convinced we have to keep digging for all the information, and research and development information is another aspect of improving our education results. We need to have a central clearinghouse where we connect all the dots and ensure we are following the lines across and have every piece in place, the teachers in the classroom and that the children have the correct exposure.

CHAIR CEGAVSKE:

If you performed a study, you would be looking at creating a line to the new standards.

ASSEMBLYWOMAN SMITH:

I am convinced that what we are lacking is the information about who is in the classroom and what support we need to provide to teachers.

CHAIR CEGAVSKE:

I have talked to Assemblywoman Giunchigliani about exit statements from teachers regarding what was good and what was bad in their classrooms. We also need that from the students. I have talked to high school students who have graduated. Having a good experience is one thing, but having the content knowledge and everything they need to be successful is a completely different

story. It would behoove the high schools to ask students about their high school experience and how it could be improved for the next class. That would give us another thermometer to gauge what is going on in high school from those who are receiving our services. In a business, the way you determine if you are meeting customers' needs is whether or not customers return.

CHAIR GIUNCHIGLIANI:

I wish to thank Senator Raggio for bringing this up. While we sometimes do not agree on how to improve scores on the proficiency examinations, I have never questioned his commitment to education. Until you discuss, probe and ponder it, education reacts to pendulums. Somebody goes to a conference and comes back with a new idea, and it is dumped on the schools. We teach to trends more often than not. I am going to bring up something that costs money. As we add more standards, the teachers we hire need to know what our standards are and how to teach to them. We need to look at teacher training. The RPDs, of which I was not originally a fan, have worked.

When are we going to deal with time to teach? We have had 180-day school years forever. You can no longer expect content to be covered in depth if you do not have more time to teach. You can add to the day, but that does not gain more curricular time. I hope this session we can entertain a discussion about lengthening the school year. We must do things differently. It is expensive, but if you want us to teach to actual mastery, we have to have the time to do it. Otherwise, we will continue to cover the content, but not teach the depth. That is the crux of Senator Raggio's frustration, as well as mine, as a classroom teacher.

We must deal with some of the more costly items for which we have not wanted to pay. It is time we change how we do business in education. That must be hand-in-glove with the standards, the remodeling and making the determination of which courses to require students to take. Maybe it is time to require Algebra for eighth or ninth grade. High school students are out of school by 1:30 p.m. in Clark County. I would like to see dual credit for taking college classes at the same time on high school campuses. Our professors are not aware of our high school standards. Additionally, we cannot lose the children who do not need or want to go to college who are more career and technically based. We need to ensure we are meeting their needs as well.

CHAIR CEGAVSKE:

I will close the hearing on budget account 101-2697 and open the hearing on budget account 101-2705.

NDE – Teacher Education and Licensing – Page K-12 ED-36 (Volume I)
Budget Account 101-2705

In this account we have licensing fees, licensing reserve and the teacher licensure database. We need to discuss the low licensing reserve and why enhancements to the database are needed when the reserve is so low.

DR. RHEAULT:

We are hoping to implement a digital imaging process. We keep increasing the number of licenses and endorsements, but we have kept the number of staff

static. The only way we can be more efficient is to implement digital imaging so that everything is available at every computer. Part of the reserve was to be used to pay for that. I am using federal funds to cover approximately one-half of the cost of the imaging project. It is appropriate since we are adding requirements from highly-qualified teachers to other data we need to keep. If it comes to the point where the reserve is too low, that would be the first thing to be put on hold. We made the guarantee that we would live on the revenues projected. The Legislature said if we can generate the revenues, we would have more flexibility in meeting the needs of the licensing office.

We are on track with the revenues. We have started every year with \$100,000 or more in reserve which carries us to July when we start the next fiscal year. Since we do not expend all of the money in the budget and it is not reverted back to the state, there is not an emphasis to spend every nickel; excess remains in the budget. The budget shows a low reserve in FY 2007.

CHAIR CEGAVSKE:
Why is that?

DR. RHEAULT:
Part of it is a compilation of small increases. We did not show growth. The licensing increases match the growth in students. We have seen a slowdown in the number of endorsements. We issue approximately 5,000 additional endorsements beyond licenses and we charge a separate fee. We noticed that teachers are adding fewer endorsements to their licenses than in previous years. It could be a cost factor or it could be they are not adding the endorsements because the teacher must be highly qualified in order to add endorsements. The teacher may have a minor, rather than a major, in a field and can no longer add an endorsement with only a minor as they once could. We monitor the reserve closely. We have not raised the fees for licensing for four or six years and have kept staff constant. There are always a few vacancies and other things that increase the reserves by the end of the year, so we should be fine.

CHAIR CEGAVSKE:
Staff will work with you because the reserve is quite low.

SENATOR RAGGIO:
We have to import many new teachers. The growth is such that we do not produce enough teachers in Nevada. Is the competency test for initial licensure, the Praxis Series: Professional Assessments for Beginning Teachers, a nationally designed test?

DR. RHEAULT:
It is a nationally designed test. At last count, 36 states used the Praxis test.

SENATOR RAGGIO:
Is the Praxis Series test sufficient to ensure teachers being licensed for the first time are competent to teach to our mandated standards? Is there a nexus to determine that or is it a basic type of test? Additionally, is there any way to determine whether prospective teachers meet some highly-qualified requirements if they are to be hired for specific fields of instruction?

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DR. RHEAULT:

Regarding the subject area specialty test, the intent is not to say the teacher is going to be a good teacher or a highly qualified teacher, but to determine if they know enough of the subject area to go into the classroom.

SENATOR RAGGIO:

I understand that, but now we have a highly-qualified requirement, at least for Title I schools. Is there any way to determine whether new teachers meet that requirement?

DR. RHEAULT:

The Praxis Series tests have been approved by the U.S. Department of Education as meeting the highly-qualified requirements. As far as using the tests in Nevada, we have had stricter licensing standards requiring both a bachelor's degree and a major or a minor with the test since 1989. We have had to add provisions when we hire teachers from out of state requiring them to take the test within one or two years. In the state of Washington, a new teacher with a bachelor's degree and a major in mathematics would be highly qualified without being tested for competency. Federal law states a teacher is qualified by taking a test or having a major, but if the teacher in Nevada has both, with a provision on his or her license, the teacher is not considered highly qualified. We have been penalized for having stricter standards than many other states.

SENATOR RAGGIO:

Do you have any recommendations for change?

DR. RHEAULT:

I have made recommendations to the federal Title II administrators telling them they need to provide flexibility. We are different from many other states. This year, out of 2,800 new licensed employees, 2,200 are from out of state. We have made strides in that area in that the Legislature allows us to use other states' tests as equivalent to those of Nevada.

CHAIR GIUNCHIGLIANI:

Do new teachers receive a few days of training in what we used to refer to as the objectives to which we teach? Is that an area the State Board should look at for consistency in how that time may actually be used?

DR. RHEAULT:

The State Board has never looked at that. That is under the purview of the local school district. Preparatory time for new teachers is from three to five days, and a lot of the time is spent filling out paperwork and getting organized.

CHAIR GIUNCHIGLIANI:

Perhaps that is something for discussion on how we can ensure new teachers know what Nevada's standards are. I would like to disclose I am an unpaid employee of the Clark County School District on leave of absence.

ASSEMBLYWOMAN SMITH:

The RPDPs work with the majority of new teachers. Is that correct?

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DR. RHEAULT:
Yes, that is correct.

CHAIR CEGAVSKE:
I will close the hearing on budget account 101-2705 and open the hearing on budget account 101-2678.

NDE – Gear Up – Page K-12 ED-50 (Volume I)
Budget Account 101-2678

E-710 Replacement Equipment – Page K-12 ED-52

The issue with this account in E-710, is that the Gear Up program is going to end in FY 2006-2007. If it is ending, why would you need to replace computer equipment?

DR. RHEAULT:
I will get back to you with an answer. I do not know if the current equipment is so obsolete that it will not get us through the last two years. If that is not the case, I will let you know the reason.

CHAIR CEGAVSKE:
I will close the hearing on budget account 101-2678 and open the hearing on budget account 101-2712.

NDE – Improving America's Schools – Title I – Page K-12 ED-64 (Volume I)
Budget Account 101-2712

The issues here are the NCLBA, additional funds, Reading First Grant and the timely use of those funds and federal programs proposed for elimination.

MS. DOPF:
I will address some of your questions regarding budget account 101-2712. Regarding the federal proposals relative to the elimination of some of the funds, I will address the scope of the 101-2712 budget as currently configured. This budget account houses a great many of the NCLBA federal programs. It houses the Title I basic, the migrant, neglected or delinquent, our Reading First Grant, the Comprehensive School Reform Program, a sub-portion of the comprehensive school reform called Fund for the Improvement of Education (FIE) and federal Even Start.

With regard to elimination of funding at the current time for the President's budget, which would affect our FY 2007, of the programs I talked about, we have a zeroing out of Comprehensive School Reform. We would eliminate the FIE program which was a sub-portion of the Comprehensive School Reform that allowed us to utilize some of those school improvement-type funds for non-Title I schools. That elimination will take place going into the next school year. The federal Even Start Program that looks at preschool type services, a parenting basic skills improvement and a hands-on involvement with the children in their preschool activities has been zeroed out as well.

Some of these funds historically have been zeroed out in the President's budget and have been restored by the U.S. Congress. As it stands currently, we do not know where these programs will fall, and that would affect us in the second year of the biennium. It is the FY 2006 of the federal budget which would affect us in FY 2007. With regard to the other relative questions, there have been increases in the proposal for each of the funds. However, the increases do not offset some of the program eliminations, so the net effect, if the President's budget goes forth, is a reduction of 4 percent overall in the funds attached to the No Child Left Behind programs.

CHAIR CEGAVSKE:

Will the school districts be using any of the increased Title I funds for the English Language Learners (ELL) or full-day kindergarten programs requested in the Invest Plan?

MS. DOPF:

The school districts under the Title I Basic Grant receive a prescribed amount of flow-through entitlement funds that are part of the Basic Grant carved out and specifically identified to the local school districts. That money is provided by way of a plan that is provided to the State Department of Education that identifies utilization of the funds in the allowable areas and in the per-school allocations. As you know, the amount of Title I funds currently existing does not support the programs at all the eligible schools. The Title I served schools are a portion of the schools eligible to receive the funds. By way of the question as to what they will be used for, the districts could utilize the Title I funds for some of the programs that you have talked about such as the full-day kindergarten. Clark County School District is currently utilizing, on a pilot basis, some of the Title I funds for full-day kindergarten. However, I must indicate that there are many demands against these Title I funds, and they are the major source of funds for remediation efforts. When you begin to identify what is needed in remediation, we have full-day kindergarten, but we also have basic supplemental supports needed to remediate some of the programs. There is a push-pull for its ultimate use.

SENATOR RAGGIO:

For several Sessions we have been grappling with the issue of whether there are unfunded mandates. I am setting apart the prospect that there may be some reduced funding in the federal budget. I am seeing an increase, and one is projected in this budget. On the Reading First Grant, we have an issue on the timely use of those funds. It is indicated, for example, that the Department expended only \$1.7 million of the \$9.5 million available for the program. I would like an objective analysis at some point. I am hearing from Congressional representatives who assure us there are no unfunded mandates, and I hear from critics there are many unfunded mandates. Can somebody identify the unfunded mandates resulting from NCLBA?

CHAIR CEGAVSKE:

We asked the Department of Education and the Senate Committee on Human Resources and Education to do the same thing this week.

I will close the hearing on budget account 101-2712 and open the hearing on budget account 101-2713.

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NDE – Elementary and Secondary Ed Titles II, V, and VI – Page K-12 ED-70
(Volume I)
Budget Account 101-2713

Why do your performance indicators show no improvements in the number of highly-qualified teachers and professional development? Additionally, how are you using the money in the Education Technology Grant?

DR. RHEAULT:

When we compiled these budgets last spring and summer, the first year's data we had is what is reflected in the actual for FY 2004 on page K-12 ED-70 of the *Executive Budget*. Just over one-half of the teachers were highly qualified at the secondary level, and 70 percent of the elementary teachers were highly qualified for the last school year. The projected figures collected this fall indicated 76 percent of the elementary teachers were highly qualified and approximately 64 percent of the secondary teachers were highly qualified. I have a summary which I will provide to you.

CHAIR CEGAVSKE:

Do you have the numbers in your summary?

DR. RHEAULT:

I have the numbers by subject area or in whatever format the Committee wishes.

CHAIR CEGAVSKE:

You expressed that the \$3.6 million in Education Technology Grant funding is going away in FY 2006-2007. Why did the *Executive Budget* project the \$3.6 million?

MR. THUNDER:

What we budgeted for is what we knew at the time, and if it goes away, we will have to adjust our budgets. Often the programs proposed to be cut by the President are not cut. Therefore, we continued funding at the same level, knowing that if the programs were cut, there would be significant changes.

ASSEMBLYWOMAN GANSERT:

As a follow up to Senator Raggio's question, could we get a list of which funds we are not using? We are receiving federal funds, and in many of the budgets we are not utilizing the funds. I see that some of them roll over. Is there any way to put into tabular form which funds we are using and which we are not using?

MR. THUNDER:

Over the last two or three years, since the reports have been coming from Washington indicating we are not using funds, we have produced a report, and we will forward that to you. In the most recent report, we had not used \$250,000 which goes back to programs in 1998. The programs expired, and we could not use the funds after September 30, 2001. The way in which the federal government does bookkeeping, those funds are held in a certain place and, after a period of time, they take the funds out of the Department of Education's ledger and put them back into the Treasury's ledger. We run reports

showing where we stand on all federal programs. Most federal programs we receive from the Department of Education have a 27-month period in which those funds can be used. We might have three or four grants all open at the same time. We try to spend the oldest money first and keep track of all the funds. Presently, there are unavoidable events that prevent us from spending every penny. We keep that low, and less than 0.4 percent is the amount we are unable to spend.

ASSEMBLYWOMAN GANSERT:

In the last two budgets, it sounded as though there was more than 0.4 percent unspent. Can you always have a backup plan in the event there are unspent funds?

MR. THUNDER:

Most of the grants have requirements for funds to be used for a specific purpose. If they cannot be used for that specific purpose, they cannot be used for anything else.

CHAIR CEGAVSKE:

Looking at the Federal State Assessment Grant, of \$8.9 million, you have only spent \$836,937. This will bring us back to budget account 101-2697; we were looking at money expended for the writing test position and the SAIN budget. That is quite a bit of excess funding. Do you have a plan for the excess?

DR. RHEAULT:

That money may have shown up as unexpended, but it is encumbered. Part of the money was for the new test we added, and it probably was not reflected that the contractor has not been paid. We have that broken out and we will show you the encumbered amount so you will know where the money either has been spent or will be spent.

CHAIR CEGAVSKE:

You have spent the entire remainder?

DR. RHEAULT:

We usually do not spend it. It has a 27-month life. We believe this money will continue. It is a onetime assessment funding, and we do not want to spend it all because we then would not have a reserve. However, we do not want to wait too long either. We have a plan that is encumbered for the first two years.

CHAIR CEGAVSKE:

Please show staff so that we can see where you are going with it and determine whether the two areas we have talked about can fit into that funding formula. You are asking for the new position for test security purposes. In September 2004, you came to the IFC and we gave you a position. I am wondering why you need another position now.

DR. RHEAULT:

When the request for the test security position was submitted, we were not certain whether it would be considered during IFC as an upgrade. That would be one we would be willing to pull off the table. Testing is increasing, and we

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probably could use additional assessment help, but the security issue was answered by this Committee when you approved a position for us.

ASSEMBLYWOMAN SMITH:

I want to go back to the mathematics and science partnerships. Is that money that is designed to improve mathematics instruction coordinated with the RPDP so that we are on the same track with everything we are doing with mathematics? That is regarding Title II.

DR. RHEAULT:

I have not been closely involved with that. I will leave my summary of what we have used the money for with the Committee and we will provide you with the details.

ASSEMBLYWOMAN SMITH:

I would still like to ensure that, if appropriate, the two are connected.

CHAIR CEGAVSKE:

What are your plans for the money for the SAIN system? Additionally, in that area, could you explain why you did not hire the system computer programmer II position?

DR. RHEAULT:

When we first contracted during the biennium, I wanted to reorganize our technology offices within the Department. We were not sure of our direction or what we would need at the time. We submitted the computer position to be reviewed by the Department of Information Technology (DoIT). After DoIT reviewed what we needed, they determined we did not need a computer programmer, but a program manager/technology manager-type position. We will be advertising the position, which is a grade 37, within the next two weeks. We delayed filling the position purposefully until we knew exactly what we wanted. It is a position that we need and it is being paid with federal assessment money.

CHAIR CEGAVSKE:

Please elaborate on the costs of all the expenses listed for the SAIN system and provide that to staff.

I will close the hearing on budget account 101-2713 and open the hearing on budget account 101-2606.

NDE – Student Incentive Grants – Page K-12 ED-76 (Volume I)
Budget Account 101-2606

MR. THUNDER:

This program is one that has been removed almost annually in the President's proposed budgets. We are not taking full advantage of the amount available to us because that would require a two-for-one match in the portion of which we are not taking advantage. This provides support for the Robert C. Byrd program position.

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CHAIR CEGAVSKE:

I will close the hearing on budget account 101-2606 and open the hearing on budget account 101-2676.

NDE – Occupational Education – Page K-12 ED-80 (Volume I)
Budget Account 101-2676

DR. RHEAULT:

There are no new programs in this budget account. The administrative costs are funded with a match from state appropriations. This is one of the federal programs showing a zero grant amount for federal FY 2007. Of all the programs that could be hurt by the lack of federal funding, this would be the main one. Fifty-nine percent of the staff working in occupational or career and technical education is paid with federal money. Fifty percent of the operating costs are paid with federal money because there was an administrative match. We would be down to 5 staff if the state continued, and 95 percent goes directly to the school districts. They would be out the use of the funding to support and enhance their career technical programs. Also scheduled for elimination is technical preparation which is a program that takes high school juniors and seniors with community colleges, lines up their career technical course work and provides the students dual credit.

CHAIR CEGAVSKE:

Do you have any idea of how strong the possibility is of elimination?

DR. RHEAULT:

I feel strongly this particular program will be reauthorized. I am hearing from the lobby there is no congressional support on either side. The federal government stated their desire to eliminate ineffective programs. Of all the programs, this one has the best performance indicators as far as graduation rates and graduates going on to post-secondary training.

CHAIR CEGAVSKE:

This program affects the students who fit into niches. I would like to work through the state as well as the federal government to emphasize how beneficial the program is to Nevada's children.

DR. RHEAULT:

I have contacted all of our congressional delegation and they have given me commitments, at least on the Senate side, that they are supportive of renewing this program.

CHAIR GIUNCHIGLIANI:

I know it takes a long time to change a name, but unfortunately, Occupational Education is our old terminology. In order to change the name, we would have to change it in statute. I would also like to change the name of the Board of Occupational Education to the State Board of Career and Technical Education to parallel those statutes.

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DR. RHEAULT:

We worked on a bill draft request we thought would be one page, and it came back as thirty pages because they corrected all the occupational education references.

E-710 Replacement Equipment – Page K-12 ED-83

ASSEMBLYMAN DENIS:

Regarding the E-710 decision unit for this budget to replace computer equipment, what is your regular schedule for replacing equipment?

DR. RHEAULT:

We try to replace them every four years, but it sometimes does not happen. We have to come before this Committee every session. We replace them in either four or six years. Our plan is to replace them every four years if we can afford it.

ASSEMBLYMAN DENIS:

Are those computers listed under E-710 four years old?

DR. RHEAULT:

Yes.

CHAIR CEGAVSKE:

I will close the hearing on budget account 101-2676 and open the hearing on budget account 101-2680.

NDE – Continuing Education – Page K-12 ED-85 (Volume I)
Budget Account 101-2680

Could you explain why you want a contractor rather than an employee in this area?

DR. RHEAULT:

We currently use a contractor paid for with state appropriations to work with the adult education programs, both the prison and the regular programs. We requested a position to move from using a contractor to using our own employee in the Department of Education. That was not recommended by the Governor. It was a no-cost item, moving from contract to a position over which we had more direct control. It was timely since our contractor is retiring. It is similar to budget account 101-2676, the occupational education budget. There are projected cuts that could happen in the adult education program. My figures are showing a 71-percent cut. We serve 9,000 students, and the reason the federal money is important is that it serves the basic lowest level of instruction for General Education Development (GED) and non-English-speaking students. The program prepares the students to sign up for the adult programs. We are projecting the loss, if the funding is eliminated, of \$2.5 million.

CHAIR CEGAVSKE:

Are our numbers high for students earning a GED?

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DR. RHEAULT:

The pass rate for students taking the GED examination in Nevada is good. We can supply you with that information.

ASSEMBLYMAN DENIS:

Could you provide information regarding how many people have been helped through all adult education programs?

DR. RHEAULT:

Yes, we can do that.

MR. THUNDER:

Over the last couple of sessions, we have had significant increases in the funding provided for adult education. Those increases are being followed by a 71-percent decrease.

ASSEMBLYWOMAN WEBER:

I had an opportunity to visit a classroom at Desert Rose in Las Vegas. I visited the ELL class. I spoke to the principal who told me the graduation rate for GED and for high school diplomas is high because these students are a special group that is motivated. Additionally, many of the adult students who are currently employed are trying to improve their English skills in order to obtain better employment and United States citizenship.

CHAIR GIUNCHIGLIANI:

Regarding the adult basic high school diploma, I submitted a bill draft request to remove the age limit for taking the high school proficiency examination (HSPE). There is currently an age limit.

DR. RHEAULT:

The Legislation did not remove the age barrier. It lowered it from 17 years to 16 years. That is in place with parental permission.

CHAIR GIUNCHIGLIANI:

I am talking about the other end of the age limit, the cap of 25 years to be able to take the HSPE.

DR. RHEAULT:

There is no age cap on when individuals can take the HSPE. An issue may be that they have taken classes over the last six to eight years, but we are going to start holding them to the new academic standards.

CHAIR GIUNCHIGLIANI:

Perhaps we can discuss the issue when the bill comes out.

CHAIR CEGAVSKE:

I will close the hearing on budget account 101-2680 and open the hearing on budget account 101-2691.

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In this budget, we are looking at the Teen Nutrition Grant. We lost that, and I am curious as to why. Additionally, we have concerns about what you will do without that money. Do you have a plan to help the school districts with the summer school program?

DR. RHEULT:

Ms. Donnell Barton will address those issues. The grant you referred to was a competitive grant for a set period of time. It may be available nationally, but I do not know if we are eligible for another grant of that type.

DONNELL BARTON (Office of Child Nutrition and School Health, Department of Education):

We did not receive the Teen Nutrition Grant last year. We will apply for another one due April 15, 2005. We went through the post-review process and were told we were too aggressive in the grant request. We proposed to conduct a nutrition and physical education activity similar to the President's Physical Fitness Program. We requested Governor Guinn to support us with the Governor's Physical Fitness Program. In the President's program, a certain amount of sit-ups and pull-ups were required. We were targeting a program in which children were getting outside and doing more physical activities such as riding a bicycle or walking rather than requiring a certain number of sit-ups. We plan to cut back our proposal to more of a pilot program when we submit the grant request this year. We will also submit a request for Hazard Analysis Critical Control Point (HACCP) training with the new Richard B. Russell Child Nutrition Act. It requires that school districts have two health inspections each year, and we are working with the school districts in developing a HACCP plan. It has school districts talking about how they receive, store and prepare food, and warm it up to ensure it reaches the correct temperatures.

CHAIR CEGAVSKE:

How well did we score in the report? There was either a 20/20 segment or a national report naming Nevada when we inspected our schools. I know corrections were made, but how many of our schools had food violations?

DR. RHEULT:

I participated in a conference call with the Clark County School District regarding the inspection results. Of the 400 inspections on record, only 3 were not A-grade inspections, but by health standards, they met grade A. The results were exaggerated in the fact there may have been 20-percent violations and it was on a point system. The inspectors provided information that sounded worse than it was.

CHAIR GIUNCHIGLIANI:

I want to return to the physical fitness piece. How many of our elementary schools do not offer or require a full-time physical education (PE) teacher?

DR. RHEULT:

I do not have the numbers for you. They are required because we have PE standards.

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CHAIR GIUNCHIGLIANI:

Clark County only has full-time PE teachers and has had for years. Washoe County was attempting to get there but they never did. That needs to be addressed. If we want to address the issue of nutrition, obesity and proper health, it has to begin in elementary school.

SAM MACALUSO (Teacher, Florence Drake Elementary School, Washoe County School District):

To my knowledge, in the elementary schools, a PE teacher is an allocation. The schools have a certain number of allocations for each school. If the site chooses to make one of those allocations a PE teacher, they can. I know this because one time my position was considered overage and I was laid off from a school because we had a PE allocation, and our numbers did not come in. That teacher had to go back to the classroom and was not able to be a PE teacher.

CHAIR GIUNCHIGLIANI:

That is still being done that way, as we did with drivers' education. We need to ensure our children have that opportunity and we may need to see what is available in the rural districts. Regarding the summer food program, how much have we collected from the fines of the approximate \$500,000 owed us from people taking food out of the mouths of babies in southern Nevada?

MS. BARTON:

We are still working on that. The judge ruled against us in the summary judgment, and I cannot tell you why. That just happened around the first of February 2005, and I have not received the brief of why she ruled against us.

CHAIR GIUNCHIGLIANI:

Would you share that brief when you receive it? Who was the judge?

MS. BARTON:

Judge Jennifer Togliatti.

CHAIR GIUNCHIGLIANI:

That was approximately \$500,000 that never made it to food from which somebody profited. That is discouraging.

MS. BARTON:

We are working with the Office of the Attorney General and will seek other legal remedies as we move forward. Regarding physical activity, we just released a draft policy of the proposal for school wellness. The U.S. Department of Agriculture (USDA) is requiring that by 2006, each school district have a wellness policy in place. We will be taking public comment until May 15, 2005, and bringing it before the School Board in June to approve that policy. Currently, item 8 of the draft policy states:

Beginning with school year 2007, each local education agency shall designate at least 15 minutes for students to consume breakfast, designate at least 20 minutes for students to consume the lunch meal, serve lunch in elementary schools after the mid-day recess period and designate at least 30 minutes of time daily for physical activity.

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CHAIR GIUNCHIGLIANI:

Excellent, that will be a good start. Will the wellness policy apply to teachers as well as students?

Ms. BARTON:

We would hope the teachers would set the example for the students, but we are calling it a school wellness policy.

CHAIR GIUNCHIGLIANI:

Recess was eliminated in the Clark County elementary schools. This might help bring back recess.

CHAIR CEGAVSKE:

At William R. Lummis Elementary School in Las Vegas, the parents worked with the principal and they put recess before lunch. The teachers are evaluating that plan, and say it works well for retention after lunch as opposed to what it was when students returned to the classroom after running.

SENATOR MATHEWS:

What period do you give for lunch?

Ms. BARTON:

Twenty minutes for lunch.

SENATOR MATHEWS:

Do all schools allow 20 minutes for lunch?

Ms. BARTON:

Yes, in all schools.

SENATOR MATHEWS:

I received several letters I would like to share with Washoe County in which the students and lunchroom workers complained. The first letter I received was from Spanish Springs stating they were not receiving a lunch break. They complained because they had to pick up their lunch and take it back to class. If 20 minutes is the limit, we need to adhere to that. I do not know to whom to send that information.

Ms. BARTON:

I have not heard that comment. Twenty minutes is what is proposed. We just put it on the Web site yesterday. There is a comment form on the Web site so that people can review the policy and make comments. We will make adjustments to the policies based upon the comments we receive.

DR. RHEAULT:

If you looked at regulations or in statute, you will not find a 20-minute requirement for lunch currently.

SENATOR MATHEWS:

Is there anything that says they have to have lunch?

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DR. RHEAULT:

There are lunch breaks, but there is no time period set for them. The Fair Labor Standards Act requires employees to take at least a 30-minute lunch break.

CHAIR GIUNCHIGLIANI:

All the contractual agreements require at least a 30-minute duty-free lunch for faculty so the children also received at least a 30-minute lunch. Unfortunately, the Clark County high schools eliminated a lunch break and call it a nutritional break, from approximately 10 to 15 minutes.

MS. BARTON:

When you go into the statewide school wellness policy, you will find we have put a limit on the amount of fat, sugar, sodium and serving sizes. That should cut out some of the junk foods that are currently being vended in the schools.

CHAIR CEGAVSKE:

Regarding the decrease in funding for your summer school program by 57 percent, we wondered if you are looking for more sponsors. This is not just during summer school, but during the breaks for year-round schools as well. Is that correct?

MS. BARTON:

Correct. It is the Summer of Food Service Program, and we are looking for more sponsors. We have been working with the Northern Nevada Food Bank. They have a grant and are helping us recruit summer food sponsors.

CHAIR CEGAVSKE:

What about southern Nevada?

MS. BARTON:

In the south, working with the Northern Nevada Food Bank, we have the potential for nine new sponsors this year.

CHAIR CEGAVSKE:

Will you keep us updated on that?

MS. BARTON:

Yes, we will.

ASSEMBLYWOMAN LESLIE:

In the performance indicator for the School Breakfast Program on page K-12 ED-89 of the *Executive Budget*, it shows the percentage of enrollment having access to school breakfast, and it is flat at 78 percent, versus school lunch which shows a percentage of public schools that actually participate. That is why I have submitted a resolution. We have received many complaints about schools not being cooperative in the school breakfast program. What does "have access to" mean?

MS. BARTON:

There are two different programs. The first is called Breakfast in the Classroom, and we do not have a high participation rate in that program. In the Breakfast Served in the Cafeteria program, we have a good participation rate across the

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State of Nevada. Sometimes when children get to school, due to parents' schedules, they may arrive just before the start of class. They may not have the opportunity to participate.

ASSEMBLYWOMAN LESLIE:

Are you combining those two programs into this performance indicator?

Ms. BARTON:

Yes.

ASSEMBLYWOMAN LESLIE:

I do not like the term "have access to" because that does not tell me how many children are actually eating breakfast.

DR. RHEAULT:

When we developed this indicator, it was initially set up to find out how many students, if they chose and went to the program, could attend and how many schools participated. That is what the "78 percent of the students would have access to this program in schools in Nevada" means.

ASSEMBLYWOMAN LESLIE:

You understand the complaint we are getting, that the schools, for whatever reason, do not want to participate because it is too much trouble. Saying they have access to something they are not participating in does not reflect a true number of participants. We will talk about this more next week.

CHAIR CEGAVSKE:

One of the problems I have had over the years is hearing that schools opt out of any federal programs with money. If they have vending machines, they cannot receive the federal dollars. If they have student stores, those are in competition with what we are trying to do. That is a huge issue we have discussed almost every session.

Ms. BARTON:

Currently, we only have three school districts that are either breaking even or making a profit on the school lunch program. Those are Clark County, Washoe County and Carson City. Sometimes we have districts that may not participate in the program because they cannot afford to financially. Currently, we have only one school district, Storey County, that said their local board would not allow them to participate due to financial constraints. Reimbursement rates are as follows: for breakfast, reimbursement for a free student is \$1.23, for a reduced payment student is \$0.93 and for a paid student is \$0.23. Lunch reimbursement rates for a free student is \$2.24, for a reduced payment student is \$1.84 and for a paid student is \$0.21. It is difficult for schools in some of the rural areas to provide lunch at that cost and break even.

CHAIR GIUNCHIGLIANI:

Years ago, Austin, Nevada had the senior center prepare the school lunches and deliver them to the school. What I believe we have heard today is that individual school sites, even within Clark County, Washoe County or Carson City could opt not to participate. Is that correct?

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Ms. BARTON:
That is correct.

CHAIR GIUNCHIGLIANI:
Are you saying in order to sell junk food instead, they can opt out of accepting federal dollars for free and reduced lunch?

Ms. BARTON:
I do not believe that is the reason. I have heard, at the high school level, some of the children have had open campuses, and it has been easier for students to go off campus. Some of the children do not want to be identified as free and reduced, so they do not want to participate in the program.

CHAIR GIUNCHIGLIANI:
That had been the case, but they closed all the high school campuses in Clark County two years ago.

Ms. BARTON:
In Clark County, we are down to only seven high schools not participating in the national school lunch program.

CHAIR GIUNCHIGLIANI:
High school students are a different group. I am more concerned about the elementary schools. If a school decides to have a student commissary to make money rather than having their free program, maybe we could come up with another name change, too, we have to watch labels. We will wait and see what information you provide and discuss this topic again.

CHAIR CEGAVSKE:
Regarding the nutrition database, since we are running out of time, could you work with staff and let us know the status of the completion date?

Ms. BARTON:
We will have finished phase one of the KYRAN database, and in phase two, the summer food program, we will conduct training this spring with our new sponsors. Phase three is on hold depending on receiving reallocation funds from USDA which we will know in June or July 2005.

CHAIR CEGAVSKE:
I will close the hearing on budget account 101-2691 and open the hearing on budget account on 101-2715.

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Budget Account 101-2715

The issues we have are the supplemental appropriation and when that is needed for the General Fund support of the NRS 395 Program.

MR. THUNDER:
The supplemental appropriation is needed to cover the cost in FY 2005. This is also part of the NRS 395 Program. The question we have addressed is whether the amount of the supplemental appropriation needs to be added to the budgets

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for FY 2006 and FY 2007. We will forward that information to you this morning or early this afternoon. This program provides education for students whose individualized education programs cannot be met within their own districts. In relatively few cases, we currently have five; they must be placed out of state.

CHAIR CEGAVSKE:
How many of them are currently out of state?

Ms. DOPF:
Four out of five youngsters are out of state.

CHAIR CEGAVSKE:
How many special education children do we have in charter schools?

Ms. DOPF:
I do not have that specific information. That is not related to the NRS 395 Program. We have Child Count as of December 1, 2004, and charter school counts are provided, either through the district or for the state-sponsored charter schools, directly to us.

CHAIR CEGAVSKE:
The reason I was asking is because you are requesting a new position to perform those duties, and we need to know how many children will be served by the new position.

Ms. DOPF:
The issue of the charter schools and the need for an additional federally-funded position out of the Individuals with Disabilities Education Act funds, a consultant for special education relates primarily to the incidence of the state-sponsored charter schools. Under the state-sponsored charter schools, the responsibility for helping the school set up the program to comply with state and federal law, as well as the monitoring, falls to the Department of Education as the entity now responsible for ensuring the free appropriate public education for special education children. There is a significant amount of program establishment, including informing school administrators of the minimum standards required for federal programs. That exists whether there is one child or twenty children in the school.

Additionally, we are part of the compliance review for the application itself for every charter school because they must provide a program plan for the full compliance special education. We have staff attached to the application process directly involved with the state-sponsored charter schools in setting up the program and a direct obligation for monitoring those programs.

CHAIR CEGAVSKE:
We are trying to justify your request for three positions for four charter schools under the State Board, and your request for four positions overall when we only have twenty charter schools. I understand in the special education area we have a higher degree of need. Could you work with staff in justifying your request with more detail?

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Ms. DOPF:
We can do that.

ASSEMBLYMAN DENIS:
Are you anticipating an increased load in charter school applications at the state level?

Ms. DOPF:
We currently have nine potential new applications coming on board with all being able to go into a request for state sponsorship if denied by the school district.

CHAIR CEGAVSKE:
With no further business to come before the Committee, the meeting is adjourned at 10:48 a.m.

RESPECTFULLY SUBMITTED:

Jo Greenslate,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE: _____

Assemblywoman Chris Giunchigliani, Chair

DATE: _____