

**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  
April 6, 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 8:03 a.m. on Wednesday, April 6, 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  
Michael Archer, Committee Secretary

**OTHERS PRESENT:**

Douglas C. Thunder, Deputy Superintendent of Administrative and Fiscal Services, Department of Education  
John P. Comeaux, Director, Department of Administration  
Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education  
Bill Hanlon, Director, Southern Nevada Professional Development Program  
Joyce Haldeman, Clark County School District  
Gloria Dopf, Deputy Superintendent for Instructional, Research and Evaluative Services, Department of Education  
Lisa Foster, Deputy Chief of Staff, Office of the Governor  
Carl L. Shaff, Consultant to the Office of Career and Adult Education, Department of Education

**CHAIR CEGAVSKE:**

The Committee has received a letter in support of continued funding for the Classroom on Wheels (COW) program ([Exhibit C](#)). We will discuss the Distributive School Account (DSA) budget.

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## EDUCATION

Distributive School Account – Budget Page K-12 ED-1 (Volume I)  
Budget Account 101-2610

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

Assembly Bill (A.B.) 489 reduces the amount of property tax collected by the school districts as compared to what was in the *Executive Budget*. The projected General Fund support required will be \$12,631,191 in fiscal years (FY) 2005-2006 and \$31,369,717 in FY 2006-2007. We concur with the Fiscal Analysis Division staff's calculations.

ASSEMBLY BILL 489: Provides for partial abatement of ad valorem taxes imposed on property. (BDR 32-1383)

CHAIR GIUNCHIGLIANI:

As local government revenues stay flat, a larger portion of their expenses may have to be covered by state funds. Do we need to worry about revenue projections beyond FY 2007?

MR. THUNDER:

No, I do not see a problem at this time.

CHAIR CEGAUSKE:

Do you have any comments on the projected amounts of utility inflation which shows an increase in General Fund support of \$2,658,254 in FY 2005-2006 and \$5,682,725 in FY 2006-2007?

MR. THUNDER:

We agree with the calculations.

BOB ATKINSON (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Budget Division initially submitted a budget amendment proposing the removal of group insurance increases which are built into the DSA. It was the intent of that amendment for group insurance costs to remain flat from the previous biennium. Because group insurance is stated as a percent of salary, any time there is a salary increase, there is a built-in increase in the group insurance cost. If the 2-percent proposed salary increase were approved, that would increase the allowable amount for group insurance by 2 percent. Preliminary information from the Department of Education on what the school districts were projecting for group insurance increases over the next biennium shows an 11-percent increase in FY 2006 and a 13-percent increase in FY 2007.

CHAIR GIUNCHIGLIANI:

Is the Governor's budget amendment trying to remove any future group insurance increase? What is the cost of this?

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MR. THUNDER:  
That is the Governor's intent.

MR. ATKINSON:  
The cost to fund these increases would be \$16 million in FY 2006 and \$39.2 million in FY 2007.

CHAIR GIUNCHIGLIANI:  
This is a change. We have never based school district insurance rates on what state employees receive. I would not accept this proposal and would rather see it based on the actual costs the school districts anticipate rather than what the state anticipates.

SENATOR RAGGIO:  
We now see that the increase would be over \$45 million. I would like the Budget Division to comment on the group insurance rates.

JOHN P. COMEAUX (Director, Department of Administration):  
Based on actuarial information provided by the Public Employees' Benefit Program (PEBP), we put together a budget showing an increase in group insurance costs. We also built that increase into the DSA account. The PEBP came back later with updated actuarial information indicating not only was no increase in the state contribution necessary, but it could be decreased. The amendment we proposed to the DSA takes out the increase for the group insurance. We now have about a 2.2-percent increase for group insurance in FY 2005 and a 2-percent increase in FY 2006.

The school districts presented the initial report of expenditures for the last full fiscal year 2004 and the Budget Division used that set of figures to construct the budget. However, the school districts then filed an amended report showing they had understated expenditures by \$34.5 million. We discovered it was not actual expenditures they had understated; it was designated reserves which they had reported as part of the ending fund balance. Most of these items would not normally be funded; however, since the school districts cannot get funding on a onetime basis, they resorted to scraping the money out of their ongoing budget by imposing reductions in their salary costs. Thus, the savings that generated to produce this ending fund balance are not repeatable on an ongoing basis. Of the \$34.5 million per year to keep the school districts running, most, if not all, must be restored in the DSA. The Governor believes the Economic Forum meeting on May 1, 2005, is likely to result in a forecast that will increase our ability to cover these adjustments. He will wait until then before recommending expenditures be eliminated from the budget to accommodate this.

SENATOR RAGGIO:  
We need to look closely at this \$69 million adjustment. What is your position on the group insurance survey resulting in the \$44 million increase? You need to get back to us on that issue.

CHAIR CEGAVSKE:  
We will also need to know what impact it will have on the school districts.

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CHAIR GIUNCHIGLIANI:

When we passed the property tax relief legislation, it was understood that the General Fund would make up the shortfall. Now, it appears the money is not there. Is that accurate?

MR. COMEAUX:

This is a policy issue. If the expenditures the school districts reduced in order to create this ending fund balance reserve had not been ongoing, we would have been justified in not replacing that funding in the budget. This, however, is not the case. Even if Clark County could do without that money, the way the DSA works, it would still have an effect on every other school district in the state

CHAIR GIUNCHIGLIANI:

During the last special session we added money to PEBP. Can we do that with the underfunded school districts?

MR. COMEAUX:

I do not think so.

CHAIR GIUNCHIGLIANI:

Before we make any decisions on the group insurance, I hope we give this greater scrutiny.

CHAIR CEGAVSKE:

The next item for discussion is A.B. 93, a supplemental appropriation in the amount of \$9.6 million for distribution to the school districts to reimburse the estimated FY 2004-2005 costs of providing health insurance subsidies to school district retirees who are participants in PEBP. Recent estimates by the Department of Education and PEBP indicate the amount might be reduced to \$8 million. Would you like to comment on that?

**ASSEMBLY BILL 93:** Makes supplemental appropriation to State Distributive School Account for unanticipated expenses for Fiscal Year 2004-2005 for providing health care subsidies to retired school district employees. (BDR S-1187)

MR. THUNDER:

Before I comment, I would like to wait until after the May 2005 billing amounts come from PEBP.

CHAIR CEGAVSKE:

We will now discuss early childhood education. Why are your performance indicators so low?

MR. THUNDER:

We plan to submit our responses to that, and other issues, later today.

CHAIR CEGAVSKE:

We will now discuss retirement credits for high impact positions as shown on page K-12 ED-5. To fully fund this, we would need an additional appropriation of \$6.5 million over the next biennium. Is that correct?

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

That is correct. It is due not so much to the increases in the specialty areas as it is to the definition of which schools qualify as "at risk" or "needs improvement." The "needs improvement" schools are those that will be increasing.

CHAIR CEGAVSKE:

Should we limit who gets retirement credits?

DR. RHEAULT:

Assembly Bill 110 is designed to eliminate retirement credits for those schools identified as "needs improvement" while leaving the "at risk" schools. The intent was to get teachers to work in hard-to-serve schools. Last year the number of "at risk" schools that qualified was 100; this year it is 111, a stable population. The only thing we recommended in A.B. 110 was the elimination of retirement credits for "needs improvement" schools, as this group of schools is not a stable population. If approved, the definition of an "at-risk" school would need to be modified to include high schools.

**ASSEMBLY BILL 110:** Revises provisions governing incentives for teachers teaching in certain subject areas and schools. (BDR 34-376)

CHAIR CEGAVSKE:

Have you thought of adding other positions for qualifying for retirement credits in hard-to-fill areas?

DR. RHEAULT:

We did not recommend any additional positions beyond those that were identified in the Legislative Session.

CHAIR CEGAVSKE:

We will now discuss class-size reduction. This Subcommittee will need to address four issues: should funding for the current teacher-to-student ratios in Grades 1 through 3 be maintained; should the current teacher-to-student ratio in "high risk" kindergarten be maintained; should flexibility in the use of state class-size reduction funds, within the amount of funding provided by the *Executive Budget*, be continued in rural schools; and should flexibility in the use of state class-size reduction funds, within the amount of funding provided by the *Executive Budget*, be expanded to urban school districts?

CHAIR GIUNCHIGLIANI:

The Governor indicated that flexibility in class-size reduction should be expanded to urban school districts. In the Assembly we will be looking at legislation to drive down the class-sizes for kindergarten.

CHAIR CEGAVSKE:

Assembly Bill 526 would amend the *Nevada Revised Statutes* (NRS) 388.700 to reduce the number of variance requests. Can you provide some rationale for that?

**ASSEMBLY BILL 526:** Revises provisions governing class-size reduction program and National School Lunch Program. (BDR 34-377)

DR. RHEAULT:

The bill was requested by the Board of Education. Since 1989, school districts have had to request variances for class-size reduction for any instance where the pupil-to-teacher ratio goes above the ratios in statute regardless of funding. This bill provides that schools districts would only request variances if the pupil-to-teacher ratio goes above what is funded for that class or grade.

CHAIR CEGAVSKE:

If it is impossible to meet the requirement, why would we stipulate a ratio?

CHAIR GIUNCHIGLIANI:

We will be able to track the dollars more effectively even though we never achieve the ratios prescribed by statute. If we do away with team teaching, how will this impact your Department and/or school districts?

DR. RHEAULT:

There are over 300 team-taught classrooms in first and second grades statewide. Over 90 percent are in Clark and Washoe Counties. The number seems to correspond with the cycle of building schools in Clark County.

CHAIR CEGAVSKE:

We will now discuss the school improvement programs. The Regional Professional Development Programs (RPDP) had \$1.1 million in unexpended funds in FY 2003-2004 due to vacancy savings from not hiring substitute teachers while the regular teachers attended training. What impact will this have on the amount of training provided to teachers? What will you do with the \$1.1 million? How will this limit on the hiring of substitute teachers affect the FY 2005-2007 budgets?

BILL HANLON (Director, Southern Nevada Professional Development Program):

There has been difficulty obtaining substitute teachers in the state, particularly in Clark County School District. Last school year we were asked to try not to provide training that would require substitutes on Mondays and Fridays; this year we have been asked that again.

JOYCE HALDEMAN (Clark County School District):

We have a severe shortage of substitute teachers in Clark County. A number of measures have been taken to increase the number of substitutes and shorten the time it takes to get a substitute trained and online. Because of this, there were times we could not fill the classrooms for teachers who were out for discretionary purposes like training, particularly on Fridays and Mondays. Therefore, we asked that training not be given on those days of the week. We have been successful holding training after school and on Saturdays, and the teachers are paid during these periods.

CHAIR GIUNCHIGLIANI:

Who makes the decision to schedule training? Do you schedule training around three-day weekends?

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MS. HALDEMAN:

There is a district policy that we attempt to add teacher training days to an existing three-day weekend. This gives the students a four-day weekend. Parents have responded positively.

CHAIR GIUNCHIGLIANI:

The training should be given when it is needed and not for the convenience of a three-day weekend. How many substitutes do you maintain on the rolls? Do retired teachers often come back as substitute teachers?

MS. HALDEMAN:

I do not know. We have a few full-time substitute teachers who are on call. That is still not enough to cover what is needed.

CHAIR GIUNCHIGLIANI:

Are teachers in year-round schools allowed to substitute teach during the months they are off?

MS. HALDEMAN:

I do not know.

CHAIR CEGAUSKE:

Do we need to revise the budget to avoid another large amount of unexpended funds?

MR. HANLON:

In southern Nevada there was only a seven-percent carryover from one year to the next. We build a five-percent carryover into the budget just to be safe.

CHAIR CEGAUSKE:

We show your total of unexpended funds as being 12 percent.

MR. HANLON:

That is a total of the four RDPBs. Some did better than others in terms of spending their budgets. In order to overcome these problems, we have hired part-time trainers and increased the number of publications to advertise this training. In addition to providing training, the part-time people write workshops for teachers who did not attend the training sessions and post these workshops on the Web. In order to reach children, as well, we have provided posters ([Exhibit D](#)).

SENATOR TITUS:

Are there any incentives to make teachers attend your training?

MR. HANLON:

Our attendance rates are good; but it is more expensive to conduct the training outside of school hours. The people with the greatest need tend not to come to the training. For some teachers we offer \$30 per hour to attend. If we have high-need areas identified by the state, we provide stipends to teachers to attend those training sessions. We also provide university credit which can be applied to relicensing requirements and salary advancement.

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SENATOR TITUS:

Do you work with Nevada State College on this training? Their curriculum is geared toward teaching.

MR. HANLON:

There was a dispute between the Nevada State College and the University of Nevada, Las Vegas (UNLV), so we had to transfer the credits to UNLV.

CHAIR CEGAVSKE:

We must know how many people need to be trained. Please work with our staff on that.

MR. HANLON:

We submitted our budget in August based upon training to improve academic standards for teachers. I was asked to provide more training for administrators by October, thus moving into the area of the School Improvement Project. We have been asked to give more specialized training, testing evaluation, suicide prevention and a number of other types of training. We submitted a revised budget a month ago asking for an increase in funding to cover all these new requirements. I do not have enough staff to cover our current responsibilities; therefore, we will need additional funding.

CHAIR CEGAVSKE:

We must make changes in curriculum within the University and Community College System of Nevada (UCCSN) because there is too much retraining required for teachers. Teachers should be graduating from these institutions with more updated skills.

MR. HANLON:

The response from the teachers we train is positive. However, we must conduct follow-up on the training by going into the classroom and critiquing the teacher to ensure they are properly implementing the skills they have been taught.

As far as changing the UCCSN curriculum, these institutions use a variety of programs. Nevada does not have a systematic way to make a change in all these places.

ASSEMBLYWOMAN SMITH:

The majority of our teachers come from out of the state and therefore are not being initially educated in Nevada. You do not have to choose between high academic standards and good teaching practices. You can still achieve the school improvement criteria and high standards. Is it a matter of getting the resources to do it?

MR. HANLON:

You are correct. When our staff is on school improvement teams, we are sitting on committees and not out working with teachers and offering professional development.

ASSEMBLYWOMAN SMITH:

I am not sure the best use of this resource is having them on teams.



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CHAIR GIUNCHIGLIANI:

Why are some regional RPDPs showing a 39-percent increase in funding?

MR. HANLON:

The western region RPDP will be hiring a part-time coordinator and 4.5 trainer positions next year. This is because of the increase in the number of schools on a "needs improvement" list. The northeast region RPDP, which includes five rural school districts, has been renting cars at an annual cost of \$90,000 each year. It would be more cost-effective if they purchased vehicles.

CHAIR GIUNCHIGLIANI:

We need to revisit these issues separate from the budget.

CHAIR CEGAVSKE:

Please provide our staff with information on how much the operational cost will be if we bought these vehicles.

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

We need to align all the efforts so everyone is going in the same direction. The RPDPs, the school districts and our Department staff must all work to make the school improvement plan a success.

SENATOR RAGGIO:

The Nevada Education Reform Act was designed to have the RPDP teach teachers to teach to the standards. We should not burden them with other duties not related to that function, such as being included in school support teams for low-performing schools.

CHAIR CEGAVSKE:

Is the recommendation for RPDPs to be included in school support teams coming from the school districts or the Department of Education?

MR. HANLON:

It is coming from NRS 385.3741 which requires the Department of Education to provide school support teams whose membership may include RPDPs. The RPDPs are clearly not funded to do that. You either need to change the statute so the RPDPs are not required to participate in school support teams, or you need to provide more funding through the RPDPs to hire more staff.

CHAIR CEGAVSKE:

It was the Department that asked you to take on this additional duty?

MR. HANLON:

Yes, they did.

CHAIR CEGAVSKE:

The *Executive Budget* calls for \$13.9 million in the coming biennium to continue the remediation program funded in the DSA. In addition, the Governor is recommending \$50 million in each fiscal year from the General Fund to be provided for the new School Remediation Account. Do you think it is

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appropriate to combine both of the DSA remediation funds and the new School Remediation account?

DR. RHEAULT:

If both accounts are to be funded and they are all for the same purpose, then they should all be under one application or distribution process.

CHAIR CEGAVSKE:

Is the \$100 million for the new School Remediation Account a one-shot appropriation just for this biennium? Should we combine this new fund and the existing remediation fund?

LISA FOSTER (Deputy Chief of Staff, Office of the Governor):

This is meant to be an ongoing program. The intent of establishing this new fund is to eventually end the current remediation fund which has not been as successful as we had hoped. The money from the current fund does not get to the schools soon enough, and there is a limited number of programs that can be funded from the existing remediation fund.

CHAIR CEGAVSKE:

Why not fix the existing program and continue to fund it instead of creating an entirely new program?

MS. FOSTER:

We may be able to work these two programs together.

SENATOR TITUS:

What is included in this program besides tutoring?

MS. FOSTER:

We want to take the school improvement plans from each school and have them apply for funds to meet the goals they have identified within that plan. Some ideas for this are Spanish-speaking teachers and all-day kindergarten. It would vary from school to school.

SENATOR TITUS:

How does the current program work?

DR. RHEAULT:

Each school submits a separate application to the Department of Education which must be reviewed by the Department staff, Budget Division staff and Legislative Counsel Bureau staff. The application then goes to the Board of Examiners and the Interim Finance Committee (IFC). The new program recommended by the Governor would be based on the school improvement plan and could include professional development which could be used to support the required review teams that Mr. Hanlon discussed earlier.

SENATOR TITUS:

Do schools ever get off of the "needs improvement" list?

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DR. RHEAULT:

Yes, there are 125 schools identified as "needs improvement." There will be six schools getting off the list if they make sufficient progress this year. It takes two years to get off the list and only one year to get on it. There are 80 schools that are both "at-risk" and "needs improvement." The Governor's proposed School Remediation Trust Fund would focus on "needs improvement" schools. It will be based on the most needy schools' improvement plans.

CHAIR GIUNCHIGLIANI:

In the Assembly we are considering taking the \$13.9 million to be used in the DSA for remediation and reuse it for other education needs. We will then take the \$100 million in the School Remediation Trust Fund and apply 75 percent toward remediation and 25 percent to the schools statewide for innovative school programs like art and writing. I am happy to know the Governor's intent was to make this funding ongoing. This will allow time for them to get these innovative programs up and running.

SENATOR RAGGIO:

This is the first time I have heard that the funding for the new School Remediation Trust Fund will be ongoing. I commend the program, but we have not yet discussed this bill in the Senate Committee on Finance. I am concerned that we are speaking of this appropriation as if it had already passed. We need to find out if the money will be available in future years. Some of the things suggested concern us. These commitments can continue until the costs become a problem.

CHAIR CEGAVSKE:

We would like our staff to work with the Governor's Office to answer a number of questions we have. Does the Governor's Office have a plan to which we can refer?

MS. FOSTER:

I will see that your staff gets that information. We are willing to work with you to achieve improvement in the classrooms of our state.

CHAIR CEGAVSKE:

We will now discuss the adult high school diploma program at the Youthful Offender Facility. Do you have enough classroom space and how much are the start up costs?

CHAIR GIUNCHIGLIANI:

Are we offering these educational services at the Women's Prison? If so, how is it funded?

CARL L. SHAFF (Consultant to the Office of Career, Technical and Adult Education, Department of Education):

While the program there was just taken over by the state, the Clark County School District is still operating there and the money had already been allocated. The colleges are also offering classes at the women's facility.

CHAIR CEGAVSKE:

We will now look at salary adjustments for school district employees. The additional cost to provide a 5-percent cost of living allowance (COLA) in each year of the biennium rather than 2-percent COLA would be \$61.3 million for FY 2005-2006 and \$131.7 million for FY 2006-2007. We also looked at the possibility of doing a 2-percent increase in FY 2005-2006 and then a 3-percent increase in FY 2006-2007. There was also discussion about a 3-percent increase in each fiscal year.

CHAIR GIUNCHIGLIANI:

The 5-percent amount does not cover the cost-of-living increases these employees have not received over the last several biennia. The 2-percent COLA would not even cover the current cost of living expenses.

CHAIR CEGAVSKE:

I would like our staff to provide figures on the cost of living increases in the last ten years as they relate to the COLA.

MR. THUNDER:

The cost of bringing starting teachers' salaries up to \$32,500 would represent a 3.6-percent COLA. This calculation includes benefits. Over the biennium this would amount to \$450 million.

CHAIR CEGAVSKE:

We will now discuss the hold-harmless provisions. There is a proposal to decrease the requirement from two years to one year, and to eliminate charter schools from the "hold-harmless" provisions.

MR. THUNDER:

I know it has been helpful to the rural schools that are in a state of decline. I do not think the hold harmless provisions were intended to apply to single schools, but rather to groups of schools called districts. When it is applied to individual schools, like charter schools, which have the capability of recruiting and keeping their enrollment up, it is often to their benefit to let enrollment decline and use the higher enrollment from previous years in order to get funding.

CHAIR GIUNCHIGLIANI:

This is exactly why we should never have started letting charter schools receive hold harmless provisions. I do not understand why we want to reward charter schools for giving an education to fewer students.

CHAIR CEGAVSKE:

Your point is valid only if you assume people are being dishonest.

CHAIR GIUNCHIGLIANI:

It is not an issue of honesty; it is an issue of numbers and the original intent of the hold harmless provisions.

CHAIR CEGAVSKE:

We will now discuss the Department of Education budget accounts, starting with funding for educational technology. This is a onetime budget appropriation of \$9.95 million.

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NDE - Other State Education Programs - Budget Page K-12 ED-7  
Budget Account 101-2699

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

MR. THUNDER:

We will submit our comments on that decision unit later today.

CHAIR CEGAVSKE:

Next we will discuss the System for Accountability Information in Nevada (SAIN). We have not yet received information from you showing the dollar amount associated with the maintenance needs of SAIN.

DR. RHEAULT:

We will have that information for you soon.

CHAIR CEGAVSKE:

We have been experiencing this problem of information not being available at the time we hold these meetings. I hope there is a method implemented in the future whereby we can withhold funding to programs that are not providing information when we need it.

We will now discuss the National Board Certification for Teachers line item on page K-12 ED-8. The Governor has recommended \$51,429 in each fiscal year of the biennium. However, the Governor did not recommend an additional \$28,571 for the program which was requested by the Department of Education. Do you wish to comment on that?

DR. RHEAULT:

This issue hinges on how much federal money we can obtain to subsidize this program. We need an additional \$20,000 to cover the costs. This is based on an anticipated 80 new applicants per year, with about 35 to 40 passing the certification.

CHAIR GIUNCHIGLIANI:

Can we relocate the grant writer in the Department of Education to assist with other grant writing?

CHAIR CEGAVSKE:

We authorized a 0.50 full-time equivalent (FTE) grant writer position and then authorized another 0.50 FTE position later. Have you filled a full position yet?

DR. RHEAULT:

The Legislature authorized a 0.50 FTE position but did not fund it. We utilized some administrative and innovative program funds to get the grants written. When the No Child Left Behind Act funding for innovative programs changed the criteria to be used, we had to use that 0.50 FTE position for a different purpose. In the last five years, we have applied for five new competitive grants and have been awarded three.

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CHAIR CEGAVSKE:

We will now move to a discussion of inspection of private and exempt schools. The Governor recommends having the licensing fees for private and exempt schools placed in this budget account instead of going directly into the General Fund. The Department of Education would then use these funds for the inspection of private and exempt schools and review of applications for such schools. This would require a change in the language of NRS 294.245. Please explain this need to change the statute for the inspection of private and exempt schools.

E-302 Improve Pupil Achievement – Page K-12 ED-101

DR. RHEAULT:

If a law is passed requiring these schools to be licensed, then there should be a law that they pay their own way. There are only 165 private schools in Nevada. Only about 95 are licensed and the rest are exempt. We do not currently charge a fee to exempt schools. This would be the first attempt to earmark money for such a purpose.

CHAIR CEGAVSKE:

If the Subcommittee approves this recommendation, should we revise the authority to the Economic Forum's December 2004 forecast showing \$11,000 in FY 2005-2006 instead of \$12,000?

CHAIR GIUNCHIGLIANI:

We will need to do the statutory change.

MR. THUNDER:

I was not aware the Economic Forum was involved in this issue. I believe that information came from a report we made to the Legislature and the Budget Division.

CHAIR CEGAVSKE:

The next issue for discussion is the funding for teacher signing bonuses. The Governor recommends \$5.1 million in each year of the biennium. We have not received the summary of results from your survey showing the effect of prior signing bonuses. We need to know if this program is performing up to our expectations.

E-200 Demographic/Caseload Changes – Page K-12 ED-8

DR. RHEAULT:

We are collecting that information at this time. This budget item only includes teachers, nurses or administrators. There has been some interest in the Legislature to expand eligibility for bonuses to all licensed personnel.

CHAIR CEGAVSKE:

We will now discuss the Local Education Agency library books, shown on page K-12 ED-11. We must decide whether to continue funding for these books.

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MR. THUNDER:

We submitted information to you regarding the increase in funding that would be required for a built-in inflation rate. Initially, it was about \$1.15 per student. Inflation would raise this to \$1.38 in FY 2006 and \$1.42 in FY 2007. This represents an inflation rate of 3 percent per year and would increase the necessary appropriation to \$213,500 in FY 2006 and \$253,680 in FY 2007.

CHAIR GIUNCHIGLIANI:

The state librarian informed me that a 3-percent inflation rate for both library and textbooks would be a correct percentage.

SENATOR MATHEWS:

Are we still having problems getting money out to the rural schools? I know this has to do with matching funds and I want to do away with this matching.

MR. THUNDER:

In FY 2005 there were five schools that did not draw their funds. I am unaware of any problem.

SENATOR MATHEWS:

Is the reason they have not drawn the money out because they have not met the match or because they have not applied?

MR. THUNDER:

I believe it is because they have not met the match, but I will need to verify that.

SENATOR MATHEWS:

I thought this was cleared up in an earlier Letter of Intent.

MR. THUNDER:

The Department was given the ability to grant waivers. I will check with our staff about that.

MR. ATKINSON:

Per the Consumer Price Index, the inflation in the cost of textbooks averaged 4.66 percent each year over the last 4 years. Using this rate of inflation, compared to what is built into the *Executive Budget* for the textbooks, it would require an appropriation of \$1.4 million in FY 2006 and \$2.9 million in FY 2007.

CHAIR CEGAVSKE:

We will now discuss public broadcasting which is a line item on page K-12 ED-11. The Governor recommends \$300,000 in the first year of the biennium and yet the Department has asked for \$300,000 in both years of the biennium. Please justify your request.

MR. THUNDER:

The broadcasters' association wants \$300,000 in both years.

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CHAIR GIUNCHIGLIANI:

Do we have a reporting requirement like we do for the Holocaust Funding to track how the money is being spent? I want to be sure this is going for educational purposes and not broadcasting services in general.

DR. RHEAULT:

At the end of every biennium we receive a summary of the expenses and how the funding was used.

CHAIR GIUNCHIGLIANI:

I suggest we provide the funds in both years but insist the funds be used for education. We will still require the broadcasters' association to give an accounting to the Department of Education.

DR. RHEAULT:

It would be helpful to us if the intent of the funding was specifically included in the legislation.

CHAIR CEGAVSKE:

The Governor is recommending \$49,803 in the first year of the biennium for the Peer Mediation Program. Is the department evaluating this program? I see you are requesting \$15,000 for technical assistance to this program. How will you use this? Also, I would like to see an example of exactly how this mediation works.

ASSEMBLYWOMAN LESLIE:

The Peer Mediation Program has been successful. I will be arguing in favor of this proposal.

DR. RHEAULT:

We follow up with the schools and get anecdotal information about the program's effectiveness. This is probably the most effective program, dollar-for-dollar, we are funding in the state. The request for technical assistance is to be used for travel expenses to annual conferences and training sessions. I will provide you with an example of how the peer mediation works.

CHAIR GIUNCHIGLIANI:

Many schools are adopting peer mediation, even without funding.

CHAIR CEGAVSKE:

We will now discuss the school counselor and psychologist national board certification appropriation in the *Executive Budget* of \$285,460 in each year of the biennium. Who does the certification?

DR. RHEAULT:

It was previously the National School Psychology Certification system, and later the National Certified Counselor certification, but it was not tied to the National Board for Professional Teaching Standards. My recommendation for using the National Board for Professional Teaching Standards counseling certification was because it is more rigorous than the others.



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CHAIR CEGAVSKE:  
Will this raise the cost of the certificate?

DR. RHEAULT:  
I do not think it will raise the cost.

CHAIR CEGAVSKE:  
We will now discuss the new education consultant position for administering and scoring the Nevada Writing Examination. Please explain this request and can we use federal funding for this?

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DR. RHEAULT:  
We are asking for a state appropriation because we have a high turnover rate in that position and we need assistance. We have also asked for a federally-funded testing irregularity position which is no longer needed. If we get the federal money, we will drop this state funding request.

CHAIR CEGAVSKE:  
The next issue we will discuss is the high school proficiency examination (HSPE). Does the Subcommittee wish to issue a Letter of Intent to the Board of Education urging an expedient review of the issues surrounding the passing rate on the mathematics portion of the HSPE?

CHAIR GIUNCHIGLIANI:  
Where will the proficiency level be by the end of this year?

DR. RHEAULT:  
The current class of 9th graders is responsible for the cut score at the highest level.

CHAIR GIUNCHIGLIANI:  
How often do you replace the examinations?

DR. RHEAULT:  
We would like to replace one each year, but that will require more field testing and development of questions. We are hoping to release a new test in math and reading late this spring.

CHAIR GIUNCHIGLIANI:  
I want to see it redesigned so that students who do not pass it the first time get to take an examination which includes only those items missed.

SENATOR TITUS:  
What are the current math requirements in order to graduate from high school?

DR. RHEAULT:  
The math requirement is three credits. It does not specify that those credits be a particular kind of math, only that they be a math class given by the school.

SENATOR TITUS:

What happened to algebra and trigonometry requirements? What other kind of math is there?

DR. RHEAULT:

They have new kinds of classes like integrated math, contemporary math and business math. Ten school districts currently require algebra as part of their graduation requirement.

SENATOR MATHEWS:

My concern is for students who have not yet received their high school proficiency scores and graduation is fast approaching. If some have failed the test, they will not have a chance to retake it before graduation.

MS. DOPF:

The turnaround time for scoring these tests is three to four weeks. That is a short time compared to other vendors. We are trying to find a way to more quickly learn the scores of 12th graders who take the test late. Even if the students miss the graduation class, they would have an opportunity in the summer to take the test again.

SENATOR MATHEWS:

In the case of minority students, this may be their only time to shine. To tell them they can retake the test months later will not help them when their friends are graduating without them.

CHAIR CEGAVSKE:

Was there a mistake made by the vendor on a recent set of tests?

DR. RHEAULT:

I will check on that. I do not think there has been a major problem. Statute requires the tests be scored by a national vendor. We will try to isolate the 12th grade tests and see if we can get them scored more quickly.

CHAIR GIUNCHIGLIANI:

We will be discussing the issue of proficiency tests in the Assembly this Legislative Session. We must be careful to remember that many of these young people will not be going to college and do not need certain types of mathematics for the jobs they will get. This high school proficiency math test does not make that distinction. I am also concerned about why home school diplomas are issued without a high school proficiency test.

CHAIR CEGAVSKE:

We will now discuss the General Fund support for NRS 395 Program for Individuals with Disabilities in Education. Does the Department anticipate any reduction in the number of participants in this program?

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Ms. DOPF:  
We have five students currently in the NRS 395 program. We will probably see a net reduction in the number of students in this program.

CHAIR CEGAVSKE:  
We will now discuss decision unit E-300. How many special education students are served in charter schools? How many are in a district-sponsored charter schools and how many are in state-sponsored charter schools? What type and amount of technical assistance and oversight is needed?

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Ms. DOPF:  
We will get that information to you. Any time a charter school is state sponsored our staff has a specific responsibility for oversight regardless of the number of students.

CHAIR CEGAVSKE:  
There being no further business before this Subcommittee, we are adjourned at 10:50 a.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Michael Archer,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator Barbara K. Cegavske, Chair

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

\_\_\_\_\_  
Assemblywoman Chris Giunchigliani , Chair

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