

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session  
April 7, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8 a.m. on Thursday, April 7, 2005, in Room 2134 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.

**COMMITTEE MEMBERS PRESENT:**

Senator William J. Raggio, Chair  
Senator Bob Beers, Vice Chair  
Senator Dean A. Rhoads  
Senator Barbara Cegavske  
Senator Bob Coffin  
Senator Dina Titus  
Senator Bernice Mathews

**GUEST LEGISLATORS PRESENT:**

Senator Michael A. Schneider, Clark County Senatorial District No. 11  
Senator Dennis Nolan, Clark County Senatorial District No. 9  
Senator Steven A. Horsford, Clark County Senatorial District No. 4

**STAFF MEMBERS PRESENT:**

Gary L. Ghiggeri, Senate Fiscal Analyst  
Bob Guernsey, Principal Deputy Fiscal Analyst  
Barbara Moss, Committee Secretary

**OTHERS PRESENT:**

Carlos A. Garcia, Superintendent, Clark County School District  
Julie Whitacre, Nevada State Education Association  
David K. Schumann, Independent American Party  
Christina Dugan, Las Vegas Chamber of Commerce  
Janine Hansen, Nevada Eagle Forum  
Bill Hanlon, Southern Nevada Regional Professional Development  
Sean McGlenahan, Andre Agassi Academy  
Ricci J. Rodriguez-Elkins, President, Executive Director, Center for Charter School Development  
Carol Andrew, Principal, High Desert Montessori School  
Jesse Gutierrez, Executive Director, Nevada Hispanic Services, Inc.  
Judy Kroshus, Team Academy Charter School, Reno  
Robert Moreno, Team Academy Charter School, Reno  
Viri Costillo, Team Academy Charter School, Reno  
Holly Pearl, Team Academy Charter School, Reno  
Timothy Cheathon, Team Academy Charter School, Reno  
Anthony Bandiero, Nevada Airport Managers Association  
R.L. Skip Polak, Nevada Airport Managers Association  
Kay Bennett, President, Nevada Airport Managers Association  
Stacy Howard, Aircraft Owners and Pilots Association  
Hale Bennett, Silver Springs Airport

Senate Committee on Finance  
April 7, 2005  
Page 2

Steve E. Tackes, Airport Authority of Carson City  
Giles E. Vanderhoof, Adjutant General, Special Advisor on Homeland Security,  
Office of the Governor  
John P. Comeaux, Director, Department of Administration  
Michael D. Hillerby, Chief of Staff, Office of the Governor

CHAIR RAGGIO:

The hearing is open on Senate Bill (S.B.) 2.

**SENATE BILL 2**: Makes appropriation to State Distributive School Account to ensure that amount of money expended per pupil meets or exceeds national average. (BDR S-60)

SENATOR MICHAEL A. SCHNEIDER (Clark County Senatorial District No. 11):  
Education in the State of Nevada is woefully underfunded. Nevada is racing to the bottom regarding the funding of children's education. When I became a Legislator 14 years ago, Nevada was rated in the low 30s in the national average of the manner in which education was funded. Currently, depending upon the survey, Nevada is rated 47 or 48. That fact is dismissed by many Legislators who say it is not a problem because Nevada is an inexpensive state in which to live and employees can be hired cheaply. The fact is, 2,000 to 3,000 teachers are hired each year, just in Clark County. Nevada competes nationally for teachers and it is difficult to obtain the best.

Mr. Brian Greenspun wrote an editorial in the April 3, 2005, *Las Vegas Sun*, entitled "Pay Teachers More" ([Exhibit C](#)). Mr. Greenspun pointed out the Clark County School District hired teachers from the Philippines. Nevada has been hiring nurses from the Philippines for approximately 15 years because they work inexpensively. We discounted the importance of nurses and hired inexpensively from the Philippines. Now, across the nation, school districts seek teachers from the Philippines because they can be hired inexpensively. In doing so, we discounted our future society.

I have a theory that a great society can only last 100 to 150 years, and then it collapses on itself. That is happening to our society. We have been the only super power in the world; however, because of greed and selfishness, we do not look to the future. Our society is on the backside of the evolutionary curve. We are not investing in the future. Nations, such as China, are investing substantial dollars toward the future. We are educating our children inexpensively. I recently heard a quote, "We stack them deep and educate them cheap." We get what we pay for. Some members of the Legislature do not agree.

Mr. James E. Rogers, Interim Chancellor, System Administration Office, University and Community College System of Nevada, indicated he would take the perceived overage of \$300 million. Mr. Rogers is aware money is needed to educate children as well as provide a good educational and university system. He was raised and schooled in Las Vegas and is one of the most successful businessmen in the United States.

I realize S.B. 2 cannot be funded immediately, nor is it an attempt to create the best funded school system in the United States. We are just trying to reach average. It shames me to say we are trying to be average, but that is what we

are attempting with S.B. 2. The fiscal cost on S.B. 2 is \$1,350,000,000. Senator Mathews commented, "We are in a race to give money back, not invest in the future." Senator Titus wants to freeze property taxes because Nevada is in a high inflationary spiral. Gas prices have risen which affects everything because gasoline is needed to deliver goods. School bus expenses have become very expensive.

Chairmen in both the Senate and Assembly have said private schools can educate less expensively than public schools. That is not true. I am a product of parochial schools, K-12, and know they are subsidized by the churches. It costs more to attend a good private school in Nevada.

We need to pay attention to what we are doing. Our campaign brochures tell constituents taxes will be lowered; however, the next brochure will say we supported education. Cutting taxes, while systematically cutting funding for education does not work, does not make sense and we are shortchanging ourselves. Will there be a doctor in 20 years to administer to Senator Beers when he has a heart attack? Will the doctor be educated in the United States or hired from the Philippines? We are not handling our responsibility in this regard and it is time we stepped up to it.

In the past year, the Nevada State Education Association of the teachers union had a measure on the ballot which called for a constitutional amendment. It passed in Clark County but failed statewide. In my opinion, it failed because it was a constitutional amendment. Senate Bill 2 is not a constitutional amendment; it is the responsibility of the Legislature. I request a schedule to determine the manner in which we will educate our children. I do not ask this for my child, who has graduated high school and college, I am asking for the children of the future.

CHAIR RAGGIO:

What do you mean by a schedule? There is a perception there are excess funds, but I have not yet found them; however, I keep hearing about them on talk shows and reading about them in newspapers. We are awaiting the Economic Forum report on May 1, 2005, at which time we will have a handle on the situation. We are guided by and funded according to the projections of the Economic Forum.

The Distributive School Account (DSA) is asked to restore \$44 million over the next biennium which is impacted by the property tax relief bill. There is a so-called error of \$69 million based upon a misstatement from the two large county school districts. There is an approximate \$45 million debate over restoring health benefits. There is a proposal for full-day kindergarten at a cost of about \$70 million. I am not trying to be contrary, but these are the kinds of requests that have a priority. Having said that, what kind of schedule do you suggest?

SENATOR SCHNEIDER:

In order to reach the average, I suggest allocating funds over the next six to eight years. The things you pointed out are accurate. I know there are holes in the budget and money is needed. People think there is excess money, but it is not there. Education is more important than funding the Nevada Department of Transportation (NDOT) or the Welfare Division. Those things are also important; however, without an educated society other things will not matter. You know

this is true because you have been in the Legislature longer than anyone in the state. It is time we made a commitment to education. We are leaders and must tell our constituents the real story, rather than operating by sound byte and racing to the bottom on taxes. We must step up and be leaders, but we are not doing so. Our fashion of leadership is to cut taxes.

CHAIR RAGGIO:

At least four different groups were used to find the national average: National Center for Education, U.S. Census Bureau, National Education Association (NEA) and Congressional Quarterly. What is the national average? It is a moving target. Every time the state raises something, the national average moves.

SENATOR SCHNEIDER:

Yes, it does; however, No. 1 moves all the time as well. I do not think we can dodge the issue by asking which national average is used. I would let you pick one, or take the average of all of them. I am not saying we should fund to be No. 1, although that would be my goal. We are attempting to move somewhere in the middle which is embarrassing.

Nevada is highest in the nation in numbers of teen pregnancy, teen crime and teen suicide which is a reflection of our educational system. We must address it at some point, hopefully before we leave this building.

SENATOR BEERS:

The NEA, the American Federation of Teachers (AFT) and the National Center for Education Statistics (NCES) indicate our teacher compensation is above average.

SENATOR SCHNEIDER:

Good.

SENATOR BEERS:

How can Nevada's teacher compensation rate be above average but the funding rate at 49?

SENATOR SCHNEIDER:

I am not an expert on education; however, when Clark County hires 2,000 to 3,000 teachers a year, competing nationwide and worldwide, more money must be offered to remain competitive and encourage teachers to come to Nevada.

SENATOR BEERS:

I understand and agree with the philosophy, but how is it possible Nevada could be rated 49 out of 50 states in the national average of the manner in which education is funded, yet our compensation is above average?

SENATOR SCHNEIDER:

We are paying more to hire teachers but not putting additional dollars into the classroom. We are building super-size schools, but not cutting back on management and facilities. We can manage with one gymnasium, one football field, one marching band and one coach. We can scale down to smaller schools, but provide more instructors. We need all the things to better educate.

SENATOR BEERS:

I would like to tell an anecdotal story. Assemblyman Joe Hardy spent two terms on the Boulder City Council before becoming an Assemblyman. In that capacity, in early 2000, he went to Boulder City High School and asked the librarian to provide him all the books on, let us say, spiders. The librarian brought him a stack of books, the oldest of which was printed in 1940 and the newest in 1960. He made it his mission to replace the entire book collection of the Boulder City High School library. He attended a couple of school board meetings and the replacement was accomplished out of construction funds. In virtually every state in the nation it would be funded out of operating funds.

Assembly republicans began investigating the theory that construction funds are regularly spent on operating costs which is the reason Nevada's operating fund could be the lowest in the nation; however, teacher compensation is above average. We then investigated the NCES.GOV Web site, which is the National Center for Education Statistics (NCES), maintained by the Department of Education, and collects data from the NEA, AFT and the Departments of Education of different states.

We found on a per-student basis, eliminating the impact of growth, that Nevada has the second highest construction funding in America. When construction and operating funds are averaged per student, divided by the number of students in 50 states, Nevada is listed 25 in funding; therefore, we are at the national average.

SENATOR BEERS:

How can we explain Nevada's average beginning teacher's salary of \$32,169, which is tied with one of our border states, being considerably higher than three of our surrounding states and lower than California? It is impossible to determine whether or not a school is underfunded just by walking into it. I have two children in public school. I agree that we are not producing expected results, nor am I saying more money would not help produce better results; however, I am annoyed with the 49th ranking when, in fact, Nevada rates 25th. It is due to the fact that we have accountants who serve in some sense to obfuscate the budgetary reality of schools in Nevada.

SENATOR SCHNEIDER:

They are robbing Peter to pay Paul. More money is needed to operate schools; therefore, construction money is used to buy books. As new schools are built in the suburbs, old schools are left behind with little funding to replace books and equipment, as well as maintain old buildings. When a politician, such as Assemblyman Hardy, enters the picture, Peter is robbed to pay Paul. That is not the way to run a big company.

SENATOR TITUS:

I support Senator Schneider's statement that more money is needed for schools. However, to say Nevada pays more than surrounding states is moot due to the fact it costs more to buy a house in Nevada than Idaho, Utah, or other adjacent states. You cannot have it both ways, Senator Beers. On one hand, you scoff at numbers and statistics but come back with numbers drawn up by organizations using statistics.

On the other hand, since Senator Schneider pointed out my attempt to freeze property taxes, I would like to set the record straight. I suggested a one-year

freeze on property taxes with a bottom-line number that allowed the state the same percentage of growth which was 6 percent. Under the property tax freeze, the actual dollars would have been more and it would have been less of a hit to the state than the legislation eventually passed. Senator Schneider voted for tax relief, but then said we should not cut taxes but spend more for education. It is not that simple.

Another problem with education is construction and who will pay for it. Washoe County is up against the cap and has a problem with bonding. Rural Nevada has no tax base, cannot raise bond money and their schools are falling apart. What will we do about it? In the older parts of Las Vegas and my district, new schools are built in the suburbs while schools in the inner city are going downhill. Everybody wants to live in a neighborhood with a good school; therefore, the school and neighborhood goes down because people move.

Senate Concurrent Resolution (SCR) 10 was introduced to do an interim study to determine the cost of school construction, what needs to be done throughout the state and who will pay for it. It is on the table to help move us in the right direction.

**SENATE CONCURRENT RESOLUTION 10:** Directs Legislative Commission to conduct interim study of funding available for maintenance, operation and capital improvement of public schools. (BDR R-896)

CARLOS GARCIA (Superintendent, Clark County School District):

Senate Bill 2 is awkward for school superintendents. On the one hand, we would not turn down the money, but on the other hand, we are realistic enough to know Legislators have tried their best to fund us given economic conditions in the state. Philosophically, we must support S.B. 2.

My first Legislative Session was in 2001, at which time Nevada was ranked 38 or 40. Since that time, money and extra resources have been put into education; however, due to inflation and such, we now rank 47 or 48, depending upon which statistics are used. Although it seems Nevada is catching up, as Chair Raggio said, it is a moving target and continues to move away from us. I fear, at the next Legislative Session, some studies will rank us 50, and that is alarming.

CHAIR RAGGIO:

How do you respond to Senator Beers' question regarding the rankings of the NEA or AFT, the latter of which includes the fact that Nevada pays retirement on teacher's salaries? I know the ranking is above average. Salaries are 90 percent of the education budget. It is hard to understand how that can be ranked at the bottom when we are ranked above average on the major part of education salaries. We are careful when funding the DSA. The Nevada plan has been accepted as fair and adequate, although I am sure you would get arguments either way. I do not understand how rankings are done.

In regard to the construction issue, historically in Nevada the funding of education has been a shared responsibility between the state and counties. We created county districts and now wonder whether it was wise. There is an argument whether or not some of our school districts are too large or too small and perhaps should be combined or cut to size. Historically, construction has

always been done through bonding which requires a vote of the public. The Legislature does not want to authorize bonding without the public vote.

Senator Titus is correct in saying both major school districts are facing real problems with school construction. Washoe County, particularly in the Reno area, is up against the cap. There is not enough funding from their existing bond authorization to build schools due to the cost of material. It is true everywhere, not just Nevada. Washoe County does not have the capacity to request a bond from the voters because they are up against the cap. Clark County has some leeway and could ask the voters for a bond. Washoe County will face serious consequences if they are unable to get a bond, have no revenues for school construction, and anticipate year-round schools and double sessions. There is record growth in the north as well as the south.

You are now telling the Senate Committee on Finance about an invest program of approximately \$100 million. We are all on the same track, but there is not enough money to answer all the requests. Please help us understand why we are ranked so low. What is included in the ranking that Nevada is not accomplishing? We are responding to salaries. What are we lacking to be ranked 48 or 49? Are we not considering construction money or recognizing it is not a shared responsibility?

MR. GARCIA:

First, 3 percent of our bond money was used because there were not enough other resources. Second, Senator Beers mentioned Nevada's annual starting salary for new teachers is \$32,000 which may be state average; however, in Clark County School District, which makes up 70 percent of the state, teachers' annual starting salaries are \$28,000 a year. The reason Clark County schools are ranked 25 is due to the fact it has some of the largest class sizes in the nation. There are only four or five states with larger class sizes. Nevada may be paying higher teacher salaries but class sizes can range from 30 to 40 children. Last, the debate in America is no longer equity, it is adequacy which should be addressed next Legislative Session.

SENATOR BEERS:

Statewide numbers for 2003, collected from the NCES.GOV Web site, indicate the student-teacher ratio for Nevada is 18:4; Arizona 19:9; Idaho 17:9; Oregon 20:4; and Utah 21:8. Apparently, all the states with higher classroom student-teacher ratios immediately surround Nevada.

MR. GARCIA:

If secondary, middle and high schools are disaggregated, the data tells a different story. The reason Nevada looks good is due to class-size reduction funds. Averaging those funds with the remainder of students, and disaggregating the data, provides a different picture.

JULIE WHITACRE (Nevada State Education Association):

We echo the comments and concerns of Mr. Garcia and Senator Schneider and support S.B. 2.

DAVID K. SCHUMANN (Independent American Party):

I will present my written testimony in opposition to S.B. 2 ([Exhibit D](#), original is on file at the Research Library). Research in California indicated private schools



do a better job than government schools for one-half to two-thirds as much funding.

CHAIR RAGGIO:  
Who did the research?

MR. SCHUMANN:  
The research was provided by a group, headed by Mr. Milton Friedman, for the Educational Freedom Initiative. I will provide the Committee a list of private schools in Santa Clara County, California, some of which are elite and more expensive; however, the tuition for most of the schools was one-half to two-thirds of what California was spending per student for government schools.

Filipinos can teach as well as Americans. The Philippines was once an American colony and they speak English. Do not disparage Filipinos who will work for less money.

CHAIR RAGGIO:  
Please tell us about your background.

MR. SCHUMANN:  
I earned a bachelors degree in accounting at Temple University in Philadelphia, Pennsylvania, and a masters degree in business administration at Wharton Graduate School of the University of Pennsylvania. I then joined Continental Grain and was subsequently hired by a gentleman from Malaysia to be a palm and coconut oil trader. I have worked in London, Rotterdam, Hamburg, Manila, the southern island of Cagayan de Oro on Mindanao in the Philippines, a fair amount of time in Kuala Lumpur in Penang, Malaysia and Singapore.

In 1974 and 1975, I was thunderstruck by Singaporean children who, with less funds, were better educated than American high school graduates. Singapore is a small island of three million people with nowhere near the resources of America. The Filipinos, although not as impressive as the Singaporeans, are well educated. The notion that they come from a colony and cannot teach as well as Americans is false. The Filipinos probably have masters degrees in their subject matter. When I was in school, my masters had masters degrees.

There are hundreds of private schools around Philadelphia that began in 1785. The William Penn Charter School was founded by William Penn in 1690. The state of Pennsylvania does not tell them what to teach or how to hire teachers. All my masters were former World War II fighters with masters degrees in their subject matter and none of them had been to an education school. One of our problems are teachers with degrees in education but not subject matter.

CHRISTINA DUGAN (Las Vegas Chamber of Commerce):  
I submitted a letter of opposition to S.B. 2 ([Exhibit E](#)). The Las Vegas Chamber of Commerce is committed to funding education; however, we are concerned about accountability issues. Senate Bill 2 appears to be just an additional allocation. We believe school choice, additional allocations for charter schools and moving forward in those directions are the correct way to address educational accountability. Although we do not feel teachers should be underpaid, we need to ensure dollars reach the classroom and are not used up in collective bargaining issues.



JANINE HANSEN (Nevada Eagle Forum):

The Nevada Eagle Forum has long supported quality education; however, we do not feel the issue is money, rather it is curriculum. Things like explicit phonics have never been adopted into the standards and taught to our children. There are many other improvements which would greatly improve the quality of education. Money is not the answer.

CHAIR RAGGIO:

The hearing is closed on S.B. 2 and opened on S.B. 336.

**SENATE BILL 336**: Makes appropriation for creation of certificate program and payment of stipends to certain teachers. (BDR S-304)

SENATOR CEGAVSKE:

I had an opportunity to visit a class instructed by Mr. Bill Hanlon, Southern Nevada Regional Professional Development, and was impressed with what he is doing for teachers. Teachers in the program were given an assignment to ask questions of a Legislator regarding education. Teachers with whom I discussed the program said it had been of benefit to them personally, as well as the expertise they were able to bring to their schools.

BILL HANLON (Southern Nevada Regional Professional Development):

I provided an amendment to S.B. 336 ([Exhibit F](#)). As you know, there is, and has been for a number of years, a shortage of math, science and special education teachers. In the 2003 Legislative Session, I requested funding for a middle school certificate program in math and science, but funding was not available. However, the program was started anyway. Last year, over 100 mostly elementary teachers entered the program to be trained to teach middle school mathematics in which there is a shortage of teachers. By addressing the shortage, some of the teachers teaching middle school, but qualified to teach high school, could then teach at the high school.

These teachers have taken a program of study, not just a course, but 16 credits of classes regarding what is taught, how it is taught, how it is assessed, including instructional strategies for poverty, English as a second language and special education. Teachers are going into areas in which they have not been trained and are now teaching specific subjects. They have good attitudes and work ethics as demonstrated by their attendance in the program and allowing us to observe them in their classrooms. They are trying to implement the things they have been taught.

You have been provided a two-column teacher observation form entitled "Secondary Math Observation Sheet" ([Exhibit G](#)), as well as a document entitled "Components of an Effective Lesson" ([Exhibit H](#)). The left column of [Exhibit G](#) addresses components of effective lessons, things the teacher should be doing on a regular basis in the classroom; and the right column addresses teacher protocols or expectancies. After being observed, both teachers and observers fill out the form based upon the teacher's performance, and we found inconsistencies in the observations. When the teachers were shown a film of their performance and then asked to fill out the form, they were surprised to note they had not closed the lesson nor provided reading as part of the instruction.

The point is, these teachers demonstrated their willingness to work with us, took over 200 hours of instruction, went back to the classroom with a good work ethic and tried to implement the things they were taught. However, they need feedback to show what they think they are doing, and what they are actually doing is not necessarily the same.

The amendment in [Exhibit F](#) eliminates stipends from S.B. 336 and requests additional staffing for the Regional Professional Development Program (RPDP) to provide follow-through training, as opposed to follow-up training, to ensure the teachers receive immediate feedback in order to become better teachers which will hopefully result in increased student achievement.

CHAIR RAGGIO:

What is the suggested amount requested in S.B. 336?

MR. HANLON:

The amount is \$750,000 which would fund 10 additional trainers.

CHAIR RAGGIO:

The amendment says the money must be used to pay the salaries of two reading instructors, three math instructors, two science instructors, as well as materials, supplies and expenses. Please submit a budget to the staff. How has the RPDP been funded up to this time?

MR. HANLON:

There is a critical need in math and science; therefore, the RPDP funded the training program. The teachers were not offered stipends and the RPDP paid for the university credit. The last time the idea was to pay stipends which would allow us to observe the teacher's classrooms and look at their testing data; however, most of the teachers voluntarily allowed us to train and observe without additional funding.

SENATOR BEERS:

Senate Bill 336 is an appropriation to the Clark County School District. Do you work outside of Clark County?

MR. HANLON:

The Clark County School District is the fiscal agent; however, on an average of once a week, training is provided in Lovelock for Pershing and Humboldt Counties. Although it is a southern Nevada program, there is a mutual aid and assistance agreement between the RPDPs. If we have a program that is offered by another RPDP, rather than replicating it, we try to move around the state and provide the program collectively in order to keep costs down.

SENATOR BEERS:

Did someone in Battle Mountain request your services?

MR. HANLON:

Yes. Clark, Nye, Esmeralda and Lincoln Counties encompass the southern Nevada RPDP.

SENATOR BEERS:

Do Elko, Washoe and Douglas Counties have similar programs?

MR. HANLON:

Those counties do not have a program, but we would offer it to them should they desire it.

CHAIR RAGGIO:

The Governor's budget proposes over \$5.2 million each year for the RPDP which is an increase. You have been accommodating this within your existing budget which was approximately \$4.5 million. Recognizing all the demands, can you continue your program under the proposed budget?

MR. HANLON:

I will do everything I can to the best of my ability to continue. In order to accommodate everything, I cut back on a kindergarten reading trainer to supply staff for administrative training. I manipulated my budget to a point where it is very thin. There is one high school trainer in science responsible for biology, chemistry, physics and earth science and only two elementary math trainers. I am the director of the program; however, I provide a great deal of training personally. I see the RPDP as a Legislative program and whatever you ask of me I will do.

SENATOR TITUS:

In regard to training, collaboration and process in the State of Nevada versus the University of Nevada, Las Vegas (UNLV), if you had that connection, would it help to save money and provide UNLV the opportunity to do what they should be doing?

MR. HANLON:

We share the programs with different universities, including Southern Utah University, UNLV and Nevada State College (NSC). Nevada State College was easy to work with and the price we paid for credits was reasonable. Due to internal squabbling between UNLV and the Community College System of Nevada (UCCSN), credits were taken away from NSC. I view NSC as a teaching education type of activity. Part of the problem is, in order for NSC to have relicensure and salary advancement, they must have graduate credit. They were providing the RPDP continuing education credit at the 500 level which was accepted; however, UNLV objected. Consequently, all the credits had to be transferred from NSC to UNLV; therefore, we currently offer nothing at NSC.

CHAIR RAGGIO:

The hearing is closed on S.B. 336 and opened on identical bills, S.B. 253 and S.B. 376.

**SENATE BILL 253**: Makes appropriation to Andre Agassi College Preparatory Academy for construction of facility to provide full-day kindergarten and first grade. (BDR S-1284)

**SENATE BILL 376**: Makes appropriation to Andre Agassi College Preparatory Academy for construction of facility to provide full-day kindergarten and first grade. (BDR S-1389)

SENATOR DENNIS NOLAN (Clark County Senatorial District No. 9):

We will address S.B. 376 and dispense with S.B. 253, with the exception of the name of the sponsor. Senate Bill 376 was requested to help the Andre Agassi College Preparatory Academy (AACPA) which is a preparatory academy and

charter school permitted by the Legislature. The AACPA has been nationally proclaimed for its academic programs and advancement of children in southern Nevada who otherwise would not have those opportunities provided them. The Committee has been provided an AACPA brochure ([Exhibit I](#)).

The Andre Agassi Charitable Foundation has provided approximately \$22 million in construction costs for buildings on the AACPA campus. Senate Bill 376 requests a \$900,000 appropriation for the school to provide all-day kindergarten, first and second grade. It currently provides education to Grades 3 through 8. The request is not out of line with respect to the Legislature due to the fact charter schools are now considered and established as public schools. The AACPA has provided private funding in a show of good faith. We felt it was appropriate to bring S.B. 376 forward since an essential part of AACPA's private project is to help establish a higher level of education to disadvantaged youth.

The following testimony will include individuals with recommendations and possible amendments to establish thresholds for future requests. We think it appropriate for the Legislature to consider benchmarks by which charter schools could achieve high levels of academic standards and be able to return to the Legislature for appropriation requests. The AACPA has met or exceeded national academic standards.

SENATOR STEVEN A. HORSFORD (Clark County Senatorial District No. 4):

The AACPA is located in the heart of Senatorial District No. 4 within the southern Nevada enterprise community designated by the Department of Housing and Urban Development. The appropriation is necessary and appropriate because the AACPA has single-handedly invested tens of millions of dollars into a community that historically has been plagued with poverty, low student achievement, high unemployment and overall economic blight. Since Mr. Agassi's initial investment in the school, other private and public projects have been created in the area that are beginning to transform the community and provide a better quality of life for residents.

Mr. Agassi is one of a few local celebrities who have remained true to giving back to the community. Through this project, he has committed more than \$20 million. This is one of several private programs he supports, as well as the Boys and Girls Clubs and others. The AACPA is important because it is a model charter school. This Legislature, as well as previous Legislatures, has been asked to create innovation with charter schools to improve public education for all children. That is exactly what the AACPA has done.

Opportunities provided to AACPA students, who are at risk based upon all socioeconomic factors, are significant because they bring resources to a generation of young people who literally will have the opportunity to earn scholarships to Harvard and other premier colleges throughout our country. In addition, the need to properly implement full-day kindergarten, which is the reason this appropriation is necessary, is imperative. The AACPA is willing and able to adopt its best practices when implementing full-day kindergarten with the anticipation other public schools will also implement it in the future. For those reasons, I ask the Committee to support S.B. 376.

SEAN MCGLENAHAN (Andre Agassi Academy):

The AACPA has added one grade to coincide at the time the students matriculate into the next grade; therefore, in the fall of 2005, kindergarten and first grade will be added, and in the fall of 2006, second grade will be added.

CHAIR RAGGIO:

What will happen if the appropriation is not made?

MR. MCGLENAHAN:

The need for the appropriation at this time is due to a partnership between the AACPA and McGraw-Hill. Should AACPA not receive the appropriation, the process to obtain private donations would be expedited.

CHAIR RAGGIO:

In 1999, the Legislature granted \$600,000 to the AACPA which was a precedent-setting appropriation. Would S.B. 376 set a precedent for all other charter schools in the state?

SENATOR NOLAN:

There are a number of struggling charter schools, as well as others, that would like to see some type of appropriation. Some are deserving and others probably are not. Since we have not established benchmarks or standards, it would be incumbent upon us to take up the task soon. The question is whether we do it before or after an appropriation such as this, if approved. Had it been any other type of institution, my fiscal side would indicate the benchmarks or standards should first be in place. However, in this case, there is immediate need for this type of appropriation. In addition, this particular charter school exceeds all academic levels by district, state and national standards and could be used to establish the benchmarks and standards.

SENATOR MATHEWS:

Does the AACPA receive the same per-pupil amount as other schools?

CHAIR RAGGIO:

Yes, it does.

SENATOR MATHEWS:

How much money are we drawing away from regular public schools? When charter schools were created several sessions ago, it was with the caveat that funding would not be drawn from regular public schools. I agree we need the AACPA; however, I wonder whether we are starting up more charter schools to be supported by the state under the guise they will not ask for more money after their creation.

SENATOR HORSFORD:

I have been involved since the beginning of charter school legislation. The intent of charter schools in Nevada was to create models of innovation for all public schools, both traditional and charter. Part of what this and previous Legislatures have said is, prove and show us your best practices and how you can excel in academic achievement. The AACPA has come up with ten key benchmarks that have been proven to work which now should be replicated in traditional school models. It will be part of the debate addressed in the Senate Committee on Human Resources and Education.

To answer Senator Mathew's question regarding financing, one of the key barriers to any charter school relates to facilities. A discussion is needed regarding the other measures going before the Senate Committee on Human Resources and Education as to the manner in which Nevada will address the issue. Other states have ways to allow financing for charter school facilities. We have a model that works and should be supported, because without it there is a generation of young people who will not have the opportunities provided by the AACPA.

SENATOR MATHEWS:

How has the AACPA been evaluated? I read it was experiencing difficulties with evaluations.

SENATOR HORSFORD:

In my understanding, all major academic assessments indicated the AACPA brought young people, who were one and two grade levels behind, above grade level. I think you are referring to controversies relating to staff issues and the implementation of new programs; however, it had nothing to do with academic achievement of students.

SENATOR MATHEWS:

Are we in a position to do this? The AACPA has tried hard; however, there are schools in Reno that have also tried hard to accomplish innovative things. Will we help them as well? We have already contributed to the AACPA. Every charter school has students who are in need and most are minority students. I would never say minority students do not need help, but I think we need to help all students.

SENATOR NOLAN:

Students currently attending the AACPA receive funding from the DSA in the same way they would if they attended public school. Therefore, if the school was not there, these same children would more than likely be in the public school system. In any event, there is no loss of DSA funding. This appropriation is to construct a building in order to accept kindergartners, first and second graders.

SENATOR MATHEWS:

If Andre Agassi's name was not on that school, would we be funding Bailey Elementary Charter School in Reno, or the No Child Left Behind charter school in Reno?

CHAIR RAGGIO:

The reason some of our charter schools have not succeeded is due to a Nevada law that authorizes charter schools which is one of the most limiting laws in the country pertaining to charter schools. We put strict limitations on them compared to charter schools in other states. Mr. Agassi came to the Legislature, testified on this issue and advocated some of the strict limitations be removed. What is being done in this regard? The argument has been going on for several Legislative Sessions and fallen on deaf ears in the Assembly. Perhaps we should have a contingency that until charter schools are given needed leeway and been proven a success across the country, we should not fund them.

SENATOR HORSFORD:

Several measures are coming from the Assembly to provide more flexibility and clarify some of the charter school provisions. As implemented, it has been progress as you go. There are also several bills coming out of the Senate Committee on Human Resources and Education proposing the same issues.

CHAIR RAGGIO:

We will watch the progress of those bills.

SENATOR CEGAVSKE:

Although I echo and support the Chair's comments, like Senator Mathews, I have concerns. I would like to see the requested funding split between charter schools to give them all a helping hand. They do not have Andre Agassi to help them. I have seen the AACPA, it is wonderful and what they are doing is tremendous.

Being asked to support charter schools was difficult. If we did not support them, there would be no charter school legislation; but if we did support them, we were setting precedent. Obviously, we did set precedent because they are back again requesting money. I find it difficult to justify funding only one entity, although I would not be opposed to spreading it out to everyone. Almost all the children I have spoken with and observed were unsuccessful in public school, and charter school is another alternative to help them succeed.

Another problem is public schools requesting construction money. The Chair has been consistent in his answer that it is not our responsibility. We need to be consistent in distributing funds for all schools whether or not for construction. There should also be accountability. Did we receive a budget with this bill? I have not seen one.

SENATOR NOLAN:

If charter schools did not exist, children would be attending public schools. In that event, the public school system would be paid through the DSA, as well as providing classrooms, teachers, textbooks and desks. Charter schools shift the cost from the public school system to a privately-based system which saves public school money. Are we providing students a better education? In this case, the answer is yes.

The cost of the proposed building is \$900,000 which is a fraction of the cost local school districts in the state would have to contribute to provide the same type of facility for the same children. Most of the money will be generated through private funds and the Andre Agassi Charitable Foundation. Therefore, in the long run, this is a responsible approach to providing a higher level of education to children who otherwise might not have the opportunity as well as saving taxpayer money.

MR. MCGLENAHAN:

The intent of S.B. 376 is to create a public-private partnership with AACPA. As a charter school, AACPA is part of the Nevada public education system. The majority of our funding is through private donations. The total cost for our campus construction, when complete, will be \$37 million. If we are granted the \$900,000, the total we will have received from the state will be \$1.5 million which is a mere 4 percent of the entire construction cost. Although it is



a public-private partnership, the majority of the partnership is paid for by the Andre Agassi Charitable Foundation on the private side.

SENATOR MATHEWS:

I am not against charter schools, but I want to be fair across the state for not only charter schools, but public schools as well. Las Vegas is opening one school every month and money is needed for schools everywhere. As the Chair said, we need to clean up S.B. 376 and I am willing to work on an interim committee to accomplish that; however, I will not do it unless all schools are treated fairly across the state.

SENATOR TITUS:

We often seek ways to encourage public-private partnership. Perhaps in this case we should consider a matching-grant program. When organizations raise money on their own, the state could match the amount. If other charter schools could make an investment in this regard, they would be eligible for matching funds. Let us not ignore the fact this effort is supported to a great extent by the private sector.

CHAIR RAGGIO:

The problem is, some entities have a celebrity backing them and others do not.

SENATOR BEERS:

The AACPA is already a public-private partnership. However small my vote was six years ago, I was proud to make it.

SENATOR RAGGIO:

There is no question about the value of AACPA or other charter schools.

RICCI RODRIGUEZ-ELKINS (President, Executive Director, Center for Charter School Development):

I will present my written testimony ([Exhibit J](#)) regarding my reservations with S.B. 376. In the previous discussion regarding S.B. 2, Mr. Garcia indicated equity was no longer an issue in education. I would like to point out that across the nation and this state, equity is, in fact, an issue. It is an issue between charter schools and district schools in terms of funding as well as between charter school and charter school.

CAROL ANDREW (Principal, High Desert Montessori School):

I am principal, janitor and performer of occasional other duties at High Desert Montessori School in Reno. I congratulate Andre Agassi on his excellent efforts and remarkable service to Nevada's children. However, this request represents the needs of all charter schools. All schools in the state need help with full-day kindergarten. Money for buildings is a unique need for charter schools. We are all struggling with this issue.

The Nevada DSA is one of the laws in the United States that has not been challenged regarding the subject of equity. The 1991-1992 Augenblick, Myers and Beck Report indicated Nevada was best in balancing the needs of poor districts with wealthier ones. However, I leave equity recommendations to legal counsel. Nevada's DSA, as it benefits poor districts, makes it difficult for charter schools operating in the largest districts, which are seen as wealthy, but have the highest building costs. Our problem is unique. Las Vegas and Reno are

considered expensive markets and receive less per pupil but operate in more expensive markets without benefit of bonds.

I would like to shift all support to S.B. 2 which is a much better bill than S.B. 253 and S.B. 376 in helping our needs. You heard considerable testimony about the needs of schools. Charter schools offer an opportunity to make a difference for less money by pulling in unique partnerships and utilizing unused buildings. Teachers and principals act as janitors.

I would like to make some neutral recommendations that represent Nevada's spirit of independence and make the most of what we have. Tying these objectives to yours for charter schools is important. In regard to accommodating fiscal impacts beyond the control of schools, you helped charter schools last session with our cost of unexpected health care. We appreciate it and support that type of funding. States need to provide equal support for construction and renovation of school facilities including charter schools. We welcome the opportunity to have money tied to our performance. The AACPA is not the only charter school that would like to exclaim the success of its children. We are worthy of your support; however, we would like it to be fair to all charter schools.

JESSE GUTIERREZ (Executive Director, Nevada Hispanic Services, Inc.):

I am the founder and member of the board of the Mariposa Dual Language Academy which is the first all-day kindergarten through sixth grade dual-language charter school in Nevada. We are an example of a charter school doing what is necessary to make a commitment to children's education.

The Mariposa Dual Language Academy began in a gymnasium three years ago. For two years we put up and took down modular partitions with a principal and dedicated staff of teachers to educate students from kindergarten through sixth grade. There were 90 students the first year. The school was designated as needing improvement after the first year. There were 180 students enrolled the second year and the school not only passed adequate yearly progress, but scored 17 percent in math and 29 percent in language arts in a gymnasium setting. This year the City of Reno sold us 11 modular units for \$50, and with a small loan from the National Council of La Raza, we were able to have our first building.

We experienced hardships reaching this point, but have made a difference in the Neil Road area of Reno which is 85-percent lower-economic status with language learners who thought that putting more money into the school system would make a difference. Yes, money makes a difference; however, it takes caring individuals and parental involvement, as well as dedicated teachers and staff to get things done. Money helps, but other issues take precedence in order to educate children and keep them from failing or dropping out, particularly in the Hispanic community.

CHAIR RAGGIO:

The Chair is familiar with your school and you are to be commended for considerable achievement.

JUDY KROSHUS (Team Academy Charter School, Reno):

It is my understanding the suggested compromise would put \$1 million into the charter school loan fund for charter schools to borrow against as well as

additionally funding \$900,000 for the AACPA. There will still be a big disparity between a gift and a loan. I understand the AACPA has had great results; however, they began with \$600,000 ahead of an amount that has not been provided to the remainder of charter schools.

CHAIR RAGGIO:  
Was the \$600,000 the state's contribution?

Ms. KROSHUS:  
Yes, but it was not shared with the rest of the charter schools.

ROBERT MORENO (Team Academy Charter School, Reno):  
I am here to say the Team Academy Charter School (Team A) has been an excellent school for me as well as my fellow classmates. Public school was not good enough for me. If not for Team A, I would probably be home and not getting an education; however, after moving to Team A, my parents and I are proud of what I have accomplished.

CHAIR RAGGIO:  
In what grade are you?

MR. MORENO:  
I am a freshman. I want to thank all my teachers for their knowledge and friendship.

VIRI COSTILLO (Team Academy Charter School, Reno):  
I previously attended Hyde High School. If not for Team A, I would have failed, been expelled for fighting or who knows what. At Team A, if I do not understand something, I receive extra help. If not, I can reread the assignment and am not rushed. If money went to the fund for everyone to borrow, we could have more than one toilet in our school, better computers and a bigger building. All the teachers in Team A are nice. They are not only teachers but friends. My grades have improved and I am not failing anymore. My mother is proud of me.

CHAIR RAGGIO:  
We commend you for what you are doing. Keep at it.

HOLLY PEARL (Team Academy Charter School, Reno):  
I am a representative of Team A and proud of my school or I would not be here sweaty palms and all. This school is one of the greatest things that ever happened to my education. Since Team A, I have brought up my grade average, as well as my attendance, which went from not going to school at all to showing up every day.

My years in regular high school demonstrated normal schools do not care whether or not you catch on as long as they taught you what was required. The teachers at Team A have told me many times I will graduate before they retire. I admit I thought of quitting many times, but now I know my teachers would not allow it.

I know this might not seem important to you, but it means the world to me. I wish there was more I could do for my school, but I am doing this. I ask you to share what you are considering for the AACPA with the rest of us. All charter

schools deserve sponsors, as well as good teachers and everything else. I appreciate your attention and plead with you to take this to heart and think how important it is to us.

CHAIR RAGGIO:

Thank you, Holly. This kind of testimony will be important when the Assembly hears the bills regarding proposed charter school legislation. I encourage all the charter schools to bring their students to testify at the Legislature.

TIMOTHY CHEATHON (Team Academy Charter School, Reno):

Together everyone achieves more at Team A; however, we could achieve even more if the money used at one charter school was given to all charter schools in Nevada. Do we not all deserve a chance at quality education? We have the same hopes and dreams as the children of the AACPA.

Team A is an internet school which means computers. We need more computers because they are always loaned out to students. When I first came to Team A, I was welcomed with open arms. I am glad I am able to help now. We are the future and someday could be sitting in your chairs. I think we should be properly educated for what is ahead. Team A is one of the schools trying to make it happen. I tell you honestly and sincerely, if I had not found Team A, I probably would have failed high school and taken the General Education Diploma.

CHAIR RAGGIO:

We are very proud of you. Thank you for your appearance here today. The hearing is closed on S.B. 253 and S.B. 376. The hearing is opened on S.B. 340 and S.B. 439.

**SENATE BILL 340**: Directs Legislative Commission to conduct interim study of funding sources for Fund for Aviation and makes appropriation. (BDR S-1133)

**SENATE BILL 439**: Makes appropriation to Fund for Aviation for rural airports to match federal money provided by Federal Aviation Administration. (BDR S-1098)

ANTHONY BANDIERO (Nevada Airport Managers Association):

We would like to combine the testimony of S.B. 340 and S.B. 439.

CHAIR RAGGIO:

We will combine the testimony of these two bills.

R.L. SKIP POLAK (Nevada Airport Managers Association):

I am the manager of the Reno Stead Airport and past president of the Nevada Airport Managers Association. On Monday, I turned over the presidency of that organization to Ms. Kay Bennett who is present today.

I spent almost 30 years of my life in the U.S. Marine Corps. During that time I learned the power of aviation, how to take bad situations and make them better and take good situations and turn them into something positive. The Nevada Airport Managers Association is looking at the airports in Nevada in an attempt to turn them into a positive. We have been blessed with members on the Senate Committee on Finance who have helped us to this point.

Three Legislative Sessions ago, you were asked to pass legislation that would provide a Nevada Aviation Trust Fund which you did. Last session we asked to have a license plate bill passed which you did. We are now in the process of building a trust fund in the state that will match federal funds. The National Program of Integrated Systems (NPOIS) is allocated \$150,000 per year, which may be saved for 4 years, bringing the amount to \$600,000; however, a 5-percent match must be provided in order to use the money.

Rural counties and remote airports within NPOIS in Nevada do not have funds to match federal funds. We request legislation to jump-start the Nevada Aviation Trust Fund. The reason for combining S.B. 340 and S.B. 439 is to put a study group together, which might include the Nevada Department of Transportation (NDOT), to peruse the taxes collected for aviation-related activity and other types of things relating to aviation, in order to find a sustaining method of providing funds for the Nevada Aviation Trust Fund.

CHAIR RAGGIO:

Are you asking for both bills to be processed?

MR. POLAK:

We are asking both bills be combined, as well as a direct appropriation of \$500,000 to jump-start the Nevada Aviation Trust Fund.

CHAIR RAGGIO:

Are you asking the amount to be changed to \$500,000 as well as a study to be conducted by NDOT?

MR. POLAK:

That is correct. The NDOT are the keepers of the Nevada Aviation Trust Fund. We just completed a Nevada airport systems plan and expect to have an airport economic impact study provided by the University of Nevada, Reno.

CHAIR RAGGIO:

Has this been discussed with NDOT?

MR. POLAK:

It has been discussed, and I believe they will acquiesce to the request.

KAY BENNETT (President, Nevada Airport Managers Association):

I support Mr. Polak's comments, there is a need for an appropriation to the Nevada Aviation Trust Fund and a mechanism for ongoing funding to sustain it. On behalf of the Nevada Airport Managers Association, I would like to submit a petition ([Exhibit K](#)) gathered in support of S.B. 340; however, circumstances changed and we now submit it in support of amended S.B. 439.

The Aviation Trust Fund affects the success of the Silver Springs Airport. The reason the Silver Springs Airport has reached this point is directly attributable to community development block grants as matching funds for our Federal Aviation Administration Grant. In other words, \$500,000 will leverage \$9.5 million of federal funding. Without the match, significant federal funding is lost to Nevada. Small rural counties, such as Lyon County, were not able and could not justify matching funds from General Funds. This is important to the Silver Springs Airport, as well as Lyon County, in terms of airports being economic engines.

Within the next week, a major manufacturing company is locating adjacent to the Silver Springs Airport. The company chose to move there because of a viable and active airport. Within 2 years the company plans to hire 100 employees which will make it the largest employer in the community of Silver Springs. Yesterday, at the National Automatic Merchandising Association (NAMA) conference, we learned that 100 jobs in a community will create \$11.5 million. Receiving that 5-percent investment is important to small airports and rural areas as part of the economic development of Nevada.

STACY HOWARD (Aircraft Owners and Pilots Association):

I am the Western Regional Representative of the Aircraft Owners and Pilots Association (AOPA). The AOPA has 400,000 members nationwide, 4,300 of whom live in the State of Nevada and support S.B. 340 and S.B. 439. The Committee has been provided a laminated document entitled "General Aviation, It's Working for America" ([Exhibit L](#)). I am also chairman of the Nevada Aviation Technical Advisory committee, which has worked closely with NDOT, the Office of Aviation and the consultant on the forthcoming state aviation system plan.

Airports are not special interest. Nevada airports are on the ramps to the nation's air transportation system which is a system of airways defined by ground and satellite based navigational aids. Like highways, airway travel requires access points to enter and exit the system. Like highways, airports and airways must be maintained under a management system that allows long-term planning for future development. Like highways, airports and airways contribute to the economic vitality and quality of life for Nevada citizens.

There are several air courier services operating in Nevada that fly into rural airports, one of which is Ameriflight, with offices in California with several aircraft based in Nevada. In 2002, Ameriflight delivered over 2.3 million pounds of small cargo to places like Tonopah, Elko, Winnemucca and Carson City. Businesses seek airports in order to locate in those communities. Millions of dollars in bank paper are transported every day around Nevada airports for overnight delivery.

General aviation is also used for pipeline and power line patrol, fire fighting and land management. The U.S. Forest Service, the Bureau of Land Management and the Division of State Lands all use rural airports. The Civil Air Patrol (CAP) has 14 squadrons in Nevada using their aircraft for search and rescue and delivering emergency blood supplies. The CAP was credited with saving 27 lives by delivering blood supplies to rural communities on an emergency basis. They fly hundreds of hours a year for the U.S. Custom Service out of rural airports.

The Nevada Highway Patrol lands at all paved runways in the State of Nevada, including Ely, Elko, Lincoln County, Reno, Lake Tahoe, Wells, Tonopah, Carson City, Beatty, Fernley, Hawthorne, Yerington, Minden, Battle Mountain and Searchlight. Their aircraft are based in metropolitan communities, but they deliver 75 percent of their services to rural communities.

Nevada is also home to a number of volunteer organizations, one of which is Angel Flight that flies from 80 to 100 missions per year. Angel Flight consists of pilots who volunteer their time and aircrafts to fly patients who cannot afford other transportation, or cannot endure a long car ride, for specialized treatments in other areas. They depart from airports such as Ely, Minden, Carson City, Battle Mountain, Elko and Winnemucca.

In addition, there are commercial air ambulance services that operate multiengine aircraft to transport stabilized patients to specialized care. These aircraft require 4,500 feet of hard-surface runway with an instrument approach and must have lights for night operations. There are communities in Nevada that go without this valuable air ambulance service because they cannot meet the minimum requirements.

Investing in Nevada airports provides high returns. As Ms. Bennett mentioned, 50 cents produces \$9.50 from the federal government. The apportionment for the State of Nevada last year was \$5.9 million for all airports in the state. Twenty-eight airports were also eligible for \$150,000 apiece in entitlements; however, only 18 of the 28 were eligible to accept the full \$150,000 because they had been unable to take federal grant money earlier.

I would like to discuss the specifics of S.B. 340 and S.B. 439. We understand we are at the end of a long line of people who want interim studies and this may not happen; however, the AOPA are committed to working with the Legislature, counties, state and municipalities to explore where aviation taxes are coming from, at what level and how they can be put into a permanent funding source. We would like to extend any expiration of these funds beyond what is mentioned in S.B. 439 because it takes approximately three years from the time an airport creates a plan, submits it to the FAA for approval, completes the project and funds are actually dispersed. There is a new FAA apportionment every year.

The NDOT has been working for years on a plan of policies and procedures to administer the funds. They are limited by *Nevada Revised Statutes* (NRS) 494.048 to 1 percent maximum to administer the funds. The NDOT indicated they do not need the 1 percent; therefore, 100 percent of the money going into the Nevada Aviation Trust Fund would go directly to airports.

The policies and procedures also provide priorities for safety and capacity. Only airports that are part of the Nevada system plan would receive funds.

CHAIR RAGGIO:

As I understand it, there is a request to amend the bill to provide a fund in the amount of \$500,000 with the understanding that NDOT, if able and willing, would conduct a study of whatever is involved here. If that is the case, I suggest the parties get together and provide an amendment to either S.B. 340 or S.B. 439 that incorporates those things. If there are any additions, we will hear them at this time.

HALE BENNETT (Silver Springs Airport):

I am the owner of the Silver Springs Airport and support S.B. 340 and S.B. 439.

SENATOR COFFIN:

I was on a flight from Reno to Las Vegas in a small plane during a spring sandstorm with a pilot who did not have many hours of flying time. We were buffeted around and it was scary. There was no radar and we were looking at a wall of sand from the ground to 10,000 feet. It was blowing too hard and in the wrong direction to land in Yerington; therefore, we decided to land in Hawthorne. Luckily it was daytime and we could see the airport. If it had been at night, or an emergency flight, we would not have made it. We have all been



in white-knuckle flights around Nevada and at times need some help. A leverage of nine to one is good.

STEVE E. TACKES (Airport Authority of Carson City):

I will support the bill when it returns to the Committee. These bills are a mechanism to get money that is currently going from Nevada to the federal government and then back into Nevada. Why do I say that? Every time you buy a commercial airline ticket, a portion of the price is a federal ticket tax that goes into a federal aviation trust fund which is the source of the matching funds that come back to Nevada. This is a large amount of money. Whether you are flying from here to New York, or between Reno and Las Vegas, you pay that ticket tax. Those funds go into the federal funds and are then made available on a matching basis to come back to Nevada.

CHAIR RAGGIO:

That information should be put into the preamble of the redraft of these two bills. The hearing is closed on S.B. 340 and S.B. 439. The hearing is opened on S.B. 496.

**SENATE BILL 496**: Makes appropriation and authorizes expenditure of federal money for early funding for design of Las Vegas Readiness Center. (BDR S-1419)

GILES E. VANDERHOOF (Adjutant General, Special Advisor on Homeland Security, Office of the Governor):

I support S.B. 496 which is early funding for the design of the new Las Vegas Readiness Center that is on the Capital Improvement Program (CIP) during this Legislative Session. If early funding is approved, the design can be completed and construction out for bid prior to September 30, 2005, which is the significant federal date.

SENATOR RAGGIO:

Is S.B. 496 appropriate?

GENERAL VANDERHOOF:

Yes.

CHAIR RAGGIO:

The Chair requests the Committee process S.B. 496.

SENATOR RHOADS MOVED TO DO PASS S.B. 496.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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SENATOR RAGGIO:

The hearing is opened on S.B. 90, which was heard March 21, 2005, and required an amendment.

**SENATE BILL 90**: Makes supplemental appropriation to Department of Human Resources for unanticipated operating expenses for Fiscal Year 2004-2005 at emergency hospital annex at Desert Regional Center and for unanticipated shortfall in revenue for Fiscal Year 2004-2005 for rural clinics. (BDR S-1191)

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analyst Division, Legislative Counsel Bureau):

This legislation was heard by the Senate Committee on Finance on March 21, 2005. At the hearing, Dr. Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services, suggested an amendment to reduce the allocation now applicable to the operation of the hospital annex, from \$2,730,965 as reflected in the bill, to \$2,410,118 which is a reduction of \$320,847. Dr. Brandenburg also indicated the amount applicable to rural clinics does not require a change. Staff has reviewed the suggested amendment and has no concerns.

CHAIR RAGGIO:

The Chair recommends a motion to amend and do pass S.B. 90.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 90.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:

The hearing is opened on S.B. 328.

**SENATE BILL 328**: Makes various changes related to public retirement systems. (BDR 23-82)

CHAIR RAGGIO:

Senate Bill 328 was proposed by the Public Employees Retirement System (PERS). First, it removed the requirement that social security numbers be included on public documents concerning domestic relations. Second, it allowed the board to resume payment of benefits to the child of a deceased member up to age 23, provided the child was enrolled full time in an accredited high school, vocation school, college or university. Presently, the law does not permit the board to resume payments of those benefits if the child had ceased being a student and then returned; therefore, S.B. 328 would amend the statute to accommodate what had been the past practices of the board. Third, it provided a District Court Judge or Supreme Court Justice, elected or appointed on or after November 5, 2002, who took office after January 3, 2003, and was a member of PERS, to remain a member of PERS unless the judge indicated specific intent to withdraw from PERS and become a member of the judicial retirement plan. If they do not make a selection, they remain a member of PERS.

The Chair recommends a do pass on S.B. 328.

SENATOR RHOADS MOVED TO DO PASS S.B. 328.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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SENATOR DEAN A. RHOADS, (Northern Nevada Senatorial District):

I have been working with former Senator Helen Foley, and her family, on the Elgin Schoolhouse which is located 25 miles south and east of Kershaw-Ryan Park in Lincoln County. It is the only one-room schoolhouse in southern Nevada that is still preserved. I provided the Committee a summary on the Elgin Schoolhouse, as well as the Elgin Schoolhouse Budget ([Exhibit M](#)).

The Elgin Schoolhouse is a wonderful building. It has been fully remodeled, the desks are still in place and it is quite a unique tourist attraction. Approximately one acre of land is being donated.

Ms. Foley, her family and I have been working with the Division of State Parks which is willing to take over the care and maintenance of the Elgin Schoolhouse. In the first year \$24,304 is needed for operational material and \$17,469 is needed the second year. I request a bill draft for the Division of State Parks to take over the care and maintenance of the Elgin Schoolhouse. The Division of State Parks has prepared a schedule of maintenance.

SENATOR RHOADS MOVED TO INTRODUCE A BILL DRAFT REQUEST FOR AN APPROPRIATION TO ACQUIRE THE ELGIN SCHOOLHOUSE IN LINCOLN COUNTY.

THE MOTION WAS SECONDED BY SENATOR TITUS.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:

Senate Bill 441 and S.B. 454 have been recommended for indefinite postponement. The hearing is opened on S.B. 441.

**SENATE BILL 441**: Authorizes issuance of general obligation bonds to carry out Environmental Improvement Program in Lake Tahoe Basin and extends period for issuance of bonds for the Program. (BDR S-663)

SENATOR RAGGIO:

We have not had a hearing on S.B. 441 which authorized issuance of general obligation bonds to carry out an environmental improvement program in the Lake Tahoe Basin. The Division of State Lands advised it is identical to Assembly Bill (A.B.) 458; therefore, we will await the processing of that bill if that is agreeable to the Committee.

**ASSEMBLY BILL 458**: Authorizes issuance of general obligation bonds to carry out Environmental Improvement Program in Lake Tahoe Basin. (BDR S-308)

SENATOR CEGAVSKE MOVED TO INDEFINITELY POSTPONE S.B. 441.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:

The hearing is opened on S.B. 454.

**SENATE BILL 454**: Provides that investigators employed by Attorney General are eligible to enroll in Police and Firefighters' Retirement Fund. (BDR S-106)

CHAIR RAGGIO:

Senate Bill 454 is a bill that has not been heard. It was introduced on behalf of the Attorney General. The Attorney General's Office indicated the Attorney General no longer wishes to pursue this legislation. Based on that information, the Chair would accept a motion to indefinitely postpone S.B. 454.

SENATOR BEERS MOVED TO INDEFINITELY POSTPONE S.B. 454.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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SENATOR TITUS:

I provided the Committee a letter from Mr. Chuck Fulkerson, Executive Director, Office of Veterans' Services ([Exhibit N](#)). There have been many bills this session regarding the National Guard and veterans. There are 27,000 female veterans in the state for whom there is no outreach and no woman is employed in the Office of Veterans' Services. I request a bill draft to establish a Women Veterans' Outreach Coordinator in the Office of Veterans' Services. A budget of approximately \$120,000 has been provided to hire a person, provide travel money and operating expenses.

SENATOR TITUS MOVED TO INTRODUCE A BILL DRAFT REQUEST TO ESTABLISH A WOMEN VETERANS' OUTREACH COORDINATOR IN THE OFFICE OF VETERANS' SERVICES.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MATHEWS WAS ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:

I have been advised the Governor intends to veto A.B. 135 relating to insurance. It increased the maximum amounts that could be assessed against insurers and reinsurers. It was processed by the Assembly Committee on Commerce and Labor with the money to be used to support the fraud control unit for insurance in the Office of the Attorney General.

ASSEMBLY BILL 135: Increases maximum annual amounts that may be assessed against certain insurers for purposes relating to investigation of insurance fraud. (BDR 57-1071)

JOHN P. COMEAUX (Director, Department of Administration):

The Governor wants to veto A.B. 135 because of the fee increases contained in the bill. The bill indicated it was introduced on behalf of the Department of Administration which is incorrect. The bill draft request was signed by the Attorney General, or so I am told by Keith Munro, Deputy Chief of Staff, General Counsel, Office of the Governor.

MICHAEL D. HILLERBY (Chief of Staff, Office of the Governor):

The Governor's Office is not sure how a bill that increased fees impacting something in the budget was not referred to money committees. The Governor asked questions when he read the bill, among them was whether or not there was a reserve in the account. It turned out there was a reserve of approximately \$420,000. The two positions that would be funded are already in the Governor's *Executive Budget*. The existing revenue and some of the reserve of approximately \$200,000 can be used into the biennium to fund the positions needed without the fee increase.

CHAIR RAGGIO:

That is essential information for the Committee when we receive the Governor's letter.

MR. HILLERBY:

It will be in the letter and any other questions will be answered.

Senate Committee on Finance  
April 7, 2005  
Page 28

CHAIR RAGGIO:  
I would like staff to confirm this situation with the Budget Division.

There being no further business to come before the Committee, the hearing is  
adjourned at 10:40 a.m.

RESPECTFULLY SUBMITTED:

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Barbara Moss,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator William J. Raggio, Chair

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