

**MINUTES OF THE  
SENATE COMMITTEE ON HUMAN RESOURCES AND EDUCATION**

**Seventy-third Session  
February 28, 2005**

The Senate Committee on Human Resources and Education was called to order by Chair Maurice E. Washington at 1:30 p.m. on Monday, February 28, 2005, in Room 2135 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 Maurice E. Washington, Chair  
Senator Barbara K. Cegavske, Vice Chair  
Senator Dennis Nolan  
Senator Joe Heck  
Senator Bernice Mathews  
Senator Valerie Wiener  
Senator Steven Horsford

**STAFF MEMBERS PRESENT:**

Leslie K. Hamner, Committee Counsel  
Marshellah D. Lyons, Committee Policy Analyst  
Cynthia Cook, Committee Secretary

**OTHERS PRESENT:**

Curt Chapman, President, Nevada Association of School Boards  
John Soderman, Superintendent, Douglas County School District  
Carlos Garcia, Superintendent, Clark County School District  
Mary Pierczynski, Superintendent, Carson City School District  
Paul Dugan, Superintendent, Washoe County School District  
Lisa Foster, Deputy Chief of Staff, Office of the Governor  
Joyce Haldeman, Clark County School District  
Randall C. Robison, Nevada Association of School Boards

**CHAIR WASHINGTON:**

We have two requests for Committee bill draft requests (BDRs).

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MARSHEILAH D. LYONS (Committee Policy Analyst):

The first request relates to the Transportation Services Authority. Organizations that transport Medicaid clients to their medical appointments have experienced difficulty getting their applications processed in a timely manner, because they are not taxicab companies. This BDR would enable those organizations to transport people to their appointments and receive Medicaid reimbursement.

CHAIR WASHINGTON:

I will entertain a motion to request this bill draft.

SENATOR WIENER MOVED TO REQUEST A COMMITTEE BILL DRAFT FOR A MEASURE TO ENABLE ORGANIZATIONS THAT TRANSPORT MEDICAID CLIENTS TO HAVE THEIR APPLICATIONS PROCESSED IN A TIMELY MANNER.

SENATOR HECK SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS NOLAN AND CEGAVSKE WERE ABSENT FOR THE VOTE.)

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Ms. LYONS:

A request has been received for a resolution relating to Community Services Block Grant (CSBG) funding. It will encourage counties to cooperate with agencies that do some of the work with the CSBG funds.

SENATOR MATHEWS MOVED TO REQUEST A COMMITTEE BILL DRAFT FOR A RESOLUTION TO ENCOURAGE COUNTIES TO COOPERATE WITH AGENCIES WORKING WITH COMMUNITY SERVICES BLOCK GRANT FUNDS.

SENATOR HORSFORD SECONDED THE MOTION.

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

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CURT CHAPMAN (President, Nevada Association of School Boards):

I will give an overview of iNVEST (Investing in Nevada's Education, Students and Teachers). The Governor recommended the school boards and superintendents join together to create a blueprint for academic improvement in Nevada. The 15-point plan was set out during the 72nd Session of the Nevada Legislature. The ideas of iNVEST '05 are outlined in the executive summary on page 3 of the publication titled A Funding and Accountability Proposal ([Exhibit C](#), original is on file in the Research Library). The program has been endorsed by the 17 school districts in Nevada. The program is based on three tenets: adequate basic support, capacity to attract and retain a quality work force, and improve student achievement by increasing instructional time and expanding educational opportunities.

I feel the foundation of a healthy local community is the basis for a vibrant economy. I am aware of how fierce the competition is to attract and retain high-quality companies to Nevada. Leaders of companies who are considering relocation review a number of factors in communities when choosing a locality. What is the community's commitment to the workforce? I look at that important factor from a business standpoint. We are making an investment in strengthening our educational system in Nevada which is critical to all of our futures in so many different ways.

JOHN SODERMAN (Superintendent, Douglas County School District):

Page 4 of [Exhibit C](#) details the costs of inflation. Education in Nevada is controlled 100 percent by the Legislature. The Legislature structures either how the money is appropriated, or gives us the money. Of the General Fund monies appropriated for education, 85 percent is allocated for salaries and benefits. Inadequate funding of inflationary costs of basic expenditures results in cuts to instructional programs. The costs of liability insurance continue to increase dramatically. There was a 70-percent increase in liability insurance in one district. There has to be money to anticipate some of the inflation adjustments.

SENATOR CEGAVSKE:

I wonder where you got the figures for the increase in the cost of milk. Also, from whom did you receive the estimate for the increase in the cost of insurance?

MR. SODERMAN:

We received the information from ABD Insurance, a consulting and financial service firm that has worked with a number of districts including Douglas County. Their industry standard predicts insurance to increase between 10 and 15 percent annually. We do look at energy management around the districts when new schools are built. In Douglas County, we are looking at burning wood chips.

SENATOR CEGAVSKE:

It is my understanding that the schools with vending machines do not use that money to offset the cost of electricity. I know some of the schools have installed monitors to shut off the electricity. I was curious if anybody here wants to address that issue.

MR. SODERMAN:

That is something we could report back to you.

Page 5 of [Exhibit C](#) addresses augmented funding for books, educational supplies and equipment. We would like to expand the \$50 per student to other kinds of instructional supplies including computer software and library books.

SENATOR CEGAVSKE:

It is my understanding that in current language the allocation is for textbooks and computer software. If the language has always been there, are you asking the money be "fenced" off so it could not be used for anything else?

MR. SODERMAN:

It is important this money go to classrooms.

SENATOR CEGAVSKE:

I just wanted to make sure, in statute, we had provided the districts with the flexibility to use the \$50 per student for textbooks and software.

MR. SODERMAN:

My colleagues here tell me the school districts can buy computers but not software under current statute. Perhaps it could be clarified as to exactly what we can and cannot do. Many textbooks are augmented with computer software.

CHAIR WASHINGTON:

I guess there was a misunderstanding on my part. You and I discussed the fact the money is to be used specifically for textbooks and supplies. The money is not to be used as part of arbitration.

MS. HAMNER:

I believe the language Senator Cegavske is referring to is in *Nevada Revised Statutes* 387.206:

Development of formula for determining minimum amount of money school districts must expend annually for textbooks, instructional supplies and instructional hardware; written notice of amount; determination of compliance; reduction in basic support allocation for failure to comply.

SENATOR NOLAN:

I am happy to hear we are focusing more on textbooks. There have been some studies about the size and weight of materials children are required to carry to school. I do not think there is coordination among teachers with respect to assignments, so the children must carry a lot of material.

MR. SODERMAN:

That is a common parent complaint. The market has addressed some of the problem with rolling backpacks. One solution used in secondary schools, where lockers are becoming less common, is students have a book to take home and a book to use in class.

SENATOR MATHEWS:

Too many books are not a problem in my neighborhood. We want to make sure the students receive the books. I was on the Senate Committee on Finance when this was established, and the \$50 per child was for books. That was the intent, and not for hardware, as I remember. That is why I was listening for a comment and I am going to go back and review. If that was the intent, perhaps we need to clean it up. There are students in my neighborhood who do not have enough books.

SENATOR NOLAN:

I think Mr. Garcia was going to help with my question. I respect what Senator Mathews is saying, that she is just happy to get the books. I am not complaining about that either. I do know I worry about the health of children.

CARLOS GARCIA (Superintendent, Clark County School District):

I believe technology is beginning to help us address some of those issues. We piloted, in some of our secondary schools, some programs where students do not have to carry everything. That is why we are mentioning software which will allow us, in the future, to use those resources. Students can download the textbook software at home or with handheld computers.

SENATOR CEGAVSKE:

Bonanza High School in Las Vegas started a collection process for books that were not returned. Report cards and diplomas were held back until fines were paid. The program resulted in an increase in books being returned and fines being paid. Are the districts in the State considering such a program?

MR. SODERMAN:

Douglas County has a similar procedure. The condition of a book is graded when it is checked out. The student is fined if the book is deteriorated past what is expected. Report cards are not distributed until an accounting of materials has been completed.

MARY PIERCZYNSKI (Superintendent, Carson City School District):

The Carson City School District has a similar policy. Our attorney has advised us that it is questionable whether we can hold a report card. We have not been challenged, but it could become a problem.

PAUL DUGAN (Superintendent, Washoe County School District):

Washoe County School District also has that problem, and we too received legal advice about holding report cards. Like Clark County, we send letters and contact students and parents. It is definitely a major issue.

SENATOR CEGAVSKE:

Is Clark County pursuing the process throughout the entire school district?

MR. GARCIA:

We do not do it throughout the entire school district. There is some case law on the issue which makes it difficult to deal with. There are cases where the courts have ruled the students were entitled to receive their report cards or diplomas.

SENATOR HORSFORD:

I have heard from constituents that their children do not have adequate textbooks. I would like to see accountability for the money allocated during the previous session before I could support expanding the provision for software. This would serve as a type of assurance the textbooks are indeed being replaced on this four- to five-year schedule. I went to my third grade class for the retirement of a teacher, and they were using the same textbook I had when I attended the school. Before I could approve expanding the technology for software, I need to satisfy what I am hearing from parents and teachers. What kind of information can you provide to the Committee to assure us that priority has been met?

MR. SODERMAN:

We do need to get information back to the Committee on the number of textbooks purchased throughout the State, and we will do so. If the change in terms of computers is fenced off, and is within the purview of the law, that might be a way to exclude things differently. I was just adding software as an example of the kind of thing that is vital in this day and age.

SENATOR HECK:

Does the last paragraph on page 5 of [Exhibit C](#) allow this money to be used for equipment such as photocopiers and athletic equipment?

MR. SODERMAN:

Those are examples of the kinds of things we buy that go directly to students. For example, we have hand-held calculators through all the levels, including algebra. Those are purchases we need for direct classroom instruction. The intent is to get the kinds of things students use daily in their classrooms. We will not be buying football uniforms or copy machines for the office. As Senator Mathews said, this is primarily about textbooks. It can be expanded to include software and instructional things used daily in core content classroom areas. That was the original intention and we are still hoping for it.

CHAIR WASHINGTON:

The paragraph on page 5 of [Exhibit C](#) details the costs of textbooks. Is that an average cost across all of the districts?

MR. SODERMAN:

That is how we arrived at the figure.

CHAIR WASHINGTON:

Some districts may be above or below that, correct?

MR. SODERMAN:

That is correct. Page 6 of [Exhibit C](#) describes allowing school districts to maintain adequate ending fund balances. This is a no-cost item and is important for us to maintain as a "rainy day" fund for unexpected emergencies. We are not able to guarantee there will be a 5 percent ending fund balance.

SENATOR CEGAVSKE:

Would the school boards be willing to use the ending fund balance only for energy costs?

MR. SODERMAN:

I do not speak for the boards. I think the ending fund balance is for any number of emergencies that might surface. Examples are a catastrophe in a school or something major that breaks.

SENATOR CEGAVSKE:

I do not want the ending fund balance to be used for negotiations or anything other than specific needs. You keep coming back to the Committee on Finance for more money for energy. That is why I thought it might be an area for the ending fund balance. One of the issues I have with the balance is some of the districts are inclined to spend as much money as they can because they are afraid they may not have a balance again. I want to know if we will be able to curtail that by talking to the secretaries and the people who order supplies. Are the 17 school districts willing to become conservative? Districts need to be informed that the supplies they get are the supplies they use.

MR. SODERMAN:

I would say that is not the purpose of ending fund balances. It is for more critical needs that were not anticipated, and not meant to be spent otherwise. Our main goal is to get it fenced off from negotiations.

SENATOR CEGAVSKE:

I want it fenced off but what I am saying is the practice of the districts, in the past, has been to spend whatever money is remaining. I would like some assurances of what would take place in the 17 school districts.



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MR. SODERMAN:

That is an important point, and many of us would be lucky to have that kind of an ending fund balance. We can report to the Committee what ending balances were used for if they are below 5 percent.

SENATOR CEGAVSKE:

Please go back to the school boards to ask them if this could be fenced off so it would take care of your energy bills.

CHAIR WASHINGTON:

I am looking at the first paragraph of page 6, [Exhibit C](#). What is the present practice when you go through arbitration?

MR. SODERMAN:

If an arbitrator chooses to see the ending balance as available money, the ending fund balance is on the table with everything else.

CHAIR WASHINGTON:

That could put the districts in conflict with the arbitrator or the regulations. You would be out of compliance with one or the other.

MR. SODERMAN:

Correct. The regulations do not have any real authority. I do not believe any district has the maximum ending fund balance of 8.3 percent.

CHAIR WASHINGTON:

Page 6 of [Exhibit C](#) notes that county and city governments typically have 20 percent balances. Are those entities subject to the same arbitration standards as school districts?

MR. SODERMAN:

I do not know their regulations well enough to answer you.

CHAIR WASHINGTON:

You are asking to protect the ending fund balance, up to 5 percent, from salary negotiations and arbitration.

MR. SODERMAN:

That is correct.

SENATOR HORSFORD:

You would like to use the ending fund balance for purposes the districts see fit; what are those purposes? If it is compared to the State's rainy day fund, the Legislature does not use it for purposes the Legislature sees fit; it is used for specific things that are called for at an emergency situation.

MR. SODERMAN:

The idea should be characterized as used only for sudden, unforeseen and unusual costs without cutting educational services to students. An example is the requirement for counties to replace Carpenter brand school busses. In Douglas County, between 28 and 30 busses were Carpenter brand.

MR. GARCIA:

Another example would be a weather emergency. Clark County is self-insured. If a school were wiped out, we would bring in portables or do whatever was necessary. For unforeseeable events, we would like to have resources available.

SENATOR CEGAVSKE:

Perhaps I should clarify my earlier request. Would you go before the school boards and ask them specifically for what the money is to be used? This is another area where we are looking for accountability.

MR. SODERMAN:

Perhaps that could be a policy document for those districts that do not have guidelines about ending fund balances.

Page 7 of [Exhibit C](#) addresses salary increases for educational personnel. We are looking at 3 percent. The request is modest. We are not closing the salary gap to the rate of inflation in the State. The November 2004 edition of Job Connect, a Department of Employment, Training and Rehabilitation publication, stated inflation was 3.5 percent over the past 12 months. Employees are losing money to inflation. There are teacher shortages nationwide and we experience them in Nevada. Clark County hired approximately 2,000 teachers, and 1,300 came from outside the State. We are going all over the country trying to find teachers. In Douglas County, we have approximately six substitute teachers; in Clark County they have hundreds. People who are shopping for jobs look for a good community and a living wage.

SENATOR CEGAVSKE:

Part of the teacher shortage problem that has hurt Clark County is class-size reduction. We did not have the facilities for it, so we were putting two teachers in a classroom.

We also have had reports from people interviewing teachers that it is not just salaries keeping teachers from coming to Nevada. Also, we are not doing a good job in recruiting high school students to get them interested in teaching or nursing. Are the 17 school districts ready to tie salaries to performance? That has been a huge issue over the last ten years. The federal government and the State of Nevada have doubled the amount of money given education. I think the people are looking for accountability. When we keep getting statistics showing we are the lowest or the worst in many areas, I am concerned. I do not think the things we must do for No Child Left Behind (NCLB) are all tied to money. I believe there are changes that have been done that are good, and more changes can be implemented. Are the 17 districts ready, and will they step up to the plate to say we will look at performance. There are teachers who deserve the very best salary and teachers who do not. I think the majority of the teachers in the State do a wonderful job. We cannot keep paying them at the same level we pay somebody who is not performing.

MR. SODERMAN:

Tying salaries to performance is a sticky wicket. It would be beneficial to have a viable way to sort through the people making the best contribution and those who are not. Unfortunately, those who are not are well protected by law. It can be expensive and difficult to get rid of some of the people who are notorious. It would be nice to recognize those who excel. I do not know what kind of Committee direction could start that ball rolling. It is not something we are afraid of; I am just not sure we know how to do it.

SENATOR CEGAVSKE:

I am sure business leaders in our communities will be willing to help set up a system to do that. Also, NCLB is a stepping stone.

MR. SODERMAN:

It is going to be a difficult thing to negotiate, but it is something we can do. I might point out that the cost of bread has risen in the past ten years, and the bread is not twice as good. It costs more to do the same thing in parts. Some of the expense you are referring to is the cost of doing business. Accountability is

the name of the game in this day and age and we do need to look at it more. I believe that is why NCLB is in our lives.

CHAIR WASHINGTON:

Where do the 17 superintendents stand on the Governor's proposal to do away with retirement health care for new hires? I believe the Nevada State Education Association said it would make it more difficult to hire additional teachers.

MR. GARCIA:

We need to do everything possible to recruit teachers. Every year Clark County manages to open up new schools. Today we have 398 permanent substitute teachers in our school district, because we could not fill those positions. Students have had a teacher not as qualified as a certified teacher. We cannot support anything that deters us from the mission of hiring highly qualified teachers. This is the first year in Clark County that we had teachers turn down positions primarily because the cost of living has skyrocketed in the Las Vegas area. For the first time ever, we received letters from teachers saying they would love to work here but cannot afford to live here.

CHAIR WASHINGTON:

Has any representative from your organization discussed how this is going to impact education with staff from the Office of the Governor?

MR. SODERMAN:

Teacher benefits do not include retirement health care, so there would not be any impact as a result of the Governor's proposal.

CHAIR WASHINGTON:

I am referring to an advertisement I heard about recruiting teachers. It basically said if the Governor eliminates retirement health care for new hires, it will make it that much more difficult to recruit new teachers.

MR. SODERMAN:

The only connection I can see is if a teacher had a spouse who was thinking of becoming an employee of the State. It does not directly impact us, because we negotiate our own health and accident insurance. It is for employees only. Upon retirement, the employee pays the premium. I think these are relatively separate issues.

CHAIR WASHINGTON:

I heard the advertisement and I was wondering how it would impact teachers.

MR. SODERMAN:

I do not know the source of the advertisement. We would be willing to talk to the Governor or try to get to the source and find out what the thinking was on the advertisement.

CHAIR WASHINGTON:

A part of the Governor's proposal was to provide incentives to teachers willing to teach in at-risk schools.

MR. SODERMAN:

That is one of our proposals also. Page 9 of [Exhibit C](#) addresses incentives. We welcome incentives in Nevada. We realized the initial signing bonuses in the amount of \$2,000 per teacher did not include librarians, counselors and nurses. This proposal includes these categories.

Something that has not been helpful is the one-fifth retirement credit. The board of trustees of a school district shall pay the cost for a licensed teacher to purchase one-fifth of a year of service if the following conditions are met: the teacher is a member of the Public Employees' Retirement System, and the teacher has been employed as a licensed teacher for two school years at a district school which carried the designation of demonstrating need for improvement during his period of employment, or at which at least 65 percent of the pupils who are enrolled in the school are children who are at risk. We have teachers at the beginning of their careers who are not thinking about retirement. They are trying to get established. It has not been an incentive for recruiting. It does not seem to make sense to give incentives to schools in need of improvement, or to attract people to the State.

CHAIR WASHINGTON:

During the interim, the Legislative Committee on Education heard a number of representatives from Washoe County who said teachers come to those at-risk schools, stay for awhile and then migrate to better schools. I think the intent was to assure good teachers would stay at schools that are not meeting Adequate Yearly Progress (AYP) standards.

MR. SODERMAN:

Perhaps financial incentives should go to at-risk schools independent of schools in need of improvement. It should be stipend based, a flat amount, easy to figure and easy to pay. The \$2,000 sign-on bonus works. It would be a good thing to benefit at-risk schools, however they are defined, to provide incentives for people to stay in those schools. I think it would be best from a business services standpoint to determine who receives the bonus and have it be a flat amount.

CHAIR WASHINGTON:

Possibly we will have to merge some of the ideas. Perhaps instead of a onetime flat bonus of \$2,000, there could be an increase in salary outside of arbitration. This would give an incentive to teachers to stay at an at-risk school.

MR. SODERMAN:

If the focus is on at-risk schools, we would support such an idea. At-risk schools are struggling to make AYP for a number of reasons. Presently, Douglas High School is designated as in need of improvement. I do not believe an incentive is appropriate for Douglas High School. We are going to work hard to overcome the designation. An incentive for schools in need of improvement will be a horrifying expense and not have the result that you want.

MR. DUGAN:

This goes to the concern expressed by Senator Cegavske. We need to be careful of incentives. They should be attached to the performance of teachers. We do not want to give an incentive that encourages a poor teacher to remain at a school in need of the best.

CHAIR WASHINGTON:

I tend to agree with you on the one-fifth retirement credit. We are looking towards preventative measures based on performance.

SENATOR HORSFORD:

I recall the primary intent of the retirement credit was for the at-risk school teachers. I do not know if it was because of the introduction of NCLB that it became confused. On the issue of incentives, I would like to see broader thinking. The sign-on bonus is not enough to compete with other districts throughout the country, particularly with our cost-of-living situation. I have seen districts creating funds for teachers to apply for loans for housing. Have those

opportunities been explored? Based upon all the high-rises being planned for Clark County, I do not think costs are going to go down. Teacher pay is not going to get to the appropriate point. There are other things we need to address; housing is one of the biggest.

MR. SODERMAN:

Banks are working with school districts to provide information about special rates. We get financial planners in to advise new staff. Some things we can do for our teachers include loan forgiveness through the universities or reduced-rate tuition for teachers to enable them to move forward on the salary schedule.

CHAIR WASHINGTON:

We often overlook the administrators and principals. Incentives should be considered for them as well.

SENATOR CEGAVSKE:

Was all the money for incentives spent during the last biennium?

MR. SODERMAN:

I believe so. There was enough money for each new hire to receive their \$2,000.

SENATOR CEGAVSKE:

If you used all of the allocation, then you had that number of new teachers hired, correct?

MR. SODERMAN:

Yes. We apply for the money in September.

SENATOR CEGAVSKE:

Every hire was given the \$2,000 before the completion of the school year.

MR. SODERMAN:

Correct. Teachers needed to work a certain number of days before they were issued the bonus.

SENATOR CEGAVSKE:

If they leave before the school year is over, the money is still theirs. I believe these incentives should be given after the year is completed, and that can also

be tied to performance. I would like to see a report that shows the number of teachers hired and if they taught the entire year.

MR. SODERMAN:

There is a requirement to teach for 30 days before the bonus is given. You could add they need to have a satisfactory evaluation.

SENATOR CEGAVSKE:

I do agree special education teachers need to receive more money. In Clark County there are incentives for those who teach in more difficult areas. I do not know about the other districts.

MR. SODERMAN:

The problem is that we are on such a tight budget. The only way we can pay for something of that nature is by not using that money elsewhere.

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

The Governor saw NCLB was improperly, unfairly or perhaps fairly, labeling schools and consequently labeling children as failures. Many of the provisions of the law came with no federal funding to improve our educational system. Governor Guinn indicated although the remedial funding program may be good, it takes too long for those funds to get to the schools and does not achieve the goals it was intended to accomplish. He further indicated, because we do have the resources this year, we should do something different and innovative. He proposes \$100 million to go into a trust fund. Schools will then have the ability to apply directly to a commission for grants to use those funds to meet the goals of their school improvement program. The purpose is to acknowledge the fact that cookie-cutter methods are not the best way to deal with education. Through the trust fund, schools will have the ability to apply for funds for full-day kindergarten or more Spanish-speaking teachers. They determine the service they think would best meet their needs. Experts on the commission would include teachers and principals. The idea is to get schools off the warning list.

CHAIR WASHINGTON:

The proposal we are looking at today does target schools that are at-risk. My concern with the \$100 million proposal is where is the incentive package within it? I know you mentioned the Governor wants to help the schools meet their AYP and have remedial funds available. How will you use part of the



\$100 million to provide an incentive program for those who teach in at-risk schools to stay at those schools?

MS. FOSTER:

The Governor is looking at different schools having different needs. Schools can apply directly from the trust fund for their individual needs.

CHAIR WASHINGTON:

The districts would apply to the commission based on the needs of at-risk schools or those who fail to meet their AYP. Would you take out of the trust fund a certain amount like a grant?

MS. FOSTER:

It would be like a grant program, but with the schools applying. We are looking at having the schools applying as opposed to the districts because we want the money to get to the school as soon as possible, without many people being required to sign off.

CHAIR WASHINGTON:

Why would there be a commission created instead of going through the Department of Education or the school district trustees?

MS. FOSTER:

When the Governor came up with this idea, he considered schools in Nevada that were successful. He determined a principal who has been able to make a school succeed, in a way no other school has succeeded, could help other principals do the same thing. Putting such people on a special commission would be a more hands-on approach to dealing with problems.

CHAIR WASHINGTON:

On the commission there might be retired administrators, teachers and principals. Does the Governor think it would be best to allow the trust fund to be allocated through the commission?

MS. FOSTER:

Yes. The Governor has not detailed the plan. One legislator has suggested there may be circumstances where the money would go to a program that would be applied to all schools. There may be times when that would be appropriate. In general, the idea is to look at individual schools and their needs. The Governor

has proposed having two elementary school principals, a district level administrator, two elementary school teachers and a layperson on the commission.

MR. SODERMAN:

We believe in the Governor's budget, but we are concerned about the increased cost of health insurance. Our analysis, as detailed on page 8 of [Exhibit C](#), has indicated an increase of 10 to 15 percent of those costs. We have to find the money to keep our health insurance going. Either employees are going to have to contribute to the plan or have reduced benefits.

SENATOR CEGAVSKE:

Have the districts looked at having a pool of benefit options from which the employees may select?

MR. SODERMAN:

We do offer various options to the employees. We are 100-percent funded by the Legislature. We cannot make the costs stay at a certain level. Eighty-five percent of our current general funds go toward salary and benefits. That is a huge amount, but that is what it takes.

SENATOR CEGAVSKE:

Are you telling me you do not receive any local tax revenue?

MR. SODERMAN:

Those revenues are usually offset by what the State gives us.

SENATOR CEGAVSKE:

I requested staff to prepare a list of every single fee, tax and revenue that every school district receives. There are other revenues in addition to State funds.

SENATOR HORSFORD:

In [Exhibit C](#), when you say you have an increase in the health benefits and operating expenses, those are standard increases most businesses experience. Some hard choices are required and priorities must be set. In the Governor's budget there are increases. Are you asking for additional support relating to annual inflation increases?

MR. SODERMAN:

I am not qualified to say what the Governor's budget includes and does not include. As I understand the budget, employee health insurance included a 2-percent increase the first year of the biennium and a 3.5-percent increase in the second year. That falls short of the 10- to 15-percent increases we have been told to expect. Our choice is to cut something or move funds elsewhere. That is the dilemma we face.

SENATOR HORSFORD:

In order to make public policy as it relates to education issues, could we be provided with some information as to whether or not those increases are included in the Governor's budget? Are you saying you are going to have to make those cuts?

MR. SODERMAN:

I am saying for whatever is not funded, we are required to find the money. If we have to spend funds that might have been available for raises to keep health and accident insurance benefits in place, we must make that kind of choice. I believe you are asking about the differences in [Exhibit C](#) and the Governor's budget item by item.

SENATOR HORSFORD:

Yes, that would help. If you are funded 2 to 3 percent for an increase in health benefits, you are not covering your actual costs. Funding priorities would be required at the district level. We are all for increased accountability and the effective expenditure of every dollar. In the end, we must ask ourselves if we are at the bare bones of this. I do not know who can live on \$28,000 a year in Clark County. We are not investing in our children's futures when we do not support the people who spend the most time with them.

CHAIR WASHINGTON:

I will ask Ms. Foster to explain the Governor's intent regarding health benefits.

MR. DUGAN:

If you look at page 8 of [Exhibit C](#), you will see we are requesting a 12-percent increase for health benefits. We are asking for health benefits to be fully funded based upon our projection, which is dramatically different from the Governor's recommendation.

SENATOR HORSFORD:

In this process, it appears we are just funding growth, and at times we do not keep up with that. There is a difference between funding for growth and funding for quality education. My question is how do we get to funding for quality education?

MS. FOSTER:

Returning to the question of utilities, I must say that is something that was omitted from the Governor's budget. That mistake will be corrected. As far as health benefits go, I hesitate to reply because I do not have a good answer. I can get whatever information you request.

SENATOR HECK:

On page 4 of [Exhibit C](#), reference is made to the cost of health insurance. At the bottom of the page, it states the overall estimated blended inflation index is applied to all non-salary and benefit accounts. Then you have health insurance as a separate item on page 8. I assume that is a 3-percent increase for all costs except health benefits, and it is not duplicated.

MS. PIERCZYNSKI:

That is correct. The plan iNVEST is proposing is for student achievement. I am going to discuss pages 10, 11 and 12 of [Exhibit C](#). The emphasis is providing time and opportunity for students performing below standard. Today, a student must prove he or she has reached competency and passed the High School Proficiency Examination in order to receive a diploma. Schools are required by NCLB to measure the yearly progress of specific groups of children. We have students with special needs and language difficulties. We are requesting additional funds to help us improve these students. Programs such as summer school, intersession, tutorials and strategies for students whose first language is not English could be offered.

SENATOR HORSFORD:

Have you evaluated the impact of the cuts to Gaining Early Awareness and Readiness for Undergraduate Program (GEARUP) and the Higher Education Preparation and Support Service (Federal Trio Programs) will have on those programs that are in place? Is this request above and beyond those programs? If they are reduced or eliminated in total, what would the need be?

MS. PIERCZYNSKI:

We do not have those programs in Carson City. We do have a wonderful program called Even Start, for which we are going to lose all funding.

MR. GARCIA:

When this was prepared, the calculations were made prior to the cuts the administration has proposed. Those cuts will be devastating to us. If programs such as the Perkins Act, which funds vocational and technical education, are cut, the numbers would be higher.

SENATOR HORSFORD:

I believe we need to invest in some of these programs. However, I would want some specific outcome measurements for the investment. Could you provide the Committee with information concerning where we are now and what the outcome of this funding might be in these targeted areas?

MS. PIERCZYNSKI:

We certainly can do that. We keep accurate records. One of our concerns about the High School Proficiency Examination is 23 percent of our students did not pass the reading portion on their first attempt. Additionally, 42 percent did not pass the mathematic portion on the first attempt. We are keeping records and can provide you with information.

SENATOR HORSFORD:

Specifically, referring to the graphs on page 11 of [Exhibit C](#), based on modeling or best practices, would you be able to specify the percentage of test score improvement and by when?

MS. PIERCZYNSKI:

Yes, I believe school districts could provide that information.

SENATOR CEGAVSKE:

Since NCLB has been implemented, I have read and heard there is no money. Chair Washington and I have spoken to Mary Jane Pearson, who represents the White House. I also spoke with U.S. Senator John Ensign. He indicated if anybody, at any time, thinks there is money taken away from a program, he would like to have it addressed to him in writing. If you will look at the book and the information that has been provided by the White House, it indicates several areas where money has been taken from an area and put in another area

to allow flexibility for the school districts. I would like anybody who feels there is a cut to write it out for us to examine. We will get it to the administration and ask them directly about it.

SENATOR HORSFORD:

Is it possible for the Committee to have a presentation on NCLB? I have reviewed the budgets, and I have seen where there has not been adequate funding or programs have been cut dramatically.

CHAIR WASHINGTON:

We have asked Ms. Pearson to do a presentation later this month. As I have reviewed the President's budget, I noticed some programs we have been accustomed to have been put into different areas; this gives flexibility to the districts to use those funds as they wish. For instance, vocational training programs have been combined with other programs for the districts to use the funds as they see fit.

SENATOR MATHEWS:

If we are going to hear the representative for the President speak for NCLB, may we hear a representative to speak against it? A number of states have found things that are detrimental to children, particularly children who have the greatest need. In my neighborhood there are things, because of NCLB, that the principals can no longer do.

CHAIR WASHINGTON:

I would suggest if you have any questions and concerns about NCLB, make sure you have them written out and we will be sure to get them to Ms. Pearson.

SENATOR HORSFORD:

On page 11 of the exhibit, there is a request for \$100 per student to be utilized for various methods to improve the AYP. I believe all students need help and should be able to access it. How will this funding be allocated? How will the funding for tutoring be divided?

MS. PIERCZYNSKI:

If you look at the charts on page 11, you will see the percentage of students who are below standard. Those students are easily identified through test scores and would be the ones targeted. In schools that have money for remediation, we target those students who are in the lowest quartiles. They are

the ones we have in after-school programs. It is not difficult to target students who need extra help.

Page 12 addresses funding for English language learners who are the fastest-growing segment of the student population. These students are required to take the same examinations as every other student in order to determine whether the school has made adequate yearly progress. The first year a student is in the country he or she is tested. The second year the student is in the country the score is counted for AYP. Additional funding will be used to train teachers to develop strategies necessary to address the needs of English language learners. Welcome centers are needed in urban areas and bilingual endorsements are needed for teachers.

SENATOR CEGAVSKE:

The third paragraph of page 12 shows average expenditures for services for English language learners is \$286 per student. Is that the actual cost to teach reading, writing and arithmetic to an English learner for one year?

MS. PIERCZYNSKI:

We arrived at this by looking at the amount of money we were spending in the school districts to support our English learners. There is no additional funding for them other than the per-pupil allocation.

SENATOR CEGAVSKE:

Have you been able to calculate a per-student cost to actually teach the student to understand English? Are they in the program for one year or do they require two or three years to become proficient in English?

MS. PIERCZYNSKI:

To be considered an English language learner, the student must take a placement examination. As the student progresses through the English as a Second Language (ESL) program, there are additional tests. Many students are graduated out of the ESL program and placed in a regular program. The \$286 amount per student is for personnel to be hired. Currently the money for funding English language learners comes out of the general budget.

SENATOR CEGAVSKE:

This request is for an amount in addition to the per-pupil funding. I am trying to get an idea of the actual cost to teach a student English, and if a year is enough

time to teach the student the necessary things. I am looking for performance indicators.

MR. GARCIA:

We do monitor the progress of English language learners. You may be surprised to know that students who have exited our ESL programs actually outperform other students on our standardized tests. Data from last year's testing showed the largest gains to date.

SENATOR CEGAVSKE:

Do you require a social security number when students are enrolled?

MS. PIERCZYNSKI:

We are not allowed to do that. Steven Ross at the Department of Education is gathering information on ESL programs and I believe the Department will be very accountable.

SENATOR NOLAN:

When you spoke of the distinction between the first year a child is in the country versus the second year, how is that determined?

MS. PIERCZYNSKI:

When the child is registered, we ask the question. We go along with the answers given by the person who is registering the child. Also, the students are placed through examinations. It really takes six years to master a language. We are asking the students to take tests at the second year, but it is a long process.

MR. GARCIA:

If all of our students came to us in elementary school, they would all be proficient by graduation. The problem is we get many students who come in as juniors and seniors. They quickly learn they are not going to graduate because there is no human way an individual can learn enough academic language in one year to master a battery of examinations.

SENATOR NOLAN:

Is the purpose of the tracking being done by Mr. Ross to evaluate the ESL students' performance?



MS. PIERCZYNSKI:

Yes, and to help schools with training people in Sheltered Instruction Observation Protocol (SIOP). Also to make sure we are categorizing children the same throughout the State. We are adding some centralized organization to the entire program.

SENATOR NOLAN:

How much of the taxpayers' dollars are being used to educate students who may be in this county illegally?

MR. GARCIA:

The Supreme Court of the United States has made it clear that school districts must educate anybody who walks into our schools. Whether I like it or not, we are here to serve.

SENATOR HORSFORD:

Related to the English language learner, do you fall within the Civil Rights Act? I know there have been directives by the U.S. Department of Justice to provide adequate resources for bilingual instruction.

MS. PIERCZYNSKI:

To the best of my knowledge, we are performing adequately. I do not believe we have had any cases, lawsuits or issues around the State.

MR. DUGAN:

We have been contacted by the Office for Civil Rights regarding our ESL teacher ratio. That was several years ago and we are working to reduce the ratio each year. We have had issues brought to our attention.

MR. GARCIA:

Clark County has as well. We are not yet at the level we should be.

MR. SODERMAN:

We have also been contacted by the Office for Civil Rights regarding caseloads and protocols for students to be enrolled and released from the program.

MS. PIERCZYNSKI:

We have all been questioned, but so far there have not been any lawsuits.

CHAIR WASHINGTON:

Are not most English language learners exempt from the battery of tests the first year they enter the school system?

MS. HAMNER:

I will look into that.

MS. PIERCZYNSKI:

The first year a student is in a school, and if it is their first year in the country, they must take tests for participation. It does count against the 95-percent participation rate if they do not take the test. The second year the scores are counted.

CHAIR WASHINGTON:

The first year the score does not count but they must participate.

MR. GARCIA:

Prior to NCLB, in Clark County we waited three years before the English language learners took the battery of examinations. Now, beginning the second year the tests are a requirement. One out of five students in Clark County has limited English proficiency and that has a great impact on test scores.

MS. PIERCZYNSKI:

Page 9 of [Exhibit C](#) discusses the issue of full-day kindergarten. In order to improve student academic achievement in the State, we feel this should be implemented. Full-day kindergarten results in academic and social benefits. Mr. Garcia is going to address the results seen in Clark County for full-day kindergarten.

CHAIR WASHINGTON:

If the facility costs were removed for this proposal, what would the amount be?

MR. GARCIA:

Actually we have removed the facility costs for Clark County. We recognized if we asked you to fund this, the number for Clark County would be tremendous. If you decide to fund this proposal, we will find the room. The first chart you have ([Exhibit D](#)) shows the progress made after one semester for the selected schools implementing full-day kindergarten. Many studies illustrate children living in poverty benefit from full-day kindergarten. I thought you should see a

study we conducted in a more affluent area ([Exhibit E](#)). The chart compares students attending full-day kindergarten with those attending half-day in the same school.

SENATOR CEGAVSKE:

When class-size reduction put such a burden on the districts, and it has proven not to be as we had hoped, I wonder why you are bringing this proposal to us. When I look at this I see another problem for us to facilitate. We are back to you telling us to not give you unfunded mandates. This is another area where you do not have the room. I do not understand why you would ask us for this when you do not have adequate space.

MR. GARCIA:

We will make it work.

CHAIR WASHINGTON:

My concern is about the content and the quality of the program. How can you assure us the programs will be efficient? We do not want to spend money merely to house children.

MS. PIERCZYNSKI:

I believe it goes back to the data. Going into an at-risk school with success for reading programs, you see children who are able to sound out words and read. Those are that kind of programs we need in full-day kindergarten. This cannot be a baby-sitting service. We need research-based programs. We must be able to come back to you with the kind of data you just heard about from Clark County.

CHAIR WASHINGTON:

There have been indications this is a program that will help close the achievement gap. The concern is if we fund \$72 million, we do not have the data to verify the expenditure. How do we authenticate the information and the method of teaching to be implemented?

MS. PIERCZYNSKI:

Kindergarten teachers are held to standards. That is the beginning of accountability. There are certain requirements in the kindergarten curriculum.

CHAIR WASHINGTON:

Is it the job of the superintendent to make sure the teaching method and the information on materials meet the standards?

MS. PIERCZYNSKI:

That is correct.

CHAIR WASHINGTON:

What is the plan for funding this program after the current biennium? This is an ongoing burden to the State.

MS. PIERCZYNSKI:

The students would be treated as every student. It is an additional burden on the State.

CHAIR WASHINGTON:

The ongoing funding is a concern to this Committee.

MS. PIERCZYNSKI:

The plan iNVEST is presenting is a way to help students in Nevada achieve. Full-day kindergarten is a part of that picture. I do not envy your difficult position of trying to fund this or any proposal concerning education.

CHAIR WASHINGTON:

There has been a suggestion for an alternative to requiring all of the districts to implement this program. Possibly have a pilot program to reach out to the at-risk children. There could be permissive language stating any district may implement full-day kindergarten and leave the funding to the district.

MS. PIERCZYNSKI:

All of the 78 at-risk school programs in the State, with the exception of some special programs, are funded through Title I, Improving the Academic Achievement of the Disadvantaged. This would have to be a decision the districts would need to make.

CHAIR WASHINGTON:

Something has to go. We are trying to determine if we give you the permission to have full-day kindergarten, would you be willing to find the funding within your budget?

SENATOR HORSFORD:

There is an option I wonder if you have explored. We keep using the language of burden and cost. I see this as an investment on the front end at a lower cost than it would be at the back end. At the back end you are talking special education, remedial education or prison, which is four or five times the cost of educating a child. Do you have research to show how, by investing at the front end, the State's burden will be decreased over time?

MS. PIERCZYNSKI:

There was a study in Philadelphia where they had full-day kindergarten. In the first few years they paid for almost 20 percent of their full-day kindergarten costs by the lack of retentions in first and second grade. There have also been other national studies.

SENATOR HORSFORD:

I would encourage the superintendents, as we continue this discussion, to provide information that demonstrates the funding of this program now will decrease or at least flat line future costs.

MS. PIERCZYNSKI:

One advantage shown in the studies is referrals to special education are cut down with full-day kindergarten. We all know special education programs are expensive.

SENATOR HORSFORD:

A presentation in the Senate Committee on Judiciary stated it now costs \$24,000 annually to incarcerate a prisoner.

MS. PIERCZYNSKI:

Page 10 of [Exhibit C](#) addresses professional development for student achievement. We are requesting an additional five days to the calendar of each teacher; the five days will be devoted to professional development.

SENATOR CEGAVSKE:

This proposal is requesting five days for professional development outside of classroom time.

MS. PIERCZYNSKI:

That is the intent. The law is 180 days for students. We are requesting the teachers be with us 185 days.

MR. DUGAN:

Page 15 of [Exhibit C](#) focuses upon the issue of classroom discipline. This proposal allows for the uniqueness of each district addressing such needs. It proposes to fund effective programs developed by districts. The Department of Education would review the programs and allocate funds for them.

SENATOR CEGAVSKE:

In the past, Clark County utilized in-house suspension. Is that the type of program you are trying to bring back? What did you do with the money utilized for in-house suspension? We seem to be seeing a trend where programs were needed and used, and now you want to reinvent the wheel.

MR. DUGAN:

We cut \$98 million out of the budget, and that is when the in-house suspension programs were eliminated. The whole purpose behind this proposal is to allow a quality alternative setting for disruptive students. Most schools do have an in-house suspension program, but due to funding they are more of a baby-sitting situation. We need to provide a quality alternative.

SENATOR CEGAVSKE:

Do you have a plan?

MR. GARCIA:

For secondary schools the program would not be a baby-sitting program. It is actually an academic program. It indicates to students if they do not want to make it in this program, then we are not required to provide them a program.

MS. PIERCZYNSKI:

In Carson City, we are hoping to be able to keep something we call Opportunity School. I believe the in-school suspension Senator Cegavske was referring to was more of a baby-sitting place.

CHAIR WASHINGTON:

On the bottom of page 15, you indicate 3 percent of the student population is basically disruptive. This proposal is asking taxpayers to fund \$66 million for 3 percent of the students.

MR. DUGAN:

I would look at this as an investment. If we lose these students, then we are talking about children who are not in school. The cost per student is expensive, but I believe it is expensive to not do it. We are finding we do not have options at the elementary level, and we are getting more children who need an alternative setting.

CHAIR WASHINGTON:

As Legislators, we need to provide taxpayers with justification for this expenditure, when we may be addressing students who do not want to be in school.

MR. DUGAN:

What we are looking for is the chance to help a significant number of the 3 percent of disruptive students. Page 16 of [Exhibit C](#) focuses on the important area of career and technical education. We need to prepare a capable workforce to meet the challenges of a growing Nevada.

CHAIR WASHINGTON:

Are you familiar with an Assembly bill that addresses technical education?

MR. DUGAN:

I am not familiar with that bill.

JOYCE HALDEMAN (Clark County School District):

If I am correct, the Assembly bill is about a new Career and Technical Education diploma. We are looking at that in our school district and wondering if a new diploma is the right way to go. The money we are requesting here has to do with allowing children to be able to take career and technical education classes we believe will be beneficial to them.

CHAIR WASHINGTON:

Are you still looking at the idea of a diploma for career and technical education?

MS. HALDEMAN:

Nevada has six high school diplomas. We do not know if offering a seventh would be beneficial.

SENATOR CEGAVSKE:

I would like to ask about the collaboration between businesses and the schools.

SENATOR HORSFORD:

Legislators received a letter from the Superintendent of Public Instruction indicating the graduation rates are drastically better for technical education students than for traditional high school students. If we know the rates are better, we know business wants it, we know there are young people who are not engaged in the traditional high school setting, why do we not have a greater emphasis in this area?

MR. GARCIA:

We are being proactive. We know not everyone should go to college and we need to maintain the programs we have. We are asking for funds to purchase supplies, software and related technology. Students deserve opportunities to attend vocational and technical courses, and graduate. Vocational-technical students have the best attendance rate in Clark County. It is common sense to build more of these schools. We are trying to open three more vocational schools in Clark County.

SENATOR HORSFORD:

Leaders are typically ahead of their time, so I would ask you to continue your forward thinking. Apprentices earn more than college graduates do in some instances, so for us not to have as much emphasis in those areas is detrimental to our young people.

SENATOR CEGAVSKE:

Some of the high school juniors and seniors need just one or two credits to graduate, and they must attend for the full year. Have we done anything to correct that? I am disappointed there are not college-credit courses available to the students, or the ability to take the one credit in their junior year, and then attend junior college.



MR. DUGAN:

I agree with you, and I do not have an answer. The last proposal, on page 17 of [Exhibit C](#), describes class-size reduction (CSR). In 2001, Elko County School District was given flexibility in their use of CSR funds. In 2003, similar flexibility was extended to all Nevada school districts except Washoe County and Clark County. This section seeks authorization to have the flexibility permanently enacted by the Legislature and to include Washoe and Clark County school districts.

CHAIR WASHINGTON:

What is the actual cost to implement CSR?

MR. DUGAN:

We did a study to answer that question. Most class-size studies indicate a ratio of 20 students to 1 teacher has a definite positive effect. The costs for Washoe County to implement that ratio in Grades 1 through 5 would be a savings, regarding teacher allocations, of a little over \$3 million. We would then have the challenge of space.

CHAIR WASHINGTON:

Do you know the actual dollar amount?

Mr. Dugan:

I do not.

MR. GARCIA:

I do not have those amounts, but we will be glad to get them for you.

SENATOR CEGAVSKE:

I believe we tried this last Legislative Session, and were unsuccessful. Has the Nevada State Education Association indicated their support?

MR. DUGAN:

They have reservations about this and we need to have further discussions.

MR. GARCIA:

The two items about this entire proposal they have reservations about are CSR and the ending fund balance.

SENATOR CEGAVSKE:

This is a great idea and will probably help all the school districts.

CHAIR WASHINGTON:

Class-size reduction on a bill draft request will be presented to the Committee at a later date.

MR. GARCIA:

We have been working on this plan for four years. For educators, there is only one Nevada. What happens to a child in Elko is as important as what happens to a child in Mesquite or Las Vegas. Our goal is student achievement and it is refreshing to all of us to have that goal in mind. This is something on which we compromised and we looked at the needs of all the districts. If you look at the industry in Clark County, the school construction bids are 30 percent higher than previous bids. The real reason is the shortage of labor. The English language learners and technical school graduates are going to be important in Nevada. The great thing about NCLB is there is no such thing as an invisible child.

CHAIR WASHINGTON:

Will your proposal be presented in several bills?

MR. GARCIA:

The Nevada Association of School Boards is introducing this proposal as a whole.

RANDALL C. ROBISON (Nevada Association of School Boards):

We have been informed it might be started in the Senate Committee on Finance.

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CHAIR WASHINGTON:

We thank you for this presentation. If we never do anything else, if we can reform the bureaucratic maze we have created in our education system, I believe that would be a job well done. There being no other issues before us today, this meeting of the Senate Committee on Human Resources and Education will adjourn at 4:43 p.m.

RESPECTFULLY SUBMITTED:

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Cynthia Cook,  
Committee Secretary

APPROVED BY:

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Senator Maurice E. Washington, Chair

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