

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

**Seventy-Fourth Session  
February 19, 2007**

The Committee on Education was called to order by Chair Bonnie Parnell at 3:47 p.m., on Monday, February 19, 2007, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/74th/committees/](http://www.leg.state.nv.us/74th/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Bonnie Parnell, Chair  
Assemblywoman Debbie Smith, Vice Chair  
Assemblyman Bob Beers  
Assemblyman David Bobzien  
Assemblyman Mo Denis  
Assemblyman Ruben Kihuen  
Assemblyman Garn Mabey  
Assemblyman Harvey J. Munford  
Assemblyman Tick Segerblom  
Assemblyman Lynn D. Stewart

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Joseph P. (Joe) Hardy (Excused)

**GUEST LEGISLATORS:**

Assemblyman Conklin, Assembly District No. 37



**STAFF MEMBERS PRESENT:**

Kristin Roberts, Committee Counsel  
Carol M. Stonefield, Committee Policy Analyst  
Denise Dunning, Committee Secretary  
Rachel Pilliod, Committee Manager  
Kelly Troescher, Committee Secretary

**OTHERS PRESENT:**

Craig Kadlub, Director of Government Affairs, Clark County School District, Nevada  
Daniel Klaich, Executive Vice Chancellor, Nevada System of Higher Education  
Jane Nichols, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education  
Jack Lund Schofield, Vice Chair, Nevada System of Higher Education, Board of Regents

**Chair Parnell:**

[Meeting called to order at 3:47 p.m., quorum present. Roll called]

We do have some bill draft requests (BDRs) to take action on today, but Assemblyman Conklin needs to be at another meeting at 4:00 p.m., so I am going to go directly to the overview of the comprehensive audit of the Clark County School District (CCSD). Assemblyman Conklin sponsored this bill last session.

**Assemblyman Marcus Conklin, Assembly District No. 37:**

I believe that Clark County is the most audited entity and, as comprehensive as Assembly Bill No. 580 of the 73rd Session was, it encompasses the other audits so there are fewer audits and more money being spent at the local level. In the last session, I sponsored legislation calling for ongoing audits of our school districts. This legislation was ultimately incorporated into A.B. No. 580 of the 73rd Session, which passed both Houses unanimously. It was designed to make sure that there was a complete managerial audit of every school district in the State of Nevada every six years. Schools implemented the recommendations of the audit and showed good progress towards advancement of efficiencies. It could be exempted in the future to make the school's best practices formal in their districts. They would have the opportunity to forgo these comprehensive audits for a twelve-year period instead of the six years. I brought this bill forward because we need to make sure that every dollar we are spending on education is being spent wisely, and that we are funding programs that work in preparing our children for today's workforce. We want to make

sure that every school district is administering their schools in the most efficient and cost effective ways. This is important for a couple of reasons. First, a number of critical programs in our schools are underfunded. We do not pay our teachers enough—a problem that is growing with the dramatic increase in housing costs. As a result, we are having trouble recruiting and retaining qualified teachers and our classes are overcrowded in many districts. We need to provide more career and technical education opportunities and full-day kindergarten must be available to all of our youngest students.

Second is the taxpayer dollars. Nevadans expect and deserve to know that the tax dollars they pay to fund education are producing results. The word "accountability" is used too often and too casually these days, but these audits result in true accountability in every sense of the word.

Today, we are hearing the results of the audit conducted in Clark County ([Exhibit C](#)). We have good news in this audit. Clark County gets very high marks in many areas. The audit identified approximately \$101 million in potential savings using recommended efficiency measures. That means greater stretching of the dollars we spend in education and could translate into commendations in the future. There are differences in opinion of what our priorities in education should be. That is what this Committee is all about. We talk about numbers and policy decisions in our big debate about education. I must say that there is no greater task we have as legislators than to provide for the education of our population. Education equals opportunity and greater economic standards for everyone. Recently, I spent an entire day in one of the high schools in my district. I sat and talked with administrators, classroom teachers, and students at length. We have tremendous things happening in our schools, but we need to do more. I was impressed with the schools, the teachers, and students with whom I met. I was left to ponder: "What kind of Nevada do I want to live in—one where a school district makes high marks in many national standards, but lacks the resources to bring their programs together for the education of our youth, or one where its leaders recognize the value of our youth, the expertise of our educators and administrators, and are willing to prioritize accordingly?"

**Assemblyman Beers:**

One of the concerns that we continuously hear is the very low pay for teachers. Did they have a figure as to what the pay should be set at?

**Assemblyman Conklin:**

There was a specific recommendation for higher teacher pay. Our pay rates are amongst the lowest of our peer groups with the exception of our colleagues in to the north, and it should be a priority of this Body and of our State in the

future. As to the specific amount, I do not know that the book speaks to that, although there are numbers according to districts.

**Craig Kadlub, Director of Government Affairs, Clark County School District:**

I would like to tell you about the process we underwent in the course of the review, and then I will go through the Executive Summary ([Exhibit D](#)). I will then talk briefly about findings and then offer a few summary comments.

The Legislative Counsel Bureau (LCB) issued a Request for Proposal (RFP) and identified qualified respondents. The list of qualified respondents came to the State Board of Education and they selected MGT of America, Inc. (MGT). They have extensive expertise and experience in auditing governmental agencies like universities, school districts, state departments, and so forth. They have worked in 50 states and five countries. They have been around for about 30 years. Their first step was to conduct a diagnostic visit. Three of the principal auditors showed up in the Clark County School District (CCSD) for three days. They asked us to set up meetings and they did interact in meetings for three days. They sent us a long data request slip—about 20 pages of documents they wanted when they returned. The second visit lasted one week and involved 18 auditors who went through all of the pages of information that had been gathered. They held six public meetings and did extensive interviews with staff and community members, individually and in groups. They visited 68 schools. They conducted electronic surveys of administrators and teacher workforces. They did a telephone survey of the community in English and in Spanish. They did more interviews with community leaders and then they used the preceding five years of audits of the CCSD as a starting point. One of the unique features of this study was the community oversight group. Because it was written into the bill, Nevada had to have the oversight group, which the auditors stated they had never utilized before. The community group essentially kept the auditor group on target with things that were specific to Clark County and Nevada.

After evaluating all of the data they had gathered from these interviews and from the documents, they compiled a rough draft and allowed us to review it. It was basically the same size as the final draft. They were not taking any comments. They just wanted us to review the document for factual errors. They released the final document at a public meeting on October 12, 2006. Since then it has been available to anybody who is interested and it is on the school district's website. On the top of page 6 ([Exhibit D](#)), there is a list of all of the functions audited in the district. Everything from upper management to food service, transportation, and purchasing was covered. You can see a list of the 50 audits that have been conducted in CCSD over the last five years. On page 10 there is a brief segment comparing the CCSD to other districts. There

are a half dozen comparison districts, and those are selected primarily by size. You will notice that Washoe County was included because they wanted another Nevada district to compare to. There is not much in the Executive Summary on comparisons, but there is a chapter in the larger book that is available on the website. CCSD is about \$1,200 below the district-per-pupil average. Per 1,000 students, we have the lowest number of teachers, the lowest number of instructional aids, the second lowest number of counselors, a below average number of school administrators, the lowest number of school administrative support staff and employees, and an average number of central office administrators. Although the district received the lowest-per-pupil amount, CCSD had the highest percentage of staff in the classroom. The findings begin in the Executive Summary. On page 11, it states that the school district's energy conservation program serves as a role model for all school districts. On page 12, the school board is commended for adopting and applying a government system which focuses on leadership and student achievement. The district is commended for going to the International Standards Organization (ISO) Certification Process, and it refers to that as a business model. It is a quality management system and has resulted in a reported a ten-year savings of about \$17.4 million. The audit commends the district for implementing the Education Logistics, Inc. system (Edulog), which is a computerized bus routing system that allows us to maximize our resources there. The district is commended for their improvement in student achievement for all student subgroups over the last four years. I will end the commendations with the district being recognized for exemplary career, technical, and fine arts programs.

One of the big-money items proposes the enactment of legislation that would require developers to give land to the school district on which to build schools. This item would provide large savings to the district. One of their ideas for savings was to set up regional maintenance offices to eliminate some of the time spent by the workforce that provides maintenance for the school districts. This would have a cost attached to it because we would have to construct those maintenance centers. Page 17 refers to raising beginning teachers' salaries, which would help attract and retain teachers. A specific amount was not cited, but the salaries need to be more competitive. Page 18 states that a plan should be developed to stabilize school-level administration. This is difficult when you are opening 12 schools per year. The last bullet on that page is a money-saving recommendation, which is to establish a 14-year bus replacement policy. It is important to get to the questions people have such as, "What do the savings look like?" Before you can talk about the money, it is important to talk about the budgets. One of the key purposes of the audit was to identify funds that could be taken from one place to be put into the classroom. The reason we have to talk about the budget is that you cannot take funds from every budget and put them into the classroom. There are potential savings in

four fundamental areas. Capital projects funds—meaning building and renovation—by law these must stay in the Capital Improvement Budget. Food service funds in the National School Lunch Program must remain in the food service program. No matter what we save there, the funds are not going into the classroom. Federal and district project dollars—Title I money, Special Ed money—are federal dollars that come with strings attached and cannot be put into the general fund, which is the money we use to provide instruction to students.

I have provided you with a chart in your packet. That chart illustrates the amount of potential savings or deferred costs that could be found in each area. It was thought that we could save money if we could get developers to give land to the schools. Donated land would save the State about \$378 million over a five-year period. That would probably require legislative action to request developers to give land to schools. The next largest is the finding of potential savings in the food service funds. Any savings we recognize in that area would have to stay within the food service.

I will move on to the federal and district projects funds. That would represent about 3.7 percent of all savings. The general fund represents a tenth of 1 percent of all savings. It is not a vast amount of money that could be turned into the classroom. It is clear that while there are some opportunities for savings, most of the money cannot be redirected towards instruction. The board acted on each of these recommendations individually and staff reviewed the action plans that were part of the auditor's contract. In all but four cases, the board voted to approve either an amended plan or the plan put forth by the auditor. All of the recommendations and periodic progress reports from the district are things that we have to report on to this Body and to the LCB according to prescribed intervals. The audit was valuable and most of the recommendations had more to do with efficiency than savings. It also validated some of the things that we are already doing. You have already heard about the iNVEST Plan and the adequacy study. They found that Nevada is not funded at a level that can achieve their goals. The audit, A.C.R. No. 10 of the 73rd Session, and iNVEST can be looked at together and we can come to the conclusion that the funding is being used efficiently in a district that serves 79 percent of Nevada's students. There is a plan to improve education in Nevada.

**Chair Parnell:**

It is amazing that when this passed last session, there were people who were skeptical of the proper use of funding. Land-use design is used to decide where schools should go in California. In many cases developers either donate the plot and/or help build the schools.

**Craig Kadlub:**

I would say that in a few instances this has happened. We have capitalized as much as possible on the Bureau of Land Management (BLM) land. That is rapidly drying up along with the soaring values in Clark County, and in northern Nevada where land is at a premium and people are not willing to give away 10, 15, or even 20 acres. High schools need about 40 acres of land. It is a sizable donation of land, but it has happened.

**Assemblyman Stewart:**

I want to ask about the \$54 million savings if food service is looked at.

**Craig Kadlub:**

When I talked to our food service director about that, he indicated that last year we had chosen the Provision 2 Program. I cannot define that for you. I can tell you that it is a program authorized by the United States Department of Agriculture (USDA) to enable students in high free and reduced-price school programs to eat free of charge. In the schools where we instituted breakfast in the classroom there were not enough paying students, so we basically gave every student free breakfast and lunch. Last year we started offering more fruits and vegetables at elementary schools. That resulted in additional waste. We participated in an "Offer versus Serve," a provision from the USDA that allows students to refuse some of the menu items. It is designed to reduce food costs, but often has the opposite effect because more items are prepared than are selected. We use a nutrition-based analysis for developing our menus. Our schools, as far as nutrition, are one of the more stringent. We spend more than we should in creating meals. We spend more money than we are taking in, but that does not mean we are wasting money.

**Assemblyman Stewart:**

Have you found that with the new nutritional menu, the kids eat the food? Can you tell me more about that?

**Craig Kadlub:**

Schools face financial loss because of the food waste. There is some transitioning into buying healthier drinks and so forth.

**Assemblyman Stewart:**

Are the kids eating the more nutritional food?

**Craig Kadlub**

I do not know if they are throwing it away. They are just not buying as much as they used to.

**Vice Chair Smith:**

In the last legislative session we passed a resolution on school breakfasts and I know that we have a report coming on that. Does that figure into this or are we losing money if we are not utilizing the program enough?

**Craig Kadlub:**

For the purposes of this audit, I do not believe it figures in. I think they were concerned about the district spending so much on food. I believe that there are requirements saying that we have to provide breakfast, or at least provide the opportunity for breakfast for the students, or we will not be eligible for certain resources.

**Assemblyman Segerblom:**

Have any changes been made as a result of this audit?

**Craig Kadlub:**

The findings were released on October 12, 2006, and all of the Cabinet members reviewed the recommendations. All of the recommendations were heard by the Board in December at two special meetings. The Board acted on all but four of the recommendations. They approved them. A timeline for completion of all of the recommendations is in place and was approved. I do not know if there have been any dramatic changes as it has only been a couple of months, but I can safely say that many changes are underway.

**Assemblyman Segerblom:**

Is there a process to take each recommendation and review it every six months or yearly?

**Craig Kadlub:**

The Board has requested a review of the status either on a monthly or quarterly basis.

**Assemblyman Segerblom:**

Is someone at the school district in charge of that?

**Craig Kadlub:**

Kathy Foster. She is the chief of staff for the superintendent.



**Assemblyman Segerblom:**

Developers provide that land? Have any steps been taken to initiate the recommendation?

**Craig Kadlub:**

The school district did not submit a bill draft to that effect.

**Assemblyman Segerblom:**

I would be happy to submit one if someone is willing to propose it. Also, on page 19, I see a recommendation that indicates \$3,352,000 a year would be saved by combining Student Support Services and the Education Services Division. Do you know if that recommendation was adopted?

**Craig Kadlub:**

That was one of the recommendations that was modified and ultimately not adopted. Those are the savings that were in federal dollars that fund employees who work with special education students. If we saved that money by eliminating those people, the funds would still have to be spent on those programs. The reason that they opted not to eliminate those people is because of the relatively few "due process" hearings we have when compared with other districts. Our trustees felt that the money is well spent where it is.

**Assemblyman Segerblom:**

Have they determined that this saving was not cost effective?

**Craig Kadlub:**

In essence, yes, because they cannot use the money in the classroom. The money would have to stay in special education.

**Assemblyman Bobzien:**

The report states that 82 of the recommendations were accepted, which leaves four that were not. One has been referenced. What are the other three and why were they not accepted?

**Craig Kadlub:**

One of the recommendations was to transfer light-maintenance duties to custodians in order to free maintenance staff for other tasks. The Board rejected that recommendation in view of one of the other findings which was, according to industry standards, the district is already significantly understaffed by custodians. They have a square-footage per custodian and they felt that if we are already below the standard, we should not burden them with additional duties. Another recommendation was to consider what could be done about decreasing qualifications for substitute teachers because it is difficult to have an

adequate amount of substitutes on hand. Our Board felt that the requirements are already minimal and did not believe that a lower standard would be in the best interest of the students. The final recommendation was for the alternative programs to be realigned to expand services to students. The Board rejected that because they felt that the services were already available to the students. The division that had the responsibility for bringing some of those other programs to the attention of the auditor was not thorough in fulfilling that obligation.

**Assemblyman Mabey:**

Were special needs programs addressed, such as the day programs or Advanced Placement (AP) classes?

**Craig Kadlub:**

I can get them and go over them with the Committee.

**Assemblyman Segerblom:**

Can you explain how this audit was reviewed by the Board?

**Craig Kadlub:**

The auditors presented their findings directly to the Board at a meeting in October. The Board members all had a copy of the audit. After the trustees received all of the audit information and the recommendations, according to the statute the Board had to take action on every recommendation. Staff either recommended approval of the auditors plan or recommended some modification, if needed.

**Assemblyman Segerblom:**

Did the Board disagree with any of the staff's recommendations?

**Craig Kadlub:**

There was some debate on a couple of things. One of them was regarding alternative programs and special education programs.

**Chair Parnell:**

If you could get the minutes to Assemblyman Segerblom, I would appreciate it.

**Craig Kadlub:**

We had to notify the LCB of the action that we took on every one of the recommendations. We have two more reports to give to the Legislature.

**Chair Parnell:**

I have asked that we have an overview of the Nevada System of Higher Education (NSHE). I would like to introduce Brett Whipple. Mr. Whipple is the Chair of the Board of Regents. We also have the Vice Chair, Dr. Scofield, and Greg Bortelin with Desert Research Institute (DRI).

**Daniel Klaich, Executive Vice Chancellor, Nevada System of Higher Education:**

We have eight institutions that I will be talking about ([Exhibit E](#), [Exhibit F](#), [Exhibit G](#), and [Exhibit H](#)). Our master plan is geared to the proper and appropriate role for a system of higher education to play in a state like Nevada. First we emphasize quality education at every level. We believe that we have an obligation to assist and participate in the diversification of Nevada and the creation of a prosperous economy for all in the state of Nevada. We believe that education is continuous. The greatest thing that can improve the quality of higher education in Nevada is to improve the quality of students that come to us. As the only NSHE, with the exception of a few private schools, accessibility has to be part of the master plan. We have to offer the opportunity for students throughout Nevada to gain higher education at one of our institutions. That will always continue to be our mission. We focus on our students and we build on excellence. I indicated earlier that there are eight institutions in our system. There are two research universities located at either end of the State. There are comprehensive research opportunities at these two institutions. We believe that it is the obligation of these two research institutes to make significant contributions to the knowledge base of the State and the nation.

We have one state college that focuses on bachelor's degrees, particularly workforce needs with an emphasis on nursing and teaching. We have four comprehensive community colleges that offer two year associate transfer and occupational programs. As a result of agreements reached between the Legislature and the Board of Regents, all remedial and developmental education has shifted to the community colleges. They provide occupational and technical education. The DRI focuses on environmental science and the application of technologies. Their 500 scientists engage in approximately \$50 million of environmental research every year. Over the last ten years enrollment in the NSHE has increased by 40 percent. No one has grown like the CCSD. If you look at the growth within the NSHE, we have increased by over 30,000 students in the last decade and are now serving over 104,000 Nevadans. If you look at the distribution of that growth, you will see the importance of the community colleges to the State of Nevada. They are serving about 55 percent of the students in the system which is up 2 percent from the prior decade. The Community College of Southern Nevada (CCSN) is currently the largest single institution of higher education in the State of Nevada. The full-time equivalent is still predominantly in the two universities,

but that number is slipping. More and more full-time students are going to our other institutions in the system. Over the next ten years we will not have the same percentage growth because we are building on a larger base rate. We will still have 30,000 kids coming into the system over the next ten years. That is roughly the equivalent of building, staffing, and filling up about 10 to 15 brand new high schools over that period of time. We are going to continue to see significant growth in our NSHE and will be back to talk to you about the needs that this growth entails.

**Jane Nichols, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education:**

The college continuation rate has dramatically increased with the number of students that are going on to college. We made national attention in 1998 when only 25 percent of our students continued on to college. We were the 50th in the nation. We are still low, but we are so much closer to the national rate which we attribute to the Millennium Scholarships. We saw a 10 percent increase from 2000 to 2004 in students continuing on to college. Students are staying in-state and going on to college. In addition, our graduation rates are improving. We attribute that to the Millennium Scholarships and the availability of further financial aid for students. The average six-year graduation rate for four-year institutions across the nation is 52 percent. We are approaching that number for the latest figure. We are at 46 percent, which is a 5 percent increase. The percentage of transfer students that are earning a bachelor's degree within three years of transferring to a four-year institution is very important to us because we are trying to get more students to go to the community colleges to complete the associate's degree before they transfer. If they do that, chances of success in getting a bachelor's degree is much higher. You can look at this data and ignore Great Basin College, because one out of five is an oddity and most of their students stay at Great Basin College and get a four-year degree. If a student has a transferable associate's degree and immediately goes on to a four-year institution, he has a 65 percent chance of finishing in just three years.

We are giving attention to distance education courses. We had a decrease in enrollment in the spring of 2006. We do not know why, but there is an upward trend and we think that it will continue. This does not mean that these students are only taking distance education courses, but it does mean that those students are at least taking some, if not all, of their courses by distance education and by online video. It allows us to address the problem of not having enough classrooms for students to be able to complete those courses. We believe that every student should take at least one course using technology before they finish a degree. The percentage of first-time, full-time,

degree-seeking freshmen returning to any institution for the second year exceeds the national rate for this category.

We are paying a lot of attention to ways that we can help students before they get to us, so they will not have to take remedial courses. There is no longer any state funding for remedial courses. The University of Nevada, Las Vegas (UNLV), moved almost all of their remedial courses to the community college. We saw a decrease, although it was not a large decrease. The next slide ([Exhibit H](#)) is an example of what can happen when we partner together to address a state problem. The Legislature and the NSHE set out to double the nursing enrollment to address the nursing need. We had a tremendous success in doing that through a combination of programs, scholarships, and through the institutions increasing resources for the nursing program. The enrollment has increased by 176 percent in just six years.

I want to go through the basic information about the university admissions criteria and the Millennium Scholarship admissions criteria. The university admission criteria, which affects UNLV and the University of Nevada, Reno (UNR), requires the high school core courses. Beginning in fall of 2006, the requirements were the core courses—four years of English, three years of math, three years of science, three years of social science. The grade point average (GPA) for entrance into the university was based on those core courses. In the fall of 2006 the entry requirement was a 2.75 GPA. That was up from a 2.5 GPA overall. In the fall of 2007 the universities will require a 2.75 GPA in addition to acceptable test scores of the ACT and SAT. In the fall of 2008 it will increase to a 3.0 GPA or the test scores to enter the universities. To assist our students there are financial aid dollars available. Included are the Millennium Scholarship dollars. This has been critical for us in enabling students to succeed.

We wanted to show you the "unmet need." Unmet need refers to the difference in what a family and a student can contribute to the cost of the college/university experience. We try to meet the unmet need. We are seeing an increasing amount of loans by students and more students working either part time or full time. The enrollment growth on the Millennium Scholarships has made a large difference for us. We have gone from almost 500 students in the beginning year to almost 22,000 freshmen through seniors, using the Millennium Scholarships. This has a big impact on the college continuation rates. The number of Nevada high school graduates attending college in-state increased by 118 percent. The growth has been in students staying in-state. The Millennium Scholarship is a critical program that enables students to attend college.

**Chair Parnell:**

Assemblywoman Smith has a question for you before we get into that section.

**Vice Chair Smith:**

Could you briefly tell us what the tuition is and if there is going to be an increase?

**Jane Nichols:**

It is continuing to go up and has been set for the next two years. It is one of the issues with the Millennium because the amount per credit stays the same. The gap between what the Millennium pays for and the actual cost continues to widen and is much larger at the universities. There is about a \$25 difference. At the community college it is about a \$10 difference.

**Daniel Klaich:**

The registration fees, which is the basic per hour credit fee at the universities, for 2007-2008 is \$116.75 and for the next year it will be \$129.50. At Nevada State College it is \$85.75 per credit and going to \$93.50. At the community colleges for lower division courses, it is \$54.75 for the first year of the biennium and \$57.25 for the second year of the biennium. The Board has adopted policy that calls for a biennial review of tuition and we try to adjust tuition modestly every biennium rather than go a number of years with no changes and then have to make a big change. The Board of Regents has also adopted a policy that ensures that we remain affordable in tuition in comparison to our neighboring schools in the western district by employing a three-year lag in the tuitions that we use to measure our biennial increases.

**Vice Chair Smith:**

Is there anything to offset what is happening to financial aid?

**Daniel Klaich:**

The Board of Regents has addressed that question and has earmarked up to 50 percent of every future fee increase to provide access-based aid. I believe that the ongoing pot of funds available is \$14 million a year. That is a guaranteed level and that will keep increasing. That is not enough, as Dr. Nichols has indicated, and we are committed to doing more. The Board has adopted policies to keep tuition affordable and to keep the access-aid available.

**Jane Nichols:**

The Millennium Scholarship eligibility criteria is going to face a new requirement beginning with the Class of 2009. They will have to have completed four years of English, four years of math, three years of science and three years of social science. It is different than the university admission requirements in that this

GPA is overall, not just in these courses. Once they get to us, they have to maintain eligibility by making satisfactory academic success. They have to complete the number of credits required for each semester. They must maintain, as of this last month, a 2.6 semester GPA for the first 30 credits and a 2.75 GPA each semester thereafter. There is a \$10,000 lifetime maximum dollar amount, a six-year time frame and they get no more than 12 credits per term. We are seeing a drop in the average credits students are taking. Students who might have taken 15 credits are now dropping to 12 so that the Millennium Scholarship will pay. It will not pay for remedial courses. There is a rule that if students loses their eligibility, they can regain it, but they can only lose it twice and then they can no longer regain it. There are some students who are falling under the two-strikes-you-are-out rule and losing their Millennium Scholarship. We started out with 76 percent of the students using their Millennium Scholarships in 2000. We watched the number go up, but the percentage went down to 75 percent, then to 73 percent 72 percent, 67 percent, and then to 62 percent in 2005. Fewer Nevada students are taking advantage of the scholarship even if they are eligible. Our numbers are going up because we have so many high school graduates. We are trying to recruit more of them and to get the message out to the families who may be a bit confused about the eligibility requirements due to the changing requirements over the last five years.

**Chair Parnell:**

Do you think that the Millennium has not kept up with inflation or that students, even though they are eligible for the Millennium Scholarship, still cannot afford to go to college?

**Jane Nichols:**

We believe that part of it is because the tuition and fees keep going up and the Millennium Scholarships pay a smaller portion of the actual cost. It is not the inflation. It is the relationship between the amount per credit covered and our tuition fees.

**Chair Parnell:**

With so many shortages, primarily in nursing and in teaching, what are they doing to increase the number from 1,900 or so students? It seems to me that we could have a larger population of people in these professions. Is there an aggressive recruiting campaign?

**Daniel Klaich:**

Fred Maryanski is coming up and making a presentation, an update on Nevada State College, to Senate Human Resources. I know he would be very happy to make the same presentation to your Committee if you have the time. The issue

is that we have no home for the college. Our first permanent building for the college should break ground next month. That has been a limiting factor because we are leasing space. We have the remodeled Dawson Building that this Legislature has assisted in renovating a number of times. Notwithstanding that, I think you can look at the increase in enrollment and the growth chart with respect to other institutions and see that it is doing well.

**Chair Parnell:**

The college is more affordable, so it is affected by the problem of students getting squeezed out of school because of the difference between the tuition costs and the Millennium amount. You have a built-in population.

**Daniel Klaich:**

The growth continues to occur. The raw numbers still look small, but the plan is working as you all envisioned it.

**Chair Parnell:**

Is the Nevada State High School related to the Nevada State College? I understood that the State College was going to have both an elementary school and a high school on its campus.

**Daniel Klaich:**

There are high school courses offered at the Dawson Building in the Nevada State College. There have been discussions with CCSD regarding a proposed bond offering that the school district is preparing to undertake. If we gave them land next to the education building at the Nevada State College, they are going to use a portion of bond proceeds to build an elementary school in conjunction with the teacher education program there. The high school relationships between community colleges and State Colleges exist throughout the State.

**Assemblyman Segerblom:**

There is a charter high school at Nevada State College called Nevada State High School. They have 150 students and the kids take courses from the college professors.

**Chair Parnell:**

I have some information that I received from the president of the State College. I have a packet that shows the relationship between the high school and potential elementary school and how that works.



**Daniel Klaich:**

The Board of Regents just passed a special per-class fee that allows high school students to start taking college level courses at the community colleges. I think we are targeting some of the critical math skills needed with these programs.

**Chair Parnell:**

Do you have any legislation coming before us that implements what Chancellor Rogers had referenced? Is there a possibility of giving the SAT early on in the junior year of high school to better assess who may need remediation?

**Jane Nichols:**

We are in the middle of working with the CCSD on that issue. There is a task force made up of representatives from CCSD and our three southern institutions that will focus on math and language arts. We are looking at a possibility of a junior level test. Our hope is to have that test be something like the ACT or SAT and to be in place by spring of 2008. We do intend to pilot it in Clark County and then spread it throughout the State.

**Assemblyman Bobzien:**

Is there an analysis that further looks at this data in terms of unmet need by region, first-generation student, ethnicity, or any demographic breakout for this sort of data?

**Jane Nichols:**

This is the first year that we have attempted to calculate unmet needs. It is based only on those students and families who file the federal form. It does not include all students. We have not built a database to identify students with unmet needs and what their characteristics are. That would be extremely complicated because over 80 percent of our students receive some form of financial aid. This figure represents, not just the students that do not get financial aid, but also those who cannot meet their financial needs. It would include most students. What we do know is that we include loans before we calculate unmet need.

**Daniel Klaich:**

I would like to comment on the last few pages of the handout which deal with our BDRs, many of which will not come through the Committee. I would like to emphasize just a couple of issues that are focusing on this area of need and scholarships. One will be requesting that we be allowed to carry forward unexpended appropriations earmarked specifically for financial aid and access. The second thing is, this year the Board of Regents has made scholarships in critical workforce areas a high priority — science, technology, engineering, math, teaching, and nursing. There could be a combination of scholarships or

loans. We are trying to bring the help to the State in order to move forward. We hope that we can engage in dialog on not only how to educate these people, but to retain them here in Nevada.

**Chair Parnell:**

Is it your understanding that the four years of math do not prescribe the course of math work?

**Jane Nichols:**

The only requirement that we have set is Algebra II, as it is critical to success in college. Any four years of math on our list of qualified courses for college admission will count for those four years. We strongly encourage and ask that students take Algebra II.

**Chair Parnell:**

Are you saying that it is required or that it would be encouraged to have taken Algebra II?

**Jane Nichols:**

The Regents' requirement is algebra or higher level mathematics including first-year and second-year algebra, geometry, analytical geometry, trigonometry, pre-calculus, probability, statistics and other advanced mathematics. It is written in a general way. It does not specifically say Algebra II. We are going to be using the list of courses that we have worked with the high schools to develop.

**Chair Parnell:**

The reason I bring this up is because it was quite a conversation with the Legislative Committee on Education. While many of us agreed that we supported the concept of four years, we had varying opinions on what those four years should look like. We do not inadvertently want to increase the high school drop-out rate by discouraging our students who want to take a career tech course and do not want to take an Algebra II course. They may want to take math construction, which is one of the classes offered at Ace Charter School. At some point in time I would like to know more about what that language means and whether Algebra II will be required.

**Jane Nichols:**

That is a national discussion as well and I think we can build on that.

**Assemblyman Mabey:**

I would like to talk about the tuition numbers and the out-of-state students. It has been my understanding that our tuition rate for out-of-state students is not

very high compared to what our student would have to pay for tuition in other states. Have you talked about raising tuition significantly for out-of-state students?

**Daniel Klaich:**

The way the policies of the Legislature and the Board of Regents dovetail, there is very little motivation for campus presidents and campus student leaders to expend political capital on tuition increases because virtually all of it goes to the "Needs Based Aid" or it is returned to the State General Fund. The students who are on campus for their four years really do not see any of it come back to them in terms of greater services. The board has had this discussion and we would very much like to have a policy to meet more of our own needs on campus by retaining a larger portion of future fee increases.

**Assemblyman Mabey:**

We are struggling to find enough space for our own students, and these students come from other states and pay less for tuition than they would in their own state. It just does not make sense.

**Daniel Klaich:**

We agree.

**Assemblyman Munford:**

Is there a policy which states a specific grade point average is needed when a student obtains an associate's degree from one of the community colleges and wants to transfer to one of the other universities?

**Jane Nichols:**

We have some aggressive transfer policies. If a student completes a transferable associate's degree, an Associate of Art, an Associate of Business, Associate of Science, etc., and they transfer to one of our four-year institutions and have met all of their lower division general education requirements, they have junior standing and all of their courses count. They can graduate with the same number of credits as any other student. It begins to get more complicated when they have not completed one of those degrees. If they transfer with a list of courses from one of our community colleges or the State College, to the university, the university then reviews the courses and if they are college courses they always accept every credit. Sometimes in the community college, they will offer a course, bookkeeping, for example, that is basically not considered to be a bachelor's level course. However, we have seen tremendous progress in the process of transferring all of the courses which count for a university degree. Online, it tells every community college student exactly what

to take at the community college to complete that bachelor's degree in the same number of credits.

**Daniel Klaich:**

If I change my major two or three times and then go on to get a business degree, there may be courses that I have taken at the community college that are not going to assist me in making that final decision. The transfer policies and common course numbering was worked out two sessions ago.

**Jane Nichols:**

In response to the concern for students that might be acquiring an Associate of Applied Science (AAS) degree from the community college, we created the Bachelor of Applied Science (BAS). If a student gets an AAS and they want to go on to get a bachelor's, all of those credits will count for a BAS, which they can get at Nevada State College or at Great Basin College. The BAS degree still makes the students eligible for graduate school.

**Assemblyman Kihuen:**

I want to say that many of the students are confused. They do not know what they want to study. Normally, the path that we put them on is the Associate of Arts, which consists of general education classes. If they are thinking about studying science, we have the Associate of Science degree. There are many students that have potential, but do not know what they want to study. I think that offering a Bachelor of Applied Science will really help.

**Assemblyman Mabey:**

I think that part of the reason your numbers are dropping is because the freshmen do not have mentors. Is this something we would consider here in our State?

**Jane Nichols:**

Both of our universities have what they call "Freshman Year Experience" that students can join and get a little more attention. They take a block of courses. They do get more mentoring. We also have the Honors Colleges, which identify those students with particular promise and give them extra attention.

**Daniel Klaich:**

One of the budgetary things that the Board of Regents built their budget on this year is student access and student success. We do not have enough advisors. To provide advising and mentoring is a critical aspect of retention. We have to efficiently use the tax dollars that you give us by getting students in, mentoring them, making them successful and getting them out.

**Jack Lund Schofield, Vice Chair, Nevada System of Higher Education, Board of Regents:**

As Vice Chair of the Board of Regents, I feel safe when I see each one of you in education. I feel that you all are helping us with what you are doing.

**Chair Parnell:**

At this time, we do have our BDRs waiting for Committee introduction.

**BDR 34-439 — Revises provision governing career and technical education. (Later introduced as [Assembly Bill 131](#).)**

ASSEMBLYMAN BEERS MOVED TO INTRODUCE BDR 34-439.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**BDR R-442 – Urges Nevada System of Higher Education and school districts to collaborate regarding career and technical education. (Later introduced as [Assembly Concurrent Resolution 6](#).)**

ASSEMBLYMAN STEWART MOVED TO INTRODUCE BDR R-442.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chair Parnell:**

I put two things into your folders. One is from the *Ely News*, stating that the David E. Norman Elementary School in White Pine County was nationally recognized for two consecutive years of academic improvement and is one of 64 schools nationwide this year to receive that distinction ([Exhibit I](#)). They are a Title I school. Second, you will see a communication from the Education Collaborative of Washoe County ([Exhibit J](#)). They have done a considerable amount of work and I sent a letter that I want to share with the Committee members.

**Vice Chair Smith:**

I would like to, as a committee, send a letter to the school in White Pine County congratulating them.

**Chair Parnell:**

We can do that.

**Assemblyman Mabey:**

As a follow-up to what I talked about earlier, if we have an extra BDR, I would like to pursue the issue of tuition for out-of-state students.

**Chair Parnell:**

We can check on what is out there to see if it can be added to another BDR or look into adding a BDR.

**Assemblyman Segerblom:**

I would like to propose a BDR asking for a study of how to address the issue of the \$70 million that is in the audit report, at least in Clark County, that developers would contribute to the building of schools.

**Chair Parnell:**

There may be something presented this session which looks at ways to build schools and the cost of school construction. Meeting adjourned [at 5:35 p.m.].

RESPECTFULLY SUBMITTED:

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Denise Dunning  
Committee Secretary

APPROVED BY:

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Assemblywoman Bonnie Parnell, Chair

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

## EXHIBITS

**Committee Name:** Committee on Education

**Date:** February 19, 2007

**Time of Meeting:** 3:45 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A	Assembly Education Committee	Assembly Agenda
	B	Assembly Education Committee	Sign in Sheets
	C	Assemblyman Conklin, Assembly District No. 37	2006 Audit
	D	Craig Kadlub Clark County School District	Executive Summary
	E	Dan Klaich Nevada System For Higher Education	History of University Admissions
	F	Dan Klaich Nevada System For Higher Education	Accountability Report 2006-07
	G	Dan Klaich Nevada System For Higher Education	Governor Guinn Millennium Scholarship Data Sheet
	H	Dan Klaich Nevada System For Higher Education	Nevada System For Higher Education – Power Point Presentation
	I	Chair Parnell	Ely News – The Ely Times
	J	Chair Parnell	Education collaborative