

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Fourth Session
April 23, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:05 a.m., on Monday, April 23, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chair
Assemblywoman Sheila Leslie, Vice Chair
Assemblywoman Barbara E. Buckley
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblyman Tom Grady
Assemblyman Joseph P. (Joe) Hardy
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblyman John W. Marvel
Assemblywoman Kathy McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Anne Bowen, Committee Secretary
Patricia Adams, Committee Assistant

GUEST LEGISLATORS PRESENT:

Assemblyman Garn Mabey, Jr., Clark County Assembly District No. 2

Vice Chairwoman Leslie opened the hearing on [A.B. 156](#).

Assembly Bill 156: Makes an appropriation to the Blind Center of Nevada for the construction of a facility to provide assistance to persons who are blind or visually impaired. (BDR S-831)

Assemblyman Garn Mabey, Jr., Assembly District 2, testified in support of [A.B. 156](#) and disclosed that he was a board member of the Blind Center of Nevada. Dr. Mabey said he became acquainted with the Blind Center of Nevada



approximately 15 years ago and had the opportunity to assist in various service projects. Dr. Mabey said it was a very worthwhile organization statewide, but particularly in southern Nevada. The organization provided services for the blind and visually impaired.

Bob Waldorf, Vice President of Operations, Blind Center of Nevada, presented a PowerPoint presentation in conjunction with [Exhibit C](#) and read the following statement into the record:

I am here to talk about the Blind Center of Nevada, e-waste issues in our State, and job creation especially for visually impaired and the expansion of our Center to grow our programs and services for the blind and visually impaired in Nevada. Since 1955, the Blind Center of Nevada, a private nonprofit organization located in downtown Las Vegas had assisted blind and visually impaired persons of all ages in reaching their highest physical, social, intellectual, and economic potential. To achieve these objectives there are three focus areas: personal development; social interaction; and meaningful employment. We believe that the challenge associated with blindness may be overcome with determination, education, training, and opportunity. The Blind Center is one of the few full-service blind centers in the nation. In addition to work, we offer a wide variety of education, recreation, as well as outreach advocacy services and transportation, all at no cost to our participants. The number of visually impaired in Nevada is over 76,000. This means that they have difficulty seeing words or letters of ordinary print with their glasses on. The number with severe functional limitations is over 28,000, and the number of legally blind in Nevada is over 10,000. We use a lot of adaptive technology in our programs to allow people that are visually impaired to be able to do normal functioning work in our work center. The unemployment rate for the blind, nationally, is 72 percent, and the number of visually impaired below the poverty level, nationally, is 65 percent, and in Nevada is 80 percent. We run a computer recycling business at the Blind Center of Nevada and everyday the U.S. discards over 130,000 computers. Nevada discards over 1,300 business and personal computers per year, over 65,000 pounds per day, or 23 million pounds per year. We were addressing the question, where is all this equipment going, into storage or into landfills. These have a lot of environmental concerns for our State because consumer electronics is responsible for 40 percent of the lead in our landfills and lead can leach into the water supply. Mercury, which is also present, can cause brain damage and end up in our food chain.

The Blind Center of Nevada opened its Computer Recycling Center in August of 2005. We accept donations from government agencies, local businesses, and individuals and process these items into resalable and recyclable components. We recycle the computers for the State of Nevada, the Clark County government, the city of Henderson, North Las Vegas, Nevada Power, and MGM Casinos. We work with all private individuals and small businesses in the State to keep e-waste out of our landfills. Items can be dropped off at the Blind Center in Las Vegas daily. We have pick-up and delivery service for businesses, and we also sponsor community events. We just completed two Earth Day events in Las Vegas this past weekend, one in Summerlin and one in

Henderson. Our Henderson Earth Day event was sponsored by Republic Services, Nevada Division of Environmental Protection, and the Sierra Club. We collected about 15,000 pounds of electronics to keep out of our landfill.

During our first year of operation our computer and electronic recycling program exceeded our expectations, and we diverted over 580,000 pounds of waste from our landfills. So far this year, we are almost 400,000 pounds in the first quarter, and we will total over 1.5 million pounds at our current activity levels. We were able to hire and train ten visually impaired people in our customer service, scheduling, data destruction, eBay sales, and shipping and receiving departments. These are growing jobs. By using adaptive technology we are able to attract more candidates to our work program and make them contributing citizens to our State.

The importance of recycling, according to the consumer electronics industry, is high. Phones, VCRs, desktops, TVs, all have a high importance of recycling, but most consumers are not aware of where to recycle. Forty-eight percent do not even know where to recycle electronics in our State. The likelihood of people that would recycle is high if they only knew where to recycle. We collect computers, monitors, and printers and sort and grade for age and condition. Items that can be refurbished and tested are resold or reused. Parts can be separated and resold. Older items and nonworking units can be dismantled. Materials such as wire, metal, plastic, aluminum, and copper are sold to other recyclers.

Our future plans, with the expansion of our Blind Center in Las Vegas, is to purchase a shredding machine to grind up materials, separate materials, separate metals from plastics, and we are even looking at a process to convert mixed plastics into diesel fuel. Currently, we are recycling about 1.5 million pounds, but our state requirements exceed 20 million pounds, so we have a lot of growth potential in this activity for creating jobs. Newer, higher skilled jobs, and we anticipate we can employ over 100 blind and visually impaired in Nevada. The benefits to Nevada that we are aiming for is to make Nevada a leader in the e-waste solution and job creation, preserve our environment, create meaningful employment opportunities, and to support our blind community.

Vice Chairwoman Leslie referred to A.B. 156 and said the Blind Center was requesting \$7 million for the construction of the facility and asked whether a budget had been compiled for that.

Jeff Davis, Board Member, Blind Center of Nevada, replied that the plan was to tear down the existing building that had been built in 1960 by the Lions Club that had become a safety hazard and was inadequate for expansion. Mr. Davis said the Blind Center was renting space to house the computer recycling business, but the existing building would be replaced with a 50,000 to 70,000 square foot building.

Vice Chairwoman Leslie asked the total cost of planned building, and Mr. Davis replied the cost would be \$7 million.

Vice Chairwoman Leslie closed the hearing on A.B. 156 and opened the hearing on A.B. 246.

Assembly Bill 246: Increases the number of district judges in the Second and Eighth Judicial Districts. (BDR 1-654)

Kathy A. Hardcastle, Chief District Judge, Eighth Judicial District Court, introduced T. Arthur Ritchie, Jr., District Judge, Eighth Judicial District Court, and Jerome Polaha, Chief District Judge, Second Judicial District Court. Judge Hardcastle stated that she and her fellow jurists believed that the courts must respond to the child welfare crisis in southern Nevada.

Judge Ritchie said he was the presiding judge of the Family Division of the Eighth Judicial District Court and stated he wanted to make some brief comments regarding the issue of access to justice. Assembly Bill 246 requested ten additional district court judges for Clark County and two additional district court judges for Washoe County in 2009. Judge Ritchie stated the Family Division of the Eighth Judicial District Court handled many important matters related to juveniles, delinquency, abuse and neglect, adult and juvenile guardianships, protective orders against domestic violence, child support enforcement, parental rights termination, name change, dissolutions, and custody matters.

Judge Ritchie explained that community priorities and access to justice determined whether citizens spent more than one year in the court system attempting to resolve dissolution and custody matters or more than three years to resolve civil matters. The growth in population and the corresponding growth in court cases had raised serious questions about whether access was available to citizens. Judge Ritchie said statistics reinforced the fact that the Family Division had had one new judge in Clark County since January 2003. The caseloads had increased from 30,000 filings in 2000 to approximately 44,000 filings in 2006.

Assembly Bill 246 would appear to make a significant request for judicial resources, according to Judge Ritchie. Although historically the judiciary had requested fewer judges than were needed, Judge Ritchie said that was because of the practical reality of the State. Assembly Bill 246, which requested ten judges, was based in part on the capital projections of Clark County from January 2006. Judge Ritchie referred to Exhibit D, Clark County Facilities Master Plan, and Exhibit E, Letter from National Center for State Courts, and stated some of the largest court caseloads in the country were in the Eighth Judicial District Court.

Judge Ritchie stated the Clark County projections for the 2009-11 biennium was 46 to 48 judges. Presently there were 37 district court judges in Clark County and the request in A.B. 246 was for 10 additional judges, bringing the total to 47 in 2009. Judge Ritchie said the additional judges would address the issue of access to justice and reflected Clark County's planning related to incremental improvement for filings per judge.

Judge Ritchie asked the Committee to make access to justice a priority. He also emphasized the caseload carried by judges in the courts in Clark County would not be significantly decreased by the addition of ten new judges. Judge Ritchie said the new judges would serve to improve a difficult situation and provide access to justice for the citizens of Nevada.

Assemblywoman Buckley asked whether the judge in the Family Court Division, who would be assigned to abuse and neglect cases, was going to be full-time or part-time. Judge Ritchie replied that three judges had been designated as

Family Court Judges, and they would all be full-time. Assemblywoman Buckley asked whether that was enough judges and whether that was a fair distribution in light of the child welfare crisis. Judge Ritchie replied that he did not believe that would be enough judges, but if Clark County was approved for ten additional judges in 2009, four district court judges would handle juvenile matters.

Vice Chairwoman Leslie referred to [Exhibit F](#), titled "A Need for Judges," and asked whether Clark County had committed to two hearing masters in the Family Division. Judge Ritchie stated [Exhibit F](#) outlined proposed solutions. [Assembly Bill 246](#) referred to judicial resources in the form of district court judges, according to Judge Ritchie. He said hearing masters would be in addition to the requested new district court judges. In response to a question from Vice Chairwoman Leslie, Judge Ritchie replied that Clark County had not informed the judges that the two hearing masters would be added to the court.

Vice Chairwoman Leslie said she was attempting to understand whether the proposal in [Exhibit F](#) was a suggestion or an actual plan. Judge Ritchie replied that the addition of a hearing master for abuse and neglect cases was absolutely necessary. The roles of a hearing master and a district court judge were completely different, according to Judge Ritchie.

[Exhibit G](#), titled "Eighth Judicial District Court, Family Court, Property Tax Override," was presented to the Subcommittee.

Jerome Polaha, Chief District Judge, Second Judicial District Court, testified in support of [A.B. 246](#). Judge Polaha stated the Second Judicial District Court was requesting two additional Family Court judges. Judge Polaha said the courts were dealing with an ever-increasing caseload per judge. He explained that 68 percent of plaintiffs and respondents who appeared before the Family Court were without legal representation. The *pro se* litigants were a large part of the problem causing increased caseload. Additionally, according to Judge Polaha, Washoe County had approximately 900 children in Social Services custody, and those types of cases required the full-time attention of one judge.

Judge Polaha said *Nevada Revised Statutes* (NRS) 432B.6075 required judicial review of certain mental health placements for children in foster care. Family Court judges were required to respond to cases involving elder abuse, which was a growing problem, according to Judge Polaha. In FY 2004-05 Washoe County received 1,624 complaints of elder abuse.

Judge Polaha related that in FY 2005-06, Second Judicial District Family Court judges handled an average of 2,785 cases per judge. The National Center for State Courts (NCSC) had completed a data collection of the judicial workload assessment in the Second Judicial District, [Exhibit E](#). Judge Polaha said the preliminary findings demonstrated that the courts were in need of extra judges to handle the workload. The findings of the NCSC confirmed that the Second Judicial District was in need of two additional judges, exactly the number being requested. The final report from the NCSC would be available sometime in May 2007, according to Judge Polaha.

Data had been presented to the Assembly Judiciary Committee comparing the Second Judicial District to districts in other states. Judge Polaha said that in West Virginia, for example, family court judges reportedly handled an average of 1,573 cases. The NCSC indicated an appropriate level for West Virginia family court judges was 965 cases. The appropriate caseload level was developed on

the theory that if a judge was assigned a number of cases as a baseline there was a greater access to justice by the public served, and the judges could provide the necessary time for each case. Judge Polaha said an appropriate assignment level of cases resulted in an adequate and sustained level of justice. An appropriate level of cases also aided in preventing "judge burnout," which was a recognized collateral effect brought on by the continuing exposure to the heartbreaking stories dealt with on a daily basis.

Judge Polaha said in Hawaii the average number of cases per judge was 1,576, approximately the same as West Virginia. As of 2005, in Montgomery County, Maryland, the family court judges handled an average of 1,099 cases. Judge Polaha said in 2001, when the last request for an additional judge was made and granted; there were three Family Court judges and their workload averaged 2,511 cases per judge. The addition of the fourth judge dropped the average for a time to 1,883 cases per judge. Judge Polaha said the request for two new judges this session would have the effect of dropping the average caseload per judge from 2,785 to 1,856.

Judge Polaha stated the Family Court Division in the Second Judicial District was doing everything it could to attain efficiencies in its operations. There was a self-help center that aided unrepresented litigants with forms and information necessary to process cases. Judge Polaha said there was mandatory family mediation in all custody cases, excluding those for domestic violence. Family Court judges operated an early case-management system that required them to meet with families within a 60-day period of the filed action. Judge Polaha said, sometimes as a result of the early case-management process, those cases which were not as complex could be quickly triaged through the courts to disposition. The Family Court Division also included a Family Drug Court and a Juvenile Drug Court to address the myriad drug issues that existed within the community. Judge Polaha said there were also specialized therapeutic courts within the Family Court Division to help with juvenile mental health issues.

Judge Polaha said the Second Judicial District was collaborating with Washoe County regarding the fiscal impact. Two fiscal impact statements were attached to A.B. 246. One fiscal note included the cost associated with judicial support resources and capital improvements, while the other concerned additional staffing for the district attorney and public defender. Judge Polaha said it was estimated the fiscal impact as supported from Washoe County's position would be approximately \$2.9 million.

Vice Chairwoman Leslie clarified that the \$2.9 million referred to by Judge Polaha was the fiscal note to Washoe County. What was being requested of the State in A.B. 246 was funding for district judge's salaries in the amount of \$130,000 for the Second Judicial District and \$650,000 for the Eighth Judicial District. Judge Polaha agreed that was correct.

Chief District Judge Kathy A. Hardcastle commented with regard to the civil and criminal divisions of the Eighth Judicial District Court, that the judges recognized that the critical need was in the Family Court Division. She stated the Family Court Division was close to gridlock in the Eighth Judicial District and that was where the majority of resources was being applied. Judge Hardcastle introduced Chief Justice William Maupin, Nevada Supreme Court.

Chief Justice Maupin stated that he and the other justices of the Supreme Court supported A.B. 246. Chief Justice Maupin said he was testifying for his home community, Clark County, and the request for additional judges for the Eighth Judicial District.

Addressing the Family Court Division, Chief Justice Maupin said caseload growth had been monumental. The Supreme Court had been involved in attempting to develop new case-management techniques for family courts across the State. Chief Justice Maupin said the main problem with developing uniform rules had been, first, the caseload in Clark County and, second, the increased caseload in Washoe County.

There had been a rule in effect that required mandatory management conferences with a judge, according to Chief Justice Maupin. The rule was made mandatory because everyone believed it was a great idea to move cases along quicker, better manage the cases, and track the cases involving children, child support, and custody to a point of resolution as soon as possible. Chief Justice Maupin said the case-management concept was initiated by Washoe County, but even Washoe County did not want the plan to be mandatory in all cases. The Eighth Judicial District attempted to implement the plan by performing a caseload study, but determined it could not be mandatory in Clark County because of the caseload. Chief Justice Maupin said it would have crippled the ability of the courts to manage the overall body of cases. A compromise was reached whereby mandatory conferences would be held in the rural areas, but not in the Second or Eighth Judicial District Courts. Chief Justice Maupin commented that while case-management conferences were a great management tool, the current draft before the Nevada Supreme Court and the drafting committee required that conferences were held only when the financial disclosure statement indicated an estate was worth more than \$500,000. When the rule was examined at the Family Law Section of the Nevada State Bar it had been indicated that the rule should be applied in the smaller cases before it was applied to larger cases. Chief Justice Maupin said that was not feasible in the Second and Eighth District Courts with the current available resources. He further stated it had been impossible to devise a uniform rule that would serve families all over the State because of the caseloads in the Second and Eighth Judicial Districts. Chief Justice Maupin said he believed that the request for six new judges in the Family Court Division of the Eighth Judicial District Court was warranted.

Addressing general jurisdiction, Chief Justice Maupin said some problems were caused by imperatives passed by the Legislature. Several years ago the Legislature had requested consideration for the formation of a Business Court. Chief Justice Maupin said the original idea had been to form the court by statute, but an agreement had been reached to form the Business Court by court rule. Those courts had been implemented in the Second and Eighth Judicial District.

Construction defect litigation was almost a cottage industry in Nevada, according to Chief Justice Maupin. A complete, comprehensive case-management construct had to be developed for construction defect cases alone, committing three judges of the Eighth Judicial District to those cases. In addition, there were mandatory rules regarding the management of medical malpractice cases, according to Chief Justice Maupin.

Chief Justice Maupin said much of the court docket had been "subspecialized," and the impact had been very serious in Clark County. With the growth in the population and the added law enforcement resources, the general jurisdiction section of the District Court had received tremendous pressure. The primary issue for Clark County, according to Chief Justice Maupin, was the Family Court Division.

Chief Justice Maupin said, in his opinion, before one general jurisdiction judge was approved, five judges should be approved for the Family Court Division, and further stated the Nevada Supreme Court supported the request for 12 new judges.

Assemblyman Marvel asked whether Clark County and Washoe County had the funds available for the additional judges. Chief Justice Maupin deferred to Judge Polaha.

Judge Polaha stated county representatives were available to address the fiscal issue, but there was a problem in Washoe County concerning facilities.

Mr. Marvel asked whether the request for additional district court judges had been discussed with the Governor before The Executive Budget had been submitted. Chief Justice Maupin responded that he had personal discussions with the Governor concerning the need for additional judges, and the Governor had indicated that he understood the problem. Mr. Marvel noted that once the expense for additional judges was built into the base budget, it would become an ongoing expense.

Assemblywoman Buckley referred to the proposed additional judge for the Business Court in the Eighth Judicial District and asked whether the Business Court had been implemented and, if so, who the judges were. Chief Justice Maupin indicated that the Business Court had been implemented, and there were two judges and a backup judge serving. Judge Elizabeth Gonzalez and Judge Mark R. Denton were the primary judges, and Judge Alan R. Earl was the backup judge.

Ms. Buckley asked how it was decided what cases went to the Business Court and whether any analysis had been produced regarding the types of cases and the length of time to disposition. Ms. Buckley commented that several years ago when the Business Court was being discussed, there had been a concern that litigants in the Business Court would have better judges and quicker resolutions, which might send a negative message to the average Nevada citizen who had no opportunity to be in that court.

Chief Justice Maupin remarked that the Supreme Court had been receiving reports from the Second Judicial District and the Eighth Judicial District regarding the Business Court. He referred to a case called *Nanopierce Technologies, Inc., v. The Depository Trust and Clearing Corporation*, which was now before the Nevada Supreme Court, but had originated in the Second Judicial District Court's Business Court Division. Chief Justice Maupin said it was a very complex case that attacked the entire national method by which securities on the New York Stock Exchange were sold and held during the sales process. The original concept behind the creation of the Business Court had been to keep businesses running during a dispute between owners, which was a typical type of case and perfectly suited to the Business Court.

Ms. Buckley asked who screened the cases to determine access to Business Court. Chief Justice Maupin stated the litigants could designate a case for Business Court, or a judge could send a case to Business Court. He also said he had the same concerns about special justice for a special type of litigant; however, it had been determined the Business Court was another case-management issue.

Ms. Buckley requested more data regarding the Business Court because that court was the only specialty court she was not completely convinced about. Chief Justice Maupin said he would provide the most recent reports.

Vice Chairwoman Leslie requested representatives of the Clark County Courts Administration testify regarding A.B. 246.

Chuck Short, Court Executive Officer, Clark County Courts Administration, testified in support of A.B. 246. Mr. Short referred to [Exhibit F](#) which profiled the cost of adding ten new judges in Clark County, both from the county's perspective and the state's perspective. The facility impact was approximately \$18 million and had been provided by Clark County's architects, according to Mr. Short. The \$18 million figure represented the cost of reconfiguring or remodeling either the Clark County Family Services facility or the Regional Justice Center's ninth floor. Mr. Short said there was capacity within both facilities to house at least ten judges and support staff. In addition, for each approved judge, the cost for support staff to be provided by Clark County would be approximately \$617,000 annually.

Mr. Short said county representatives had stated the cost of ten judges would be \$40 million; however, the Clark County Court Administration had prepared [Exhibit H](#), A.B. 246 Fiscal Analysis. [Exhibit H](#) examined the Clark County General Fund operating budget total resources and the final budget for 2006-07 indicated approximately \$1.4 billion for countywide operations. Mr. Short said the revenue growth for the county general fund had been profiled over the last five fiscal years and the growth was approximately 9.9 percent per year. A conservative figure of 6 percent had been estimated for FY 2007-08, FY 2008-09, and FY 2009-10. Mr. Short said the cost of adding a judge was effectively spread over three fiscal years and Clark County had never had to bear the cost of \$40 million in any single fiscal year. In 2007-08 adding ten new judges would cost \$3 million in one-time capital costs; in FY 2008-09 the cost would be \$3.4 million for six months of staff salaries and one-time supply services; the capital improvements to remodel would be a one-time cost of \$16 million; and in FY 2009-10, the first full year of providing for the judges' operating expenses, the cost would be \$6.2 million. Mr. Short noted [Exhibit H](#) demonstrated the operating impact in FY 2008-09 of 3.9 percent projection of growth in revenues. Mr. Short stated he believed the proposal was affordable for Clark County.

Vice Chairwoman Leslie requested that representatives from Clark County and Washoe County testify before the Committee.

Lisa Gianoli, representing Washoe County, stated that Washoe County was neutral regarding A.B. 246. Washoe County administration and finance staff had begun meeting with court administration staff last year regarding the proposal for two new judges, according to Ms. Gianoli. Ms. Gianoli said the meetings had centered on fiscal impact and as Judge Polaha had mentioned, there was some difference in the costs based on the impact for the district attorney and public defender. Those matters were still being discussed, and the difference between Washoe County and the court system figures was approximately \$1.4 million. Ms. Gianoli said Washoe County had continued to work with the courts on both facility and staffing needs. Washoe County had two different plans for facility needs which varied slightly in price. Ms. Gianoli said Washoe County would continue to work with the courts to arrive at a solution.

Sabra Smith-Newby, Director, Intergovernmental Relations, Clark County, stated that Clark County had been working to forge a compromise on the number of additional judges added in the Eighth Judicial District. Ms. Newby-Smith said she had hoped to present that number to the Subcommittee but was unable to do so. Ms. Smith-Newby said A.B. 246 was an unfunded mandate upon Clark County to add ten additional judges. In recent discussions with the judges, Clark County offered a compromise of five additional judges to be assigned however the Court saw fit, but the County's offer to meet halfway was not accepted. Ms. Smith-Newby said the Committee had already heard about countywide revenue projections prepared by the Court. As a body that also struggled with differences between projected and actual revenue in budgeting activity, Ms. Smith-Newby said the Committee would understand the frustration caused by demands for funding based on projections that could be false. Clark County operated under a spending cap known as the Taxpayer's Bill of Rights which restricted increased spending in line with growth and the Consumer Price Index (CPI). Ms. Smith-Newby stated that much like the Committee, Clark County was presented with a wide variety of needs from child welfare to indigent care to detention. In a recent Clark County budget hearing, the Commission ranked its funding priorities to include (1) child welfare, (2) two additional fire stations, (3) an operating subsidy for uncompensated care at University Medical Center (UMC), (4) funding liability for postemployment benefits, and (5) expansion of the detention center. Ms. Smith-Newby commented that needs in Clark County were almost greater than the available resources. To accommodate judges, Clark County would be required to build additional facilities and courtrooms. Ms. Smith-Newby said it was assumed the courtrooms would be needed on January 1, 2009, and that all construction costs would be paid in FY 2009. However, costs would begin to accrue for the design of the facilities in FY 2008. Clark County's analysis also assumed that staff would begin on January 1, 2009, although some staff might be needed in late 2008. Ms. Smith-Newby referred to [Exhibit I](#), Clark County's cost estimates per judge for FY 2009-10. Clark County's estimate for FY 2009 partial year fiscal impact was approximately \$26 million, and the FY 2010 full-year fiscal impact would be approximately \$14 million.

Ms. Smith-Newby stated there was no space available for new judges. To accommodate the five new judges Clark County had offered, a number of relocations would have to be implemented, including moving the district attorney family support workers from the Clark Building to another facility offering 100,000 square feet of office space.

Ms. Smith-Newby said outside of the narrow scope that the Court's had presented, Clark County was also facing a significant expansion required by the justices of the peace. Two new justices of the peace were expected to be installed in Henderson and North Las Vegas. In 2009, Las Vegas Township might request four additional judges based upon population, bringing that request to six additional judges.

According to Ms. Smith-Newby, Clark County understood the increasing caseloads faced by judges. To aid in relieving the caseload of judges, two hearing masters had been hired in delinquency, two hearing masters in dependency, one hearing master in guardianships, two hearing masters in child support, one criminal hearing master for arraignments, and another hearing master would be hired later in 2007 for child welfare. Ms. Smith-Newby said although the case load of each of the hearing masters appeared to have been included in the overall caseloads quoted per judge, the effect of the eight hearing masters was to reduce caseloads. Clark County had also responded to the Court's need for more funding for indigent defense. Originally budgeted for

\$5.1 million in indigent defense, the Courts recently submitted a request for an additional \$2.2 million, bringing the total to \$7.3 million. Ms. Smith-Newby said Clark County had also added two more attorneys to the Special Public Defender's office to aid in indigent defense. She noted that public defenders currently carried caseloads averaging 400 cases, almost triple the national average, and criminal district attorneys carried a caseload of approximately 800 cases. The District Attorney's Office had requested 50 additional attorneys in the current supplemental budget submitted to Clark County.

Vice Chairwoman Leslie asked whether Clark County's position was that it could provide five additional judges, and Ms. Smith-Newby replied that was correct.

Chief Justice Maupin commented that the Nevada Supreme Court had a long-term lease for the seventeenth floor of the Regional Justice Center in Las Vegas. Much of that space was unused because it had been leased for the long-term in anticipation of the possible addition of an intermediate appellate court. Chief Justice Maupin said if it would aid the physical plant situation for Clark County, the Supreme Court would make available at least the north half of that facility.

Vice Chairwoman Leslie thanked the Chief Justice and encouraged him to communicate that offer to the Clark County representatives.

Robert Lueck, Private Citizen, Las Vegas, testified regarding A.B. 246. Mr. Lueck said he had been a Family Court Judge from 1999 through 2004 and had participated in strategic planning for Family Court.

Mr. Lueck said there were three issues that concerned him, (1) the number of *pro se* litigants in the Family Court Division; (2) the expense of the remodeling for both Washoe and Clark Counties; and (3) space limitations. Mr. Lueck stated that the courts should be considering dispute resolution plans, such as mediation, parent coordinators, and arbitration. According to Mr. Lueck, it was well known that mediation worked. Statistics from courts around the country that used mandatory mediation showed a 65 to 70 percent settlement rate. Mandatory mediation would remove a significant number of cases from the adversary system and was underused in the Family Court Division both Clark and Washoe Counties, according to Mr. Lueck.

Mr. Lueck stated that the testimony heard in this Committee hearing emphasized more courtrooms and judges, and while he acknowledged there was a need for more courtrooms and judges, he also believed there were alternative means available to remove cases from the adversary system.

Vice Chairwoman Leslie closed the hearing on A.B. 246 and opened the hearing on A.B. 582.

Assembly Bill 582: Revises provisions relating to the increase in certain fees for the issuance of a driver's license or identification card. (BDR 43-1418)

Ginny Lewis, Director, Department of Motor Vehicles (DMV), testified in support of A.B. 582. Ms. Lewis explained that A.B. 582 was a bill that had been submitted by the Department of Administration. Ms. Lewis said NRS 483.347 (3)(b) stated that the Department "shall" by regulation increase the fees as necessary to cover the actual cost of production for photographs of a driver's license or identification card. Customers were currently charged \$2.25 in addition to all other required fees to cover the cost of manufacturing

the card. The intent of A.B. 582 was change the word "shall" to "may," so that the costs associated with the new technology were not passed on to the customers. Ms. Lewis said the bill was submitted as a budget bill because an enhancement had been requested to implement central issuance of driver's licenses within the Administrative Services Budget. The new technology would increase the cost of the card production from \$2.25 to \$2.55 per card. The budget submitted reflected a Highway Fund appropriation to cover the increased cost for central issuance, approximately \$171,000 in FY 2008, and over \$353,000 in FY 2009. Ms. Lewis stated central issuance was the only practical method for the DMV to employ facial recognition technology to combat identity theft, as well as eliminating the risks associated with having security laminates, cardstock, and printers in 21 field offices. In addition, the security requirements of the REAL ID Act could only be accomplished through employing central issuance technology.

Vice Chairwoman Leslie commented that A.B. 582 stated, as she understood it, that there would be an increased cost for the new technology, and the bill required that the cost be appropriated from the Highway Fund and not be passed on to the customer. Ms. Lewis stated that was correct. Based on the Governor's policy that no increased fees were to be passed on to the customer, the statute had to be changed from "shall" to "may."

Assemblywoman Buckley asked what the increase would be if the Department were required to charge fees. Ms. Lewis replied that with the increased costs for central issuance it would be \$2.55 per driver's license or ID card. Presently, the contract with the vendor was for \$2.08 per card and the customer was charged \$2.25. If the vendor charged \$2.55 per card, Ms. Lewis would recommend charging the customer \$2.75.

Mrs. Buckley asked what the cumulative impact to the Highway Fund would be if it was required to subsidize license fees. Ms. Lewis replied that in FY 2009, which would represent 12 months of the increased costs, the cost would be approximately \$353,000.

Ms. Buckley said she was wondering, from a policy point of view and considering the many transportation needs, whether it was a good time to raid the Highway Fund, instead of maintaining the previous policy of imposing fees. Ms. Lewis commented that when central issuance had been proposed it had been kept outside of the REAL ID because she believed it was the correct approach. The production of driver's licenses within the DMV field offices was clearly at risk, according to Ms. Lewis. Central issuance would remove that risk and place production into a centralized facility manned by the vendor. In the REAL ID act, security restrictions had been imposed on any facility producing a license. The DMV had not built the REAL ID budget including those restrictions because central issuance was expected to be a fiscally responsible way to solve the problem. Ms. Lewis said she could not imagine the cost if the DMV had to secure each facility to comply with the REAL ID Act.

Vice Chairwoman Leslie asked whether the Highway Fund had ever supplemented budgets instead of raising fees to cover costs, and Ms. Lewis replied that she was not aware of any other time. Vice Chairwoman Leslie commented that the Governor's no fee increase policy was the reason the Subcommittee was contemplating A.B. 582, and Ms. Lewis said that was correct.

Jeanette Belz, representing the Associated General Contractors (AGC), Nevada Chapter, testified in opposition to A.B. 582. Ms. Belz commented that the bill

had originally been presented in the Assembly Committee on Transportation, and the AGC had not been aware of the content. Ms. Belz was present to voice strong opposition to the bill because it further depleted the Highway Fund, when the cost should be passed on to the customer. Ms. Belz pointed out that the difference between what the customer was presently paying and the increased fee would be 50 cents. She commented that her last Nevada driver's license had been valid for eight years. However, if a driver's license was only valid for four years under the REAL ID Act that would amount to 50 cents over a four-year period, according to Ms. Belz. Ms. Belz maintained that the fee needed to be passed on to the consumer instead of using the Highway Fund.

Vice Chairwoman Leslie commented that if the constituents were given a choice of paying 50 cents or getting a road project completed, it would be an easy choice.

John Madole, Executive Director, AGC, Nevada Chapter, testified in opposition to A.B. 582. Mr. Madole requested that the Vice Chairwoman allow everyone in the hearing room who was in opposition to A.B. 582 raise their hands, and Vice Chairwoman Leslie concurred and noted the raised hands in opposition to the bill. Mr. Madole said he would not belabor the point, but the AGC believed A.B. 582 was a terrible bill.

Vice Chairwoman Leslie asked whether Mr. Madole had discussed his opposition to the bill with the Governor, and Mr. Madole replied that he had not, but would ensure that the Governor was aware of the opposition of the AGC.

Vice Chairwoman Leslie closed the hearing on A.B. 582.

Chairman Arberry opened the hearing on A.B. 197.

Assembly Bill 197: Makes an appropriation to the Office of the State Controller for the purchase of computer hardware and software. (BDR S-1205)

Kim Wallin, State Controller, testified in support of A.B. 197, and an appropriation of \$137,712.23 for Information Technology (IT) equipment replacement for the four-year cycle.

Assemblyman Denis asked whether the appropriation was for equipment that had been originally requested, but had not been included in The Executive Budget. Ms. Wallin replied that the appropriation was one that the Governor had put in the budget.

Chairman Arberry closed the hearing on A.B. 197 and opened the hearing on A.B. 539.

Assembly Bill 539: Makes appropriations to the State Department of Agriculture. (BDR S-1223)

Rick Gimlin, Deputy Director, Department of Agriculture, testified in support of A.B. 539, a one-shot appropriation to provide \$474,678 to replace a variety of equipment in the Department of Agriculture. Mr. Gimlin said Part 1 had three sections. Section 1 requested equipment for the Administrative Division. The Department's computer equipment would be over four years old and out of warranty at the time of replacement. Mr. Gimlin said the replacement of the phone system in Las Vegas would provide a modern system of voice mail and an auto attendant. The two vehicles being replaced were over ten years old and each had over 100,000 miles.

Part 2 of Section 1 related to the Plant Industry Division of the Department, according to Mr. Gimlin. Fourteen vehicles would be replaced, thirteen of which were over 13 years old. Mileage for the majority of the vehicles ranged from 100,000 miles to 186,000 miles each. Twelve of the vehicles being requested were smaller, more fuel efficient vehicles, and were a combination of compact pickup trucks and small four-door sedans.

Mr. Gimlin said Part 3 of Section 1 requested equipment and vehicles for Veterinary Medical Services. The request was to replace a vehicle at the Elko office with over 120,000 miles. Mr. Gimlin said he was requesting the total appropriation requested in A.B. 539 be reduced by \$9,000. The Department had already purchased the veterinary vehicle requested for the Elko office for \$9,000. The allocation requested in Part 3 of Section 1 would be reduced to \$51,973.

Chairman Arberry closed the hearing on A.B. 539 and opened the hearing on A.B. 566.

Assembly Bill 566 (1st Reprint): Makes an appropriation to ComputerCorps to provide refurbished computers to certain pupils and their families. (BDR S-984)

Assemblywoman Bonnie Parnell, District 40, testified in support of A.B. 566 which provided an appropriation for the Nevada based ComputerCorps program. Ms. Parnell said in only a few short years ComputerCorps had made remarkable steps toward providing computer access to students and families with the greatest need. The importance of computers and Internet access on education in the 21st century was universally recognized according to Ms. Parnell.

Ms. Parnell said for many students and families there was limited computer access in the community and none in the home. Assembly Bill 566 was aimed at solving the problem by placing recycled and rebuilt computers into the homes of students with the greatest need. Computers in the home increased the information and educational opportunities available to students and their families outside of the classroom. Ms. Parnell said a study on literacy and computer access by Statistics Canada reported in 2005 that people with low literacy skills also tended not to have access to computers, compounding a disadvantage in a knowledge-based society. The report went on to say that people with the lowest skills who might stand to benefit from the opportunities afforded by new technologies were not using, nor did they have access to, such technology.

Ms. Parnell said ComputerCorps not only had been placing computers into the homes of the neediest students in northern Nevada, but also had success with green technology and the safe disposal of computers and appurtenances. Ms. Parnell said ComputerCorps was requesting an appropriation of approximately \$1.9 million to expand the program.

Sid Gesh, Governmental Affairs Director, ComputerCorps, testified in support of A.B. 566. Mr. Gesh said ComputerCorps provided a great service to the families and communities in Nevada by providing computer systems at no cost. ComputerCorps was a volunteer-run organization. Mr. Gesh said he represented 1 of over 100 active volunteers that worked with the organization to refurbish and deliver computer systems to those in need. ComputerCorps' most popular program was called "Every Home a Classroom," where computer systems were provided at no cost to needy children. Mr. Gesh said beyond the purpose of the organization, it was also an opportunity for volunteers. Volunteers worked to

tear systems down, refurbish systems, worked in the warehouse, answered telephones, performed clerical work, performed custodial and maintenance work, set up systems and networks, and collected systems. ComputerCorps participated in many community-based, e-waste collection programs. Mr. Gesh explained that ComputerCorps had recently participated in the Reno Clean and Green program.

Mr. Gesh said ComputerCorps' request for funding had first been heard in the Committee on Education, and because the organization was primarily staffed by volunteers, many people had attended that committee meeting. However, appearing before the Committee today, without a set agenda, had made it difficult to recruit people to appear in support of the bill. Mr. Gesh referred to page 21 of [Exhibit K](#), entitled AB566 Family Literacy Bill, which listed many of the people who had testified in support of A.B. 566 before the Committee on Education, along with a short summary of their testimony.

Mr. Gesh read into the record [Exhibit J](#), a letter from former first lady, Sandy Miller:

Dear members of the Ways and Means Committee,

I am sorry I am unable to attend the hearing today due to the health of my mother.

It is my hope that you will provide financial support to this worthwhile organization. Primarily, I support this program because it distributes computers to deserving families. During my husband's administration, we focused on providing computers to all schools. In the mid 90s computers were not so prevalent, and we felt it was important that Nevada not fall behind other states in our access to technology. We didn't have the resources to focus on individual families, so instead focused on schools, libraries, and tech centers. Today, most homes are equipped with computers, and the technology gap widens. This contributes to uneven chances at achieving academic success. ComputerCorps addresses this issue in a cost-effective manner and bridges the technology gap between households.

Of course we now live in an era where computers are a virtual necessity not only in the learning process but in the business world. It is critical that we make every effort in our education process to provide equal opportunities to each student. Access to computers at home is common to many but not to all students. It is up to us to strive to provide this technology to as many students as possible.

Many homes, businesses, and companies are not sure how to dispose of outdated or unwanted computers, printers, and other office equipment. Having an organization that would make efficient use of obsolete items benefits everyone. It keeps valuable resources out of landfills and reuses the components in a creative manner.

At the same time, we all benefit from the volunteer hours contributed by the families that receive the equipment. Nevada was recently ranked 50th in the United States for volunteer hours.

This program can begin to help develop a new cadre of people willing to participate in community activities.

Funding this worthwhile program is a win/win for Nevadans. The use of the equipment will allow many more Nevada students to increase their test scores and prepare for continuing education of the work force. And the hours of volunteer work they provide will assist others in need through the nonprofits that they provide volunteer service. Please help these students help themselves and help others through ComputerCorps.

Sandy Miller
First Lady, 1989-1999

Ron Norton, Director, ComputerCorps, testified in support of A.B. 566 and presented a PowerPoint presentation in conjunction with [Exhibit K](#), entitled A.B. 566 Family Literacy Bill. Mr. Norton commented that a serious problem in Nevada was lack of computer literacy and skills by children. The lack of computer skills was a handicap in today's society. National studies demonstrated that children with computers received better grades, increased scores, increased school attendance, and improved school behavior. Mr. Norton said that students without computer access became "information have nots" in the "Digital Divide." In Nevada there were 425,000 K-12 students in Nevada, and it had been estimated that nearly 130,000 K-12 students had no adequate working computer in the home.

Mr. Norton stated the solution was ComputerCorps' "Every Home a Classroom" program. The program worked with school districts to ensure that every family with school age children had an internet-ready computer system in their home. Mr. Norton said ComputerCorps provided a fully licensed system with monitor, keyboard, mouse, and CDROM, which was Internet-ready for dial up and high speed. The schools provided students from families without a computer in the home and coordinated participating families' volunteer service at the school. The schools also coordinated the distribution day event when computers were delivered to the school and distributed to the students and their families.

Mr. Norton said that in return for the computer system, each member of the family that used the computer agreed to perform ten hours of community service with the school that enrolled the family. An average of 42 hours of community service was being contributed by each family.

Mr. Norton stated the following were program benefits to the school:

- Parent involvement in the schools
- Parent involvement in the child's homework
- Completion of homework assignments
- Reduction in dropout rate of students
- Communication via email with parents and students
- Ability to provide online training to students
- Volunteer service from each participating family

Mr. Norton said the families received benefits as well:

- Getting to know school counselors and teachers
- Training from their children that know computers
- Keeping their children at home to do homework
- Ability to access the Internet when connected

- Ability to upgrade their computer when needed
- Technical assistance from ComputerCorps

The benefits to the children were many:

- Ability to complete homework assignments
- Home practice on computer skills and navigation
- Practice on reading and English
- Practice on keyboard and improved software skills
- Improved communication with family and friends
- Ability to use additional educational software
- Incentive to not drop out of school
- Ability to access the Internet when connected

Mr. Norton stated ComputerCorps was requesting \$1.9 million in supplemental funding to provide 21,000 computer systems to school age children over the next two years. The current cost of providing each system was \$93.25.

Assemblyman Denis asked where the 21,000 computers would be distributed in the next two years. Mr. Norton replied that the computers were distributed through the schools that signed up for the program. There were 17 schools in northern Nevada and 4 schools in pilot programs in Clark County and Nye County. The Committee received [Exhibit L](#), Letters of Support.

James Wells, Deputy Superintendent for Administrative and Fiscal Services, Department of Education, testified in support of [A.B. 566](#). Mr. Wells said he was familiar with and supported the mission and efforts of ComputerCorps and the important services it provided.

Chairman Arberry closed the hearing on [A.B. 566](#) and opened the hearing on [S.B. 282](#) (1st Reprint).

[Senate Bill 282 \(1st Reprint\):](#) Makes supplemental appropriations to the Department of Corrections for increased costs at various facilities. (BDR S-1258)

Howard Skolnik, Director, Department of Corrections (DOC), testified in support of [S.B. 282](#) (1st Reprint). Mr. Skolnik stated the Department's supplemental request was before the Committee to assist in increased costs for approximately 1,200 inmates above the projection for FY 2006-07. The Department had well over 1,000 extra inmates, according to Mr. Skolnik, generating increased fuel and utility bills that had not been projected at the time of the original budget request.

In answer to a question from Chairman Arberry, Mr. Skolnik responded that it was still uncertain whether the DOC would have to request more supplemental funding, but at the present time this bill would meet the Department's needs.

Chairman Arberry closed the hearing on [S.B. 282](#) (1st Reprint) and opened the hearing on [S.B. 342](#) (1st Reprint).

[Senate Bill 342 \(1st Reprint\):](#) Makes a supplemental appropriation to the High Level Nuclear Waste Project Office to fund nuclear waste litigation. (BDR S-1242)

Robert L. Loux, Executive Director, Agency for Nuclear Projects, Office of the Governor, testified in support of [S.B. 342](#) (1st Reprint). Mr. Loux stated the

request for a supplemental appropriation represented a shortfall that occurred in FY 2007. During the 2005 Session, the Agency's budget had been reduced by approximately \$500,000, and in 2006, the Agency had appeared before the Interim Finance Committee (IFC) and was told that IFC had no funds. Mr. Loux said the Agency had long-term programs that addressed corrosion studies on various types of metals that the Department of Energy (DOE) might use at Yucca Mountain, as well as ongoing litigation costs. Mr. Loux said the Agency already had invoices totaling approximately \$450,000. The Agency had not received any federal funding for FY 2008, although it was anticipated to arrive by the end of May 2007. Mr. Loux said many of the costs could not be paid with federal funds because of restrictions on the use of those funds.

Chairman Arberry closed the hearing on S.B. 342 (1st Reprint) and opened the hearing on A.B. 280.

Assembly Bill 280: Makes appropriations relating to education and licensed educational personnel. (BDR S-1051)

Assemblywoman Debbie Smith, District 30, testified in support of A.B. 280. Assemblywoman Smith stated that A.B. 280 addressed the need to provide salary increases for teachers in an effort to recruit and retain more teachers. There was a critical, ongoing shortage of teachers in Nevada, according to Mrs. Smith, who presented Exhibit M, a handout entitled "Teacher Pay and Enhanced School Year Plan."

Mrs. Smith stated that Nevada ranked 36th in the nation for an average beginning teacher salary of \$27,942. Currently, Clark County paid \$33,073 a year to new teachers with a bachelor's degree, and Washoe County paid \$31,149 a year for new teachers with a bachelor's degree.

Investing in Nevada's Education, Students and Teachers (iNVEST) said, "The pay gap between teachers and other comparably skilled professionals has widened in the past decade, making it easier to lure professionals to jobs that increasingly pay more." Mrs. Smith said she subscribed to the national publication, *Education Week*, and there were always advertisements from private firms recruiting teachers out of the classroom. The teachers could be employed in many other jobs that paid much better than teaching.

Mrs. Smith noted that Clark County School District student enrollment growth had ranged between 3.8 percent and 6.4 percent per year, which made it one of the fastest growing school districts in the nation. The Clark County School District's teacher shortage had continued to increase to its largest shortfall in recent memory. Mrs. Smith said the shortage was 477 teachers, or 3 percent of the 18,000 full-time teachers in the district. According to iNVEST, "The growing student population in Nevada and the retirement of large numbers of licensed educational personnel present major challenges to the state's school districts, challenges that will only increase over the next decade."

Mrs. Smith said that as a result of No Child Left Behind, many school districts found it difficult, or impossible to hire new teachers who met or exceeded the Highly Qualified Teacher requirements. In October 2005, 21.3 percent of all math classes, 20.4 percent of all science classes, and 24.6 percent of English, reading, and language art classes were taught by teachers who were not highly qualified.

According to Mrs. Smith, Nevada currently had a "one size fits all" system. The single salary structure which originated in the early 20th century, operated

under the premises that there should be equal pay for equal work; however, the single salary system did not provide the option to reward teachers for their achievements.

Assembly Bill No. 580 of the 73rd Legislative Session allowed school districts to apply for grants to establish performance pay and compensation for the recruitment, retention, and mentoring of personnel. Mrs. Smith noted that A.B. 280 extended Assembly Bill No. 580 of the 73rd Legislative Session by allowing school districts to extend those rewards to all classroom teachers and provided \$30 million for enhanced pay programs, which must include a component based on student achievement.

Mrs. Smith explained that two states had developed systems which rewarded teachers. The Minnesota Q Comp program allowed locals to tailor a program that met the needs of the particular school district. School districts could submit a plan to the Minnesota Department of Education that included multiple career paths, professional development, performance pay, teacher evaluation system, and a new salary schedule for teachers.

The Florida Merit Award Program required school districts to submit a plan to the Florida Department of Education, according to Mrs. Smith. The plan required that not less than 60 percent of the assessment be based on student achievement. Florida had replaced the old bonus program by shifting the focus from test scores to a list of objective criteria.

Mrs. Smith explained that A.B. 280 provided a \$2,000 salary increase to each licensed teacher in the State, provided additional instruction days, and allowed the school districts to establish a pay for performance program.

Along with the \$2,000 salary increase, the bill would provide for four additional days to the school year. Mrs. Smith said there was a critical need for time for teachers to attend to professional development without taking time from the classroom. In the 4 additional days added to the school year; 2 days would be designated for parent-teacher conferences; 1 day would be an instructional day in addition to the 180 days currently required; and 1 day would be a professional development day. Mrs. Smith stated that if teachers were to be held accountable, they must be given time to perform their jobs.

Mrs. Smith said that pay for performance would enable teachers to stay in the classroom while advancing along a career path, attract new teachers to Nevada, and provide the ability to connect student achievement to an individual teacher.

Mrs. Smith acknowledged these were difficult times considering the budget landscape, and this proposal would be costly. However, when examining the needs in Nevada for K-12 education, Mrs. Smith believed changing the teacher pay structure was one of the most important changes that needed to be made to see an improvement in student achievement.

Chairman Arberry asked who determined the one day for professional development, the teacher or school administration. Mrs. Smith replied those days were coordinated through the school district, and professional development had to be structured around core standards. Chairman Arberry asked whether the school would be closed for the day or whether each individual teacher would attend professional development classes at a different time. Mrs. Smith said the intention was to add a day to the school year strictly for professional development and close the school for that day.

Mrs. Smith continued her presentation by stating that Nevada was short approximately 520 teachers, including 66 math and science teachers statewide. Mrs. Smith commented that 3,047 new teachers came to Nevada to teach in the 2005-2006 school year. Nationally, 50 percent of new teachers left teaching within the first five years of beginning their teaching career.

In Nevada, where housing costs were increasing, it was becoming more difficult for teachers to stay in the profession. Mrs. Smith said it was time for Nevada to address the issue. She stated she had spoken to Keith Rheault, Ph.D., Superintendent of Public Instruction, and he was unable to attend the Committee meeting, but wanted to express his support for A.B. 280.

Mrs. Smith referred to [Exhibit N](#), "Proposed Amendment 3764 to A.B. 280," and said these concepts had been presented to, and passed out of the Committee on Education by a unanimous vote. The original bill had the same language as Assembly Bill No. 580 of the 73rd Legislative Session, with the Department of Education being required to approve a plan. Mrs. Smith said that a layer of bureaucracy was added that was not necessary. The bill would be collectively bargained so it made more sense, according to Mrs. Smith, that the money would be proportioned based on student enrollment, and once the Department received the plan from each district, it would disburse the money. The Department of Education was not, however, responsible for approval or disapproval of the plan.

Mrs. Smith pointed out another important amendment on page 2, line 40 of [Exhibit N](#), which required each school district to develop an advisory board that would meet to discuss issues and make recommendations before the pay for performance plan went to collective bargaining. Mrs. Smith said this was an important opportunity for the business community and parents to have input into the process before the issue was bargained and decided. Further, the amendment created a fund to hold the money until disbursement. Mrs. Smith said one of the discoveries made from examining other states' programs was that local control was what had worked best. There were not many plans in place across the country, but the ones that were, appeared to be working best when bargained and approved at the local level. Mrs. Smith commented that Nevada was quite diverse, making the needs and requirements of each local school district different.

Mrs. Smith summarized the intent was that each local school district would assemble an advisory board to meet and make recommendations to the Board of Trustees, the issue would be subject to collective bargaining, and the money applied for through the Board of Education. The funds would be disbursed in the second year of the biennium.

Chairman Arberry asked how the money would be disbursed, and Mrs. Smith replied each district would receive funds based upon the student enrollment, which was the normal way money was disbursed in Nevada. If the money was not spent by the school district it would revert to the Board of Education for the fund.

Assemblyman Denis referred to page 2, line 45 of [Exhibit N](#), which read "(b) Parents of pupils enrolled in the school district," and asked whether the intent was to recruit parents of pupils who were not also teachers or other administrators for the school district. Mrs. Smith replied that with her history of parent involvement she could assure Mr. Denis the parents selected would be parents with no connection to the school district. Mrs. Smith referred to

page 3, line 4 of [Exhibit N](#) which read "A majority of persons on the advisory panel must not be licensed educational personnel."

Assemblywoman Gansert commented that in the past pay for performance money had not been spent directly on teacher's wages but for mentoring programs and asked whether those programs would still be available. Mrs. Smith replied that the funding was strictly pay for performance and not mentoring; however, funding for mentoring was being addressed in other bills.

Mrs. Gansert asked whether it had been considered, instead of increasing wages \$2,000 across the board for all beginning teachers, that steps be created to give the pay at certain times, for instance, after five years of service. Mrs. Smith replied that teachers moved across the salary schedule as they increased seniority and increased educational attainment. There were several ways teachers could receive pay increases, but nothing had been done to increase beginning pay in several years. Mrs. Smith said it appeared that the beginning salary for teachers was turning them away.

Assemblyman Hardy referred to [Exhibit M](#) and the statistic that stated, nationally, 50 percent of new teachers left teaching with five years. He said he suspected the same was true in Nevada, but he doubted it was just salary that was causing the problem. Dr. Hardy said he was echoing Assemblywoman Gansert's question about giving salary increases at various intervals to provide an incentive to stay, because it appeared as if the entire nation had the same problem. Dr. Hardy asked Mrs. Smith whether that had been considered, and Mrs. Smith replied that it had not been considered, but said perhaps it could be considered and investigated. Mrs. Smith said she agreed, it was not just about salaries, there were many factors that caused teachers to leave the classroom. While salary was only one component, it was a large component in getting teachers to move and stay here. Mrs. Smith commented that sometimes teachers arrived in Nevada and found they could not afford to stay here.

Mrs. Smith said one of the points she usually made was that studies showed that teachers always spent several hundred dollars per year out of their own pockets for school supplies and purchasing items for students that could not afford them.

Michael Pennington, representing the Reno-Sparks Chamber of Commerce, testified in support of [A.B. 280](#). Mr. Pennington stated the Reno-Sparks Chamber was in support of the bill to the extent that the budget allowed. Mr. Pennington said he was appearing before the Committee to specifically address the issue of pay for performance, which the Chamber supported completely. He requested consideration from the Committee to move [A.B. 280](#) forward.

Joyce Haldeman, representing the Clark County School District, testified in support of [A.B. 280](#). Ms. Haldeman emphasized how important it was to be able to recruit and retain teachers in Clark County and reported that Clark County had 1,347 teacher vacancies for 2008. Ms. Haldeman said that while there were many other jobs competing for teachers, she believed the salary increases requested in the bill would be significant in helping to retain teachers. The Clark County School District also supported the additional school days, according to Ms. Haldeman. Ms. Haldeman said the portion of the bill relating to pay for performance was also very important, and it was another way to reward teachers who were doing a good job.

Assemblywoman Gansert asked whether the 1,347 vacancies in the Clark County School District were new jobs or were replacements for people who were leaving. Ms. Haldeman replied that while she did not know the breakdown, she did know that a large number of teachers were retiring. She advised Mrs. Gansert she would provide the information to staff.

Dotty Merrill, representing the Nevada Association of School Boards (NASB), testified in support of A.B. 280. Ms. Merrill echoed the remarks of Assemblywoman Smith and said the NASB was aware of the importance of local control and discovering what fit best for a specific school district. On behalf of school boards, Ms. Merrill said they would look forward to changing the school calendar to accommodate additional days for parent conferences, instructional days, and days for professional development. Ms. Merrill said the NASB strongly supported the passage of A.B. 280 and hoped funding could be located.

Mary Jo Parise Malloy, representing Nevadans for Quality Education, Las Vegas, testified in support of A.B. 280. Ms. Malloy said Nevadans for Quality Education, since its inception in 2004, had examined a number of pay for performance models that were being used across the country. Nevadans for Quality Education's first priority was the student in the classroom and his or her success. Ms. Malloy said there were many plans and programs being suggested, but without an effective teacher in every classroom it was a waste of time. Referring to the teacher shortage, Ms. Malloy emphasized the impact at the junior high and high school levels. She also said the majority of teacher shortages were in the math and science fields. Ms. Malloy said providing additional time for professional development apart from the regular school year was very important. Nevada school districts needed the ability to attract and retain quality educators in a highly competitive market. Ms. Malloy said a fair performance pay program with enhanced compensation would attract and motivate teachers.

Bryn Lapenta, representing the Washoe County School District, testified in support of A.B. 280. Ms. Lapenta said the School District appreciated the intention to attract and retain teachers. The appropriation for a salary increase was also appreciated, and Ms. Lapenta said providing more days for parental involvement, professional development, and increased instructional time would be beneficial for students. The provision in the bill which provided for enhanced compensation for teachers based upon student achievement was also supported.

Lonnie Shields, Assistant Executive Director, Nevada Association of School Administrators (NASA), testified in support of A.B. 280. Mr. Shields said the need to raise teachers' salaries was recognized by NASA as well as the need to attract quality teachers to Nevada. Mr. Shields said he would be remiss if he did not point out to the Committee that by adding four days of very important education to the school year, the workload was being increased for administrators and support staff in the schools without any added compensation. Mr. Shields said he hoped the intent was that anyone working the additional four days of the school year would receive some type of increased compensation.

Mr. Shields referred to Exhibit O, a proposed amendment to A.B. 280, that would amend section I, line 2 to read: "(a) Provide a salary increase of \$2,000 to all educational personnel with a valid license that work within a school setting." Mr. Shields commented that perhaps the amendment was not the

best way to approach the problem, but he wanted to bring the problem to the Committee's attention.

Mr. Shields recognized teachers' contribution and also recognized the fact that teachers spent a great deal of money out of their own pockets to support students. Mr. Shields said, however, that he wanted to put on the record that administrators also spent money out of pocket for students.

Chairman Arberry referred to [Exhibit O](#) and asked whether maintenance workers and bus drivers, for instance, would fall into the category of educational personnel working with a valid license. Mr. Shields said the amendment referred to licensed school personnel in the school setting—principals, assistant principals, and possibly counselors, for example.

Terry Hickman, Executive Director, Nevada State Education Association (NSEA) testified in support of A.B. 280. Mr. Hickman thanked Assemblywoman Bonnie Parnell, the Committee on Education, Assemblywoman Debbie Smith, and Speaker Barbara Buckley for their support of the concept that salaries needed to be increased to attract and retain qualified teachers.

Mr. Hickman stated that in the 2005-2006 school year in Washoe County and Clark County there had been personnel shortages in elementary education, secondary English, music, elementary art, Spanish, school nurse, home economics, and gifted and talented students. According to Mr. Hickman, there were also personnel shortages of bus drivers, nutrition workers, and teachers' aides.

Mr. Hickman maintained Nevada was at a crisis in education because fewer and fewer people were available to fill the many positions that were needed. Mr. Hickman said A.B. 280 called for additional days in the school year, and the NSEA was recommending that those additional days be inclusive of everyone who worked at the schools. A school required many different employees to be successful. The bill also proposed an appropriation of \$30 million for programs of performance pay and enhanced compensation to attract and retain teachers. Mr. Hickman said that was very important and was a concept that had been proven before in Assembly Bill No. 580 of the 73rd Legislative Session. The Legislature had appropriated \$10 million, two years ago, for cooperative grants that the teacher's associations along with the school districts could use to provide incentives for those members in the locally bargained associations. Mr. Hickman said one example was Lyon County, which had implemented the idea that faculty would establish goals of student achievement, parental involvement, and attendance. In the successful program in Lyon County, teachers received bonuses based on student achievement. Mr. Hickman stated that when local associations were involved it made a difference, and there would be local success.

Mr. Hickman said the NSEA also supported the Business Advisory Council as set forth in [Exhibit N](#).

Sam McMullen, representing the Las Vegas Chamber of Commerce, testified in support of A.B. 280. Mr. McMullen stated that incentive pay for teachers had been one of the primary legislative objectives of the Las Vegas Chamber of Commerce. Mr. McMullen said the issue of performance pay had the best chance of changing the culture of education in the state of Nevada.

Mr. McMullen stated that most people understood the teacher was the most important part of the educational process and the most meaningful for purposes of student achievement.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB, introduced Andrew Clinger, Director, Department of Administration, and stated he would review the Governor's proposed budget reduction package for the Committee. Mr. Stevens referred to [Exhibit P](#), entitled "Governor Recommends Adjustments to One-Shot/Supplemental Funding," and [Exhibit Q](#), entitled "Proposed Reductions to New Funding Requests—2007-08 Biennium," and noted they had been distributed to the Committee.

Andrew Clinger, Director, Department of Administration, stated he would review the timeline that had led to this point. In late March 2007, Mr. Clinger said his staff had met with LCB Fiscal staff to develop preliminary projections before the Economic Forum's official projections on May 1, 2007. Those projections were finalized on March 26, 2007, and on April 6, 2007, after meeting with the Governor, the finalized list of budget cuts had been produced, according to Mr. Clinger. Later in the evening on April 6, 2007, Mr. Clinger said he received the information from Michael J. Willden, the Director of the Department of Health and Human Services, that there were changes in the Department's caseload projections. During the next week, Mr. Clinger said he met with the Governor, Mr. Willden, and Charles Duarte, Administrator of the Division of Health Care Financing and Policy as well as LCB Fiscal staff to review the revised caseload projections. Over the weekend of April 14-15, 2007, the Budget Division had the agencies change the original budget reductions based on the new information from the Department of Health and Human Services. Mr. Clinger said that information was then transmitted to the LCB Fiscal Division on April 18, 2007, incorporating the latest changes.

Mr. Clinger reviewed [Exhibit P](#) with the Committee and referred to page 1 which showed the unofficial General Fund revenue projections as adjusted, the consensus forecast arrived at with the LCB staff for FY 2007. The next line showed the reprojection for the Distributive School Account (DSA) reversion, which Mr. Clinger said was anticipated to be \$1.5 million more. There were some adjustments in the DSA for the Local School Support Tax (LSST), and there were also adjustments for enrollment.

In the Appropriations section of [Exhibit P](#), the first two lines referred to budget amendments that had been previously submitted. The first line addressed an increase in supplemental requests of \$600,968, and the second line was a decrease in one-shot requests of \$434,381. Mr. Clinger said the next item under Appropriations was an increase in the Statutory Contingency One-Shot requests based upon the latest projections for that account. The request for appropriations would need to be increased by \$1.5 million.

Mr. Clinger said the next item was a decrease to the \$10 million stream-restoration one-shot that had been included in the Governor's budget. The final item to be reviewed was a \$6 million decrease in the one-shot appropriation to replenish the Disaster Relief Account. This reduction was based on information that some automatic transfers would occur to the Disaster Relief Account, as well as some reversions from Forestry, leaving an appropriation to the Disaster Relief Account of approximately \$1.5 million.

Mr. Clinger pointed out that for FY 2007, \$6.2 million more than necessary had been cut and carried forward to the next biennium.

Page 2 of [Exhibit P](#) displayed revenue and appropriation adjustments to FY 2008-09. In the FY 2008 column the \$6.2 million balance forward that had been cut from FY 2007 was shown. Mr. Clinger said the revenue projections adjustment of \$30.7 million decreased the General Fund.

The decrease in cost recovery revenue of approximately \$8 million over the biennium had been discussed with LCB staff, according to Mr. Clinger. One of the Governor's first recommendations regarding how to deal with the projected revenue shortfalls had been the elimination of the \$5 million per year transfer from unclaimed property receipts for Economic Development. Mr. Clinger said the Governor was still recommending reducing the Modified Business Tax (MBT) from 0.65 percent to 0.62 percent, but with a lower projection on the MBT, less money was saved than originally projected. With the saving of \$731,031, it was more of a technical adjustment. Mr. Clinger noted that the total revenue shortfall was approximately \$28 million.

Under Appropriations, page 2 of [Exhibit P](#), increased funding was required for the DSA of \$81.1 million over FY 2008-09, because of the reduction in the LSST. Mr. Clinger reviewed budget amendments of \$8.5 million over the biennium that had been submitted through April 20, 2007.

Mr. Clinger said there was requested funding of \$11.6 million over the biennium to be placed in the IFC Contingency Fund to cover the 5 percent per year increase for electricity and 2.5 percent per year increase for natural gas.

The next item in [Exhibit P](#) under Appropriations was the Public Employees Benefits Program (PEBP) group insurance holiday for FY 2008. Mr. Clinger said it would be a one-month premium holiday for State participants as well as the State subsidy provided for those participants. As a one-time event, it would save the General Fund approximately \$8.8 million in FY 2008.

Mr. Clinger said the bulk of the changes occurred in agencies reductions to enhancements, caseload changes, and increased federal funding in the amount of approximately \$97.9 million. [Exhibit Q](#) detailed the proposed reductions to new funding requests by agency.

Mr. Clinger explained that the decreased funding request for the Rural Economic Assistance Fund from \$5 million to \$2 million saved \$3 million in FY 2008.

The elimination of a portion of the University System's Health Sciences Project in the amount of \$110 million to renovate the UNLV Shadow Lane campus saved approximately \$15.75 million in state funds in FY 2008. Mr. Clinger said the net changes at the end of FY 2008 to the unappropriated General Fund balance totaled \$10.6 million. That figure carried over to FY 2009, which ensured a net savings of \$2.5 million over three years, according to Mr. Clinger.

Chairman Arberry asked why CIP #C89 was eliminated, and Mr. Clinger responded that other things had to be cut besides agency enhancements, and that was one of the few discretionary projects contained within the Capital Improvement Program. That particular project had been chosen because it was one of the smaller projects and did not have associated matching funds. It was a 100 percent state-funded project.

Chairman Arberry asked why the project could not be bonded. Mr. Clinger replied that cash had been included in the Capital Improvement Program, and this was a mechanism to cut the equivalent out of the program. He said the

project could be bonded, but there were other projects that would have to be cut to make up the \$15.75 million.

Assemblywoman Buckley asked whether Mr. Clinger had reviewed the assumptions behind the Medicaid decreases. Mr. Clinger replied that he had not looked at those figures in any detail; however, he had discussed the decreases with the Health and Human Services Director, Mike Willden, and Mr. Willden's staff several times. Mr. Clinger said when the number was originally reported on April 6, 2007, it was \$71 million. After meeting with the Governor and his staff, as well as the Health and Human Services staff, Mr. Clinger said the Governor asked Mr. Willden to check and recheck the numbers. Mr. Willden had rechecked the figures as requested which had reduced the \$71 million to \$51 million.

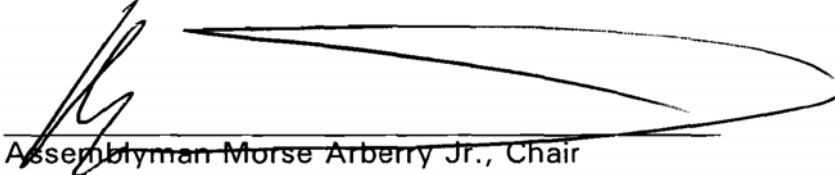
Mrs. Buckley commented that it was very important to ensure that number was correct, and if it was correct, the funds could be well used in the K-12 education budget.

Chairman Arberry adjourned the meeting at 10:37 a.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 23, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Sign-in sheets
A.B. 156	C	Blind Center of Nevada	E-Waste Nevada Issues and Solutions for Electronic Waste in our State
A.B. 246	D	Judge T. Arthur Ritchie, District Judge, Eighth Judicial District	Clark County Facilities Master Plan
A.B. 246	E	Judge T. Arthur Ritchie, District Judge, Eighth Judicial District	Letter from NCSC, dated April 19, 2007
A.B. 246	F	Chief Judge Jerome Polaha, District Judge, Second Judicial District	A Need for Judges
A.B. 246	G	Judge T. Arthur Ritchie, District Judge, Eighth Judicial District	Eighth Judicial District Court Family Court-Property Tax Override
A.B. 246	H	Chuck Short, Executive Officer, Eighth Judicial District Court	Clark County Courts Fiscal Analysis
A.B. 246	I	Sabra Smith-Newby, Director, Intergovernmental Relations, Clark County	Costs for Adding One Judge
A.B. 566	J	Sid Gish, Governmental Affairs Director, ComputerCorps	Letter from former First Lady Sandy Miller
A.B. 566	K	Ron Norton, Director and CEO, ComputerCorps	Family Literacy Bill
A.B. 566	L	Ron Norton, Director and CEO, ComputerCorps	Letters of Support
A.B. 280	M	Assemblywoman Debbie Smith, District 30	Teacher Pay and Enhanced School Year Plan
A.B. 280	N	Assemblywoman Debbie Smith, District 30	Proposed Amendment 2764 to Assembly Bill No. 280
A.B. 280	O	Lonnie Shields, Asst. Executive Director, Nev. Assoc. of School Administrators	Proposed Amendment to A.B. 280
	P	Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, LCB	Governor Recommends, Adjustments to One-Shot/Supplemental Funding
	Q	Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, LCB	Proposed Reductions to New Funding Requests