

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

**Seventy-Fourth Session  
May 3, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 3:40 p.m., on Thursday, May 3, 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/](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:**

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

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Heidi S. Gansert  
Assemblywoman Ellen Koivisto

**GUEST LEGISLATORS PRESENT:**

Assemblyman Marcus Conklin, Assembly District No. 37  
Assemblywoman Peggy Pierce, Assembly District No. 3

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Linda Blevins, Committee Secretary  
Patti Adams, Committee Assistant



Chairman Arberry called the meeting to order and opened the hearing on Assembly Bill (A.B.) 115 (R1).

**Assembly Bill 115 (1st Reprint): Enacts provisions governing mines.  
(BDR 46-858)**

Assemblywoman Sheila Leslie, Washoe County, District 27, presented testimony in favor of Assembly Bill (A.B.) 115 (R1). The bill addressed the issue of mercury emissions throughout the State.

Pointing out that mercury emissions were of great concern, Ms. Leslie stated that persons residing or recreating in rural areas of Nevada were at risk of developing elevated blood mercury levels which led to retardation and deformities in children. There was an occupational exposure concern in Nevada's gold mining industry. The Nevada Division of Environmental Protection (NDEP) had developed a new program to govern the control of mercury emissions released from thermal processes used in the mining industry. The NDEP had developed the program, the first of its kind, in absence of federal mercury standards. In February 2007 the program had issued its first enforcement action.

Ms. Leslie continued testimony, noting that mercury in fish was a major concern as fish had a natural tendency to concentrate mercury in their bodies, often in the form of methyl mercury, a highly toxic organic compound of mercury. Mercury was stored in the muscle tissue of fish, and when a small contaminated fish was eaten by a larger fish, the mercury was absorbed by the larger fish, increasing the tissue concentration of mercury in the fish over time. In early 2007 the Health Division issued a warning to avoid consuming fish from six Nevada waterways, including popular fishing locations such as Rye Patch Reservoir in Pershing County.

Ms. Leslie stated that after multiple meetings with interested parties, an amendment to A.B. 115 (R1) was written. It was Ms. Leslie's belief the bill was supported by the mining industry, by conservationists, and by the regulatory body. As amended, A.B. 115 (R1) augmented the approach to mercury emissions by the establishment of additional requirements for worker health and safety and supported the NDEP efforts by adding two additional inspectors used to better ensure that mercury emissions were controlled properly. The inspectors' salary would be paid by a fee through the mining industry.

Leo Drozdoff, Administrator, NDEP, Department of Conservation and Natural Resources, supported A.B. 115 (R1). Mr. Drozdoff expressed appreciation for the opportunity to work with Ms. Leslie on the preparation of the proposed legislation. The NDEP was committed to the establishment of a fee to fund the two positions required by the bill.

Alexis Miller, Nevada Mining Association, supported A.B. 115 (R1).

Dan Randolph, Great Basin Mine Watch, expressed support for A.B. 115 (R1).

There being no further questions or comments, Chairman Arberry closed the hearing on A.B. 115 (R1) and opened the hearing on A.B. 183 (R1).

**Assembly Bill 183 (1st Reprint): Creates the Legislative Committee on Senior Citizens and Veterans. (BDR 17-1101)**

Assemblywoman Kathy McClain, Clark County, District 15, testified in support of Assembly Bill (A.B.) 183 (R1) which established the Legislative Committee on Senior Citizens and Veterans as a statutory committee.

During her presentation, Ms. McClain noted that she had worked extensively with senior citizens and organizations that provided services to senior citizens and veterans.

The proposed standing committee would review and comment on issues relating to senior citizens and veterans, including such issues as:

1. Health and human services.
2. Elder abuse and exploitation.
3. Financial and physical wellness initiatives.
4. Housing and transportation.
5. Public outreach and advocacy.

The proposed committee would have an opportunity to develop and submit bill draft requests to the 2009 Legislative Session. Information developed from a recent survey indicated that there were 740,000 people in Nevada over the age of 50 years. In Ms. McClain's opinion, one of the first tasks of the proposed committee would be to redefine "senior citizen."

The fiscal note attached to A.B. 183 (R1) was for staff support for the proposed standing committee. Ms. McClain explained that A.B. 182 (R1) would mitigate the staff costs by the elimination of the Task Force for a Healthy Nevada.

Ms. McClain further noted the proposed committee would provide a forum for senior citizens to present concerns. The proposed committee would be composed of six members, three from the Senate and three from the Assembly.

Tim Tetz, Executive Director, Office of Veterans Services, expressed support for A.B. 183 (R1). During the past year, Mr. Tetz had learned that many Nevada citizens were not aware of the responsibilities of the Office of Veterans Services or of the impact Nevada veterans had on the economy of the State. Mr. Tetz believed the proposed committee would provide the opportunity for distribution of information to the public on senior citizen and veterans' issues.

Connie McMullen, Chairman, Senior Services Strategic Plan Accountability Committee (SPAC), spoke in support of A.B. 183 (R1). The SPAC members believed the proposed committee would provide a vehicle to assist senior citizens in bringing their concerns to the Legislature.

Barry Gold, American Association of Retired Persons (AARP) of Nevada, voiced support for A.B. 183 (R1). Mr. Gold stated he had served on many committees to discuss issues and ideas or develop recommendations for senior citizens. While taking the recommendations to individual legislators had served senior citizens well in the past, the proposed committee would provide a forum to present these recommendations more efficiently.

Jon Sasser, Washoe County Senior Law Project, supported A.B. 183 (R1). Mr. Sasser had worked on the SPAC for People with Disabilities and considered the interim legislative committee a valuable benefit for bringing issues to the Legislature.

Marty Bibb, Retired Public Employees of Nevada, testified in support of A.B. 183 (R1). The amended bill appeared to be cost-efficient, and the proposed committee would be a valuable addition to the State.

Roger Maillard, President, American Federation of State, County and Municipal Employees (AFSCME), Nevada Chapter, expressed his support for A.B. 183 (R1).

There being no further questions or comments, Chairman Arberry closed the hearing on A.B. 183 (R1) and opened the hearing on A.B. 128 (R1).

**Assembly Bill 128 (1st Reprint): Revises provisions relating to prescription drugs. (BDR 54-108)**

Assemblyman Marcus Conklin, Clark County, District 37, presented the Committee with an overview of Assembly Bill (A.B.) 128 (R1). Mr. Conklin presented the Committee with a proposed amendment (Exhibit C) for A.B. 128 (R1). The legislation pertained to the process of selling prescription drugs to physicians.

Mr. Conklin had prepared an amendment to the bill which replaced the original language of the bill in its entirety. The new language was a compromise between Pharma and AARP. The proposed amendment provided that a drug or medical device wholesaler or manufacturer must:

- a. Adopt a written marketing code of conduct which establishes the practices and standards that govern the marketing and sale of its products.
- b. Adopt a training program to provide regular training to appropriate employees, including, without limitation, all sales and marketing staff, on the marketing code of conduct.
- c. Conduct annual audits to monitor compliance with the marketing code of conduct.
- d. Adopt policies and procedures for investigating instances of noncompliance with the marketing code of conduct.
- e. Identify a compliance officer responsible for developing, operating and monitoring the marketing code of conduct.

In addition, the wholesale manufacturer would be required to report annually to the Board of Pharmacy on their compliance with these provisions. On or before January 15 of each odd-numbered year, the Board shall prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau (LCB) a compilation of the information submitted.

In closing, Mr. Conklin asked for the support of the Committee for the proposed amendment to A.B. 128 (R1).

In response to Assemblywoman Leslie's question regarding the fiscal note for the bill Mr. Conklin stated that the fiscal note was minimal.

There being no further questions or comments, Chairman Arberry closed the hearing for A.B. 128 (R1) and opened the hearing on A.B. 360 (R1).

**Assembly Bill 360 (1st Reprint): Establishes the State Program for Vascular Health. (BDR 40-392)**

Denisse R. Newell, Director, Advocacy and State Health Alliances, American Heart/Stroke Association, presented the Committee with an overview of Assembly Bill (A.B.) 360 (R1) via teleconference from Las Vegas. Ms. Newell submitted the following testimony:

A.B. 360 (R1) creates a State Program for Vascular Health, appoints a state coordinator, and establishes a state advisory committee who will draft a burden of disease document on stroke care. By appropriating the necessary funds to establish a state program that addresses the vascular health care needs of Nevadans, we will not only save overall healthcare costs but ensure that effective medical treatment is provided in a timely manner.

According to the Center for Disease Control (CDC), heart disease, stroke, and other cardio-vascular diseases cost Nevadans \$718 million in direct medical costs in 2004. In 2005, the Nevada Legislature set a precedent by overwhelmingly supporting Assembly Concurrent Resolution No. 23 of the 73rd Session which called upon public and private entities to work together to establish a statewide system of care.

Since then we have seen an increase in public interest and awareness on the signs and symptoms of stroke. Public education on heart disease and stroke is important, and we encourage you to support A.B. 360 (R1) by appropriating the necessary funds which will help save lives.

Alex Haartz, Administrator, Health Division, Department of Health and Human Services, provided supportive testimony ([Exhibit D](#)) for A.B. 360 (R1). According to Mr. Haartz, the Health Division had removed the fiscal note on the bill and viewed the bill as an opportunity to move the state forward in vascular healthcare. The Division viewed the bill from an enabling standpoint and would proceed by applying for federal grant funds to support the program.

Assemblywoman Leslie was familiar with the bill but was unclear how the bill would enable the Division to meet the requirement, as Section 12 stated, that the "Administrator shall appoint a Coordinator for Vascular Health." The language indicated to Ms. Leslie that the administrator "must" appoint a Coordinator.

Mr. Haartz explained that within the limitation of available funding, the Division would accomplish as much as possible. The appointment of individuals to the advisory committee would be a minimal cost, and there was federal funding available toward accomplishing that goal. The appointment and hiring of a position by the administrator would have to wait for dedicated funding. Although the bill used the word "shall," the Division would not be able to appoint a coordinator unless funding was available.

Ms. Leslie suggested amending the bill to reflect the coordinator would be appointed within the limits of available funding.

Mr. Haartz agreed and would provide the Committee with a revised fiscal note.

Ms. Leslie also requested Mr. Haartz provide the Committee with a realistic estimate of whether federal funds would be available to finance the position and, if so, in what amount.

Ms. Newell further explained that Nevada had applied for CDC grants in 2002. Recently the Health Division had applied for a CDC grant and was informed that 19 states had applied and only 2 to 5 states would be awarded grant funds. Federal funds were not guaranteed.

There being no further questions or comments, Chairman Arberry closed the hearing for A.B. 360 (R1) and opened the hearing on A.B. 471.

**Assembly Bill 471: Makes an appropriation for additional equipment to enhance the computer and electronics recycling program of the Blind Center of Nevada. (BDR S-942)**

Assemblywoman Peggy Pierce, Clark County, District 3, testified in support of Assembly Bill (A.B.) 471 which dealt with the issue of electronic waste. The intent of the bill was to fill an important need in the State and provide employment for many disabled Nevadans. Ms. Pierce provided the following testimony for the Committee:

E-waste is municipal waste of stuff we all throw out—televisions, computers, cell phones, printers, fax machines, and microwave ovens. More than any other municipal solid waste, e-waste is larded with heavy metals that can leach into groundwater. For instance, computer monitors and televisions contain 4 to 10 pounds of lead each. Lead exposure is linked to juvenile retardation, hearing impairments, kidney disease, stroke, and cancer.

Many of us are old enough to remember when lead was removed from gasoline and paint because of its danger to public health. Exposure to high levels of mercury can permanently damage the brain, [the] kidneys, and developing fetuses. It is a possible carcinogen.

The facts suggest that we do not want these materials leaching into our groundwater from our landfills. It is also wasted resources to bury elements that we originally had to mine from the earth. We should be recycling these materials.

Estimates vary but between 300 and 600 million computers will need to be disposed of in the next few years. In 2009, the switch to digital television will turn 230 to 280 million cathode ray televisions into dinosaurs. By 2010, three billion pieces of consumer electronics will be heading to scrap. This means 1.2 billion pounds of lead, 2 million pounds of cadmium, and 4 billion pounds of plastics are heading into the waste stream.

Most of this has not entered landfills yet. Most of this waste is in storage in warehouses and attics and garages. We all have it in our houses. We don't know what to do with it, but we instinctively know that it should be disposed of carefully. The EPA requires businesses to treat cathode ray tubes, the toxic part of televisions and computer monitors, as hazardous waste.

This is what my bill is aimed at, responsible disposal and recycling of e-waste. Disposal that protects our groundwater, recycles the valuable metal and plastics in the products and, at the same time, provides employment to disabled people in our community.

This brings me to the Blind Center of Las Vegas. The Blind Center already has an e-waste recycling program. [It holds] e-waste collection days a couple of times a year. These collection days are very valuable for our community but they do not begin to address the mountain of e-waste needing to be disposed of. However, the Blind Center has a plan.

As their presentation will show you, the Blind Center is ready to rise to the e-waste task with a program that includes secure data destruction, state-of-the-art dismantling, and complete recycling, [leaving] nothing left to go to the landfill.

Ms. Pierce introduced Bob Waldorf, Vice President of Operations, Blind Center of Nevada, Las Vegas. Mr. Waldorf provided the Committee with [Exhibit E](#) and spoke to the Committee regarding the mission of the Blind Center.

According to Mr. Waldorf, there were over 76,000 visually impaired persons in Nevada and over 10,000 legally blind Nevadans. In Nevada over 80 percent of the visually impaired lived below the poverty level.

Over 130,000 computers were discarded daily in the United States. In Nevada over 23 million pounds of electronic waste [were] produced annually. Consumer electronics were responsible for 40 percent of the lead in the landfills, which could contaminate the water supply.

Mr. Waldorf further stated that since 2005 the Blind Center had accepted e-waste donations from local businesses, government agencies, and local residents. The e-waste was processed into resalable and recyclable components. During the first year of operation, the Blind Center collected over 580,000 pounds of e-waste which otherwise might have been dumped into the landfills.

The Blind Center, according to Mr. Waldorf, collected computers, monitors, and printers, sorting, and grading for age and condition. Items that could be refurbished were tested and resold. Parts and components were separated and resold when possible. Nonworking units were dismantled and wire, plastic, aluminum and copper were sold to recyclers for further processing.

The amount of e-waste generated was staggering, in Mr. Waldorf's opinion. Through the use of adaptive technology, many high-skilled positions were created through recycling efforts. The future plan of the Blind Center to keep up with the growing amount of e-waste included a shredder which would grind four tons per hour; material separators to extract metals, glass, and plastics; and a mixed plastic to diesel fuel conversion process. Currently the Blind Center recycled 1.5 million pounds of equipment and projected the recycling of 20 million pounds.

Allen Biaggi, Director, Department of Conservation and Natural Resources (DCNR), stated he was neutral on [A.B. 471](#) because it was not contained in [The Executive Budget](#). He did, however, voice support for the Blind Center of Nevada and its satisfactory performance of recycle grants provided by the DCNR for recycling of e-waste. Through these grants, the Blind Center had

demonstrated their ability to conduct recycling to benefit both the environment and the Blind Center.

Chairman Arberry asked Mr. Biaggi for his opinion regarding the \$4 million fiscal note.

Mr. Biaggi responded that because the \$4 million was not included in The Executive Budget he could not comment.

Michael T. Coleman, Administrator, Rehabilitation Division, stated he was neutral on A.B. 471 but noted that through the Bureau of Services to the Blind and Visually Impaired, the Division had worked closely and effectively with the Blind Center.

There being no further comments or questions, Chairman Arberry declared the hearing closed on A.B. 471 and opened the hearing on A.B. 157.

**Assembly Bill 157: Provides for full-day kindergarten. (BDR 34-817)**

Assemblywoman Barbara Buckley, Clark County, District 8, presented an overview of Assembly Bill (A.B.) 157 to the Committee. Ms. Buckley provided the Committee with Exhibit F and Exhibit G and testified as follows:

I am proud to be the sponsor of A.B. 157, the bill providing all-day kindergarten.

The United States Chamber of Commerce published its state report cards called "Leaders and Laggards," a copy of which is included with your booklet [Exhibit F] under the tab "Nevada Rankings." Guess which one Nevada is? Yes, that was a rhetorical question. We get an "A" for our 21st Century teaching force, a "B" for Data Collection, but in Academic Achievement, Postsecondary, and Workforce Readiness, we get "Fs."

Is the Chamber of Commerce mistaken? Unfortunately, no. Nevada's graduation rate is 49th in the nation with a graduation rate of 55.9 percent against a national rate of 69.6 percent. Only South Carolina has a lower percentage.

The National Assessment of Education Progress as required by No Child Left Behind found some of the following test results:

- Fourth grade math—26 percent of students at or above proficiency level. Only four states are worse.
- Fourth grade reading—21 percent of students at or above proficiency level. Only two states had a lower percentage.

What can we do to improve student performance? Full-day kindergarten for all Nevada children. When asked the question, "does full-day kindergarten work," Dr. Michael Stravinsky, the government's empowerment school guru said, "Of course it works." There is a long list of scholarly articles and studies that support this.

I think the argument is best summarized by the National Center for Education Statistics. In 1998 they created a national

representative sample of kindergarten children and their findings were this:

Children in full-day kindergarten make greater gains in both reading and math compared to those in half-day classes, notwithstanding differences associated with race, ethnicity, poverty status, initial ability, sex, class size, amount of time, and the presence of an aide.

How do we know the same results would apply in Nevada? Clark County has had full-day kindergarten for over 2 years. The first year test results were that full-day students grew more and at a faster rate than half-day students in all four literacy sub-tests, including the two on which they had scored lower initially.

Second year results were the same. Full-day kindergarteners, even when scoring lower in literacy in kindergarten than their half-day peers in second grade, were outperforming the same students.

Washoe County results were similar. Not only did their full-day students achieve higher scores in all language arts tasks, but the increases in the January scores over the October scores were higher for the full-day group.

Especially important for Nevada is our large population of non-English speaking students and the boost that full-day kindergarten will give those that are not completely proficient in English. A Rand Education Study noted that students from non-English speaking households continue to show positive effects through third grade. Where not knowing the English language is preventing the child from learning, the extra time in full-day kindergarten learning the language, learning literacy, helps them in following grades. It only makes sense. How can you learn if you have not mastered the language?

In enacting full-day kindergarten, Nevada would join the national trend. In 1979, 25 percent of all schools of kindergarteners were enrolled in full-day kindergarten. In 1989 it was up to 40 percent. By 1999 it was up to 60 percent. By 2000 it was 63 percent. Nine states require all students to attend full-day kindergarten.

The superintendents of all 17 Nevada school districts believe that full-day kindergarten makes sense for their students. Parents favor full-day kindergarten. We continue to hear that people don't want full-day kindergarten, it is not a mandate. And parents choose what they think is best for their kids. Here is what the numbers show:

- Out of 249 classes in over 52 schools (over 7,000 students) in Clark County, 5 decided to opt out of full-day kindergarten.
- In Washoe County, 4 schools opted out but there was a waiting list for full-day kindergarten in the other schools.

In Washoe County they did a survey and over 62 percent said, "We don't need anyone to watch our children. We aren't turning to

full-day kindergarten because we want a babysitter. We just want our children to learn."

Some critics say full-day kindergarten isn't worth it because the academic gains disappear over time. That is if you compare the third grade test scores of children who attended full-day versus half-day, you find little or no difference. You have to look at assumptions underlying that data. A lot of the children in full-day programs are poorer children. Full-day kindergarten is available to them because of Title I funding.

When you look at that, these children test at or above their peers who went to half-day in grades one and two when a face of issues such as poverty, parental drug abuse, non-English speaking, high transient rates, all of which affect a student's chance of success. If the disadvantaged students are achieving at par with advantaged students, that is what we want to happen.

Second, the studies reporting the decline don't analyze the quality of the education in the intervening grades. Without successive positive learning in every grade, you cannot expect a child to be able to keep the gains of a previous year.

The challenge for our schools is to build on the enhanced skills in full-day kindergarten throughout the primary grades because full-day programs have the most enduring benefits if the curriculum is coordinated and continues to grow.

Here is what happens if we stick with the status quo. Teachers in the first few grades are so concerned with the students who have nonexistent letter identification skills, color identification skills, that what they do is spend their time bringing all kids up to the lowest level, not being able to spend time with the children who already have those skills when they come in. We want first, second and third grade to be more demanding but it is hard to be demanding when you are still teaching kids their letters. Kids are coming in at such unequal levels it is hampering learning and more rigorous classroom instruction which is why I think we see those numbers in fourth grade.

Full-day kindergarten gives children a boost to climb the first few rungs of the ladder which is a strong foundation. If the rungs stop after kindergarten, and there is unsupported space in the ladder between kindergarten and third grade, of course the child is going to have difficulty reaching the top.

In Nevada we know this to be true. Many of our students who struggle their first few years drop out of high school and, instead, fill our prisons or otherwise struggle through life. Fifty-seven percent of our Nevada offenders in prisons do not have a GED or high school diploma. Forty-eight percent perform below the eighth-grade level in reading and math.

The answer to fade-out is not to deny the strong foundation that kindergarten gives, but to align the curriculum so that all grades build upon the others so our children have the skills they need to

succeed and don't drop out because they can't learn because they never learned to read.

Some people say that in 2005 we authorized full-day kindergarten for all the at-risk schools so why do we need this. That is not exactly accurate. Last session we allocated \$22 million toward full-day kindergarten. The school districts by and large applied it to the most at-risk schools. One hundred fourteen schools were able to be funded with the money we provided. The school districts were able to reach 55 percent of those schools with that many children in the free and reduced lunch program. The 2008-2009 cost for this is \$26 million which is already in the budget. If we do nothing but maintained that existing criteria, there are now 9 more schools that would qualify for full-day kindergarten. That is \$1.4 million.

If we gave you enough money to fund as much as you could, if you had to pick the at-risk number what would it be? They selected 38.3 percent of the schools with free and reduced lunch population. If we expanded to those at-risk schools, the cost would be \$15.3 million. If we expanded it to all of the schools in need of improvement, 11 additional schools, that is \$2.8 million. If we do that, we still haven't reached all at-risk kids at non-at-risk schools. If we break down that number next, only 7 of the Clark County School Districts' 193 elementary schools do not have any students that qualify for free or reduced lunch.

If full-day kindergarten was offered at all schools with 5 or more students who qualify for free and reduced lunch, it would be \$9.6 million. Finally, to take the last step and extend it to all Nevada school children would be an additional \$16 million. Our staff calculated these numbers.

I would note we plan to spend \$300 million over the biennium to construct prisons. In 2006 we spent \$19,315 in operating costs to incarcerate one prisoner. In 2007 that is projected to be over \$20,000 and in 2009 over \$21,000, yet we claim that this program, because it would cost an average of \$2,400 per child, would be too expensive. What does that say about our priorities?

We need to do more for education funding this legislative session. Some of the proposals include funding for vocational and technical education and funding for innovations in education. We need to replace the pay for performance money which is fading out. We have a lot of needs and no money in the budget for those programs.

There was \$5 million in new education funding in the first year of the biennium, or \$13 million in new education funding over the biennium for K-12. That is not putting education first. If we want to make progress in this critical area, we must fund vocational and technical education, fund innovations, and fund full-day kindergarten. I trust this Committee will look at all of these education needs and prioritize education funding and do a better job than what is currently in the budget for education.

JoDee McLean, teacher, Washoe County School District, testified in support of A.B. 157. Ms. McLean had been teaching kindergarten for nine years, four years of which were full-day kindergarten classes.

Ms. McLean pointed out that full-time kindergarten allowed time for opportunities not available to half-day students. The language exposure and the language interaction helped develop oral language skills for every student. Full-day kindergarten allowed for small group instruction and the opportunity for teachers to observe the children and work with children with individual needs.

Dr. Walt Rulffes, Superintendent of Clark County School District, spoke on behalf of all state superintendents in support of A.B. 157. Dr. Rulffes noted that for Nevada students to be competitive with other states, the educational system needed to improve. In his opinion it was essential to recognize the prosperity of the State was dependent upon the educational system. The full-day kindergarten implementation was the first step toward improving the system.

The next issue addressed was the insinuation that kindergarten was a glorified day care, which, according to Dr. Rulffes, was not true. In fact, many states that had instituted full-day kindergarten were now considering pre-kindergarten education programs.

Dr. Rulffes pointed out that in a poll of 625 registered voters conducted by the *Las Vegas Review-Journal* 45 percent of respondents supported funding full-day kindergarten, with 48 opposed and 7 percent undecided. That, according to Dr. Rulffes, validated the systemwide support for full-day kindergarten.

Assemblywoman Smith commented that people who did not support full-day kindergarten should not make the assumption that it was a substitute for daycare for children.

Mary Jo Parise Malloy, Nevadans for Quality Education, supported A.B. 157. Ms. Malloy stated that full-day kindergarten provided a solid foundation for children and was necessary for their success ([Exhibit H](#)).

Alison Turner, Nevada Parents Teachers Association, testified in support of A.B. 157. Ms. Turner testified that A.B. 157 made full-day kindergarten available as an option in all Nevada schools so parents could make a choice for their children. The bill was not about making full-day kindergarten mandatory. The intent of the legislation was to eliminate the need for "pay for k" or tuition-based programs. Ms. Turner pointed out that children represented the future of our society, our economy, and of Nevada.

Shannon Powell, kindergarten teacher, Clark County School District, spoke in support of A.B. 157. Ms. Powell stated that teaching full-day kindergarten had given her insight into the capabilities of the children when given more time in the classroom. In her opinion, funding should not be the reason students were not given the opportunity to attend full-day kindergarten.

Robin Virasic, teacher, Tom Williams Elementary School, Clark County School District, voiced support for A.B. 157. Ms. Virasic noted that prior to implementation of full-day kindergarten, less than 20 percent of all kindergarten children upon completion of kindergarten at Tom Williams Elementary School were at first grade level. After implementation of full-day kindergarten at Tom Williams Elementary School, over 70 percent of children were prepared to go to

first grade upon completion of kindergarten. Of that, 50 percent were functioning above grade level.

Juliana Ormsby, Nevada Women's Lobby, expressed support for [A.B. 157](#) and applauded Assemblywoman Buckley for her continued commitment to full-day kindergarten.

Gloria Dopf, Deputy Superintendent of Public Instruction, Department of Education, spoke on behalf of Dr. Keith Rheault, Superintendent of Public Instruction, Department of Education, who was unable to attend the hearing. The State Board of Education also supported [A.B. 157](#). Ms. Dopf noted that the testimony, including Assemblywoman Buckley's introduction, was compelling. In her opinion, the implementation of full-day kindergarten would make a difference in Nevada.

David K. Schumann, Vice Chairman, The Nevada Committee for Full Statehood, spoke in opposition of [A.B. 157](#) and provided [Exhibit I](#), Organization for Economic Co-operation and Development (OECD) Economic Surveys, to the Committee. In Mr. Schumann's opinion [A.B. 157](#) rewarded substandard performance in American schools. The surveys in [Exhibit I](#) graded American schools as substandard.

Joseph Enge, Education Policy Analyst, Nevada Policy Research Institute (NPRI), testified in opposition to [A.B. 157](#). Mr. Enge provided [Exhibit J](#), "Difficulties in Reconciling the Political Rhetoric and Claims with the Research and Realities of All-Day Kindergarten," to the Committee. Mr. Enge stated the research previously submitted to the Committee was incomplete and unimpressive.

Mr. Enge provided the Committee with [Exhibit K](#), *Las Vegas Review-Journal* March 3, 2007, editorial, which stated that ". . .the Clark County School District is now revealed to be not an objective and reliable judge and arbiter when it comes to measuring the efficacy of all-day kindergarten, but rather a lobbyist for said program, willing and able to massage and manipulate facts and findings to get this endeavor approved."

Mr. Enge submitted [Exhibit L](#) to the Committee, a bibliography of papers and studies on preschool and full-day kindergarten. The exhibit listed nearly 300 papers and studies compiled by the Nevada Policy Research Institute.

Assemblywoman McClain commented regarding her positive experiences with full-day kindergarten and the value of early education to children.

Mr. Enge questioned whether there was research material available which proved a direct correlation between full-day kindergarten and incarceration rates.

Ms. Robin Virasic stated there was research which showed that 80 percent of incarcerated women were not reading by second grade. In her opinion, if someone could not read, they could not be gainfully employed and would most likely become incarcerated. Full-day kindergarten was clearly needed to provide children with a head start and to reduce the probability of incarceration.

Assemblywoman Smith commented that Mr. Enge had given a thorough presentation, and his disagreement was acceptable. Every study presented with full-day kindergarten had presented different sides of the issue. Ms. Smith stated that without question teachers overwhelmingly believed full-day kindergarten was the right thing to do for children.

There being no further questions or comments, Chairman Arberry closed the hearing for A.B. 157 and opened the hearing on A.B. 269 (R1).

**Assembly Bill 269 (1st Reprint): Authorizes credits against the state taxes on financial institutions and other businesses for certain qualified employee housing assistance provided by employers. (BDR 32-1142)**

Assemblywoman Barbara Buckley, Clark County, District 8, introduced Jessica Blakely, intern, to provide an overview of Assembly Bill (A.B.) 269 (R1) to the Committee.

Ms. Blakely presented the following testimony:

In urban Nevada we are in an affordable housing crisis. In 2001 the relatively low cost of housing in Nevada was an important recruitment and retention tool for area employers. Nevada employers could attract workers to the area with a promise they could buy a home. In 2001 the average United States median home price was \$175,200 while the median price for a home in Las Vegas was \$149,100 and was only slightly higher in Reno.

As a result of this and the growth of the gaming industry, people flocked to the State, especially southern Nevada. A resulting increase demand for housing led to the construction industry becoming the second largest private employer in Clark County after gaming. However, by 2006 this picture had changed dramatically. In the intervening 5 years the average median price of a house in the United States rose 40 percent to \$245,500, an average of 8 percent a year. In Las Vegas it soared 200 percent, in Reno 300 percent. Now, according to a CNN poll, 54 percent of the American public believes that it is impossible for most people in the United States to achieve the American dream of a home. Nevada is 47th in the rate of homeownership in the nation. As a result of this study, the Truckee Meadows Growth Task Force reported that homeownership is no longer attainable for households in the 80th to 100th percentile area median income bracket. Our research suggests that 80 to 82 percent of new workforce households will not be able to afford a median priced for sale or new home in Nevada.

What can we do about this problem? One way is to encourage employers to offer a variety of housing assistance to their employees. Employer-assisted housing programs have been implemented in various states other than Nevada. While this is not a "silver bullet" to fix the overall problem, it is a tool in helping the problem.

Working with state and local officials and nonprofit organizations, employers are addressing the homeownership problem by providing a range of housing benefits to their employees. These can range from grants or loans with a sliding scale for loan forgiveness based upon employee retention, closing cost assistance, and credit counseling. In the Illinois Regional Employer Assisted Collaboration for Housing (REACH) model on which A.B. 269 (R1) is patterned, the state gives a \$0.50 tax credit against state business taxes for every dollar invested by an employer in a non-profit corporation

that provides housing benefits. In Chicago, the REACH partnered with 40 businesses to provide consumer home buying education and down payment assistance. In 2005 alone 269 employees were able to purchase a home using the financial assistance.

A.B. 269 (R1) would encourage Nevada employers to address the growing workforce housing crisis by providing employer-assisted housing benefits to their employees through qualified nonprofit organizations. Allowable benefits include down payment and closing cost assistance, reduced interest mortgages, mortgage guarantee programs, rental subsidies, or individual account savings plans.

For every dollar contributed by an employer to a nonprofit or employer-assisted benefits, the employer could deduct \$0.50 from the amount of modified business tax otherwise due. The amount of such credits claimed during a year will be monitored by the Tax Department and capped at \$5 million per year.

A.B. 269 (R1) provides a financial incentive to create a public and private partnership dedicated to making homeownership a reality for hard-working Nevadans earning average wages.

Dino Dicianno, Executive Director, Department of Taxation, stated the Department was neutral with respect to A.B. 269 (R1) and attended the hearing to provide information on the fiscal note if needed. In the amendment provided to staff, a loss to the General Fund of \$10 million in each year of the biennium was noted.

Samantha DeKoven, Housing Consultant, Metropolitan Planning Council, testified via teleconference from Chicago, Illinois, and supported A.B. 269 (R1). Ms. DeKoven presented the following testimony:

Thank you for the opportunity to speak today on employer-assisted housing, the legislation you are reviewing modeled from our work in Illinois. I define employer-assisted housing as any way a business gets involved in housing. That may take the form of down payment or rental assistance, matched savings for homeownership, investing in development, or facilitating access to credit counseling or education. In Illinois we found that the more employers get involved in workforce housing solutions, the more supportive they are of new housing policies and development proposals that address current demands in the marketplace.

You all know better than anyone that a state's housing challenges cannot be met through public dollars alone. Both private sector investment and leadership is essential to advancing our common goals. We have certainly experienced this in Illinois where employer-assisted housing has been a very effective tool to build public-private partnerships in support of workforce housing, both to address job housing mismatch and to spur redevelopment.

The Metropolitan Planning Council's involvement in employer-assisted housing began in 2000 with a Regional Employer-Assisted Collaboration for Housing (REACH) located in the affluent western suburb of St. Charles, Illinois. This one manufacturer provided down payment assistance and

homeownership counseling through a local nonprofit. That successful employer truly inspired the creation of Illinois matching funds and tax credits and more than 60 more employer sign-ons, including new small business consortia, by the end of 2006.

Nearly 2,000 employees have been counseled with over 950 successful buyers. An estimated \$1.7 million went to help employees purchase homes in Illinois in 2006. A range of employers have discovered the benefits of the model—large, small, non-profit, for-profit and governments. Participating companies include hospitals, universities, banks, small businesses, and local municipalities. For instance, Bank of America, Allstate, the University of Chicago, and Chicago public schools offer a housing program.

The employers participate for a variety of reasons: [to] offer an innovative benefit and distinguish themselves in the marketplace; [to] reduce tardiness, turnover and absenteeism; [and to] improve morale and loyalty. By helping employees afford homes closer to work, employers are making a real difference in their employees' lives, reducing stress, and boosting their bottom line. We have found the REACH model to be a great starting point, bringing in both modest investment and meaningful leadership. More and more examples are cropping up around the state of employers investing in a development, donating land, or providing rent subsidies instead of down payment assistance. What is great about employer-assisted housing is it is truly a public-private partnership. The state of Illinois provides two tools to leverage employer investment—matching funds toward an employees' down payment and tax credits authorized by statute in 2001 which provides a \$0.50 credit for each dollar an employer invests in an employer-assisted housing program. The program has been extremely successful. I am thrilled to see Nevada considering a similar program and including fiscal responsibility by capping it at \$5 million.

In addition to the numerous employees who have benefited from their employer's assistance, the Metropolitan Planning Council has found employer-assisted housing has helped accomplish many strategic successes in the housing policy area. During the last five years the Chicago area mayors created a housing task force. The state of Illinois adopted its first housing plan and passed various pieces of meaningful legislation to advance that plan, and municipalities have created land trusts and approved new affordable housing developments.

In all cases employer-assisted housing and participating employers were key to success. We have found that more than any other housing program, employer-assisted housing has been a door opener, engaging business leaders and policymakers in discussions about housing needs without fear of community opposition shutting the door to such conversation.

In closing, I congratulate you on your interest in employer-assisted housing, and I encourage the Assembly to pass legislation authorizing this tool to encourage private sector investment in

workforce housing. Thank you, again, for the opportunity to testify today. I am happy to answer your questions.

Ms. Buckley thanked Ms. DeKoven for providing the Committee with information on the successful program. In Ms. Buckley's opinion, having someone who has helped to setup and work in the program brief the Committee was greatly appreciated.

There being no further comments or questions, Chairman Arberry closed the hearing on A.B. 269 (R1).

**Assembly Bill 526 (1st Reprint): Revises provisions relating to community antenna television, cable television, video service, Internet service and other information technology. (BDR 58-1129).**

Chairman Arberry requested Mr. Mark Stevens provide the Committee with information on Assembly Bill (A.B.) 526 (R1). The bill contained a request for expenditures needed by the Secretary of State to implement their computer system.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS AS AMENDED.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

MOTION PASSED. (Assemblywoman Koivisto and Assemblywoman Gansert were not present for the vote.)

\* \* \* \* \*

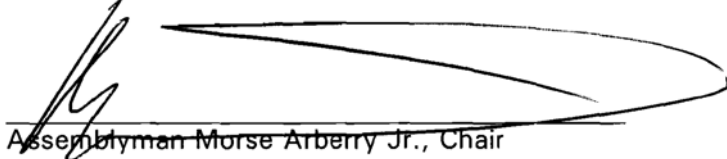
There being no further comments or questions, Chairman Arberry adjourned the meeting at 5:39 p.m.

RESPECTFULLY SUBMITTED:

---

Linda Blevins  
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

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

<u>EXHIBITS</u>			
<b>Committee Name:</b> <u>Committee on Ways and Means</u>			
<b>Date:</b> <u>May 3, 2007</u>		<b>Time of Meeting:</b> <u>3:30 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance Roster
AB 128	C	Assemblyman Marcus Conklin	Proposed Amendment
AB 360	D	Alex Haartz	Prepared Testimony
AB 471	E	Bob Waldorf	E-Waste Nevada Booklet
AB 157	F	Assemblywoman Buckley	Full-Day Kindergarten
AB 157	G	Assemblywoman Buckley	Funding for Full-Day Kindergarten
AB 157	H	Mary Jo Parise Malloy	Nevadans for Quality Education support
AB 157	I	David Schumann	Economic Surveys opposing
AB 157	J	Joe Enge	Testimony opposing
AB 157	K	Joe Enge	Editorial opposing
AB 157	L	Joe Enge	Bibliography of papers