

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

**Seventy-Fourth Session  
May 8, 2007**

The Committee on Ways and Means was called to order by Chairman Morse Arberry Jr. at 1:34 p.m., on Tuesday, May 8, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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., Chairman  
Assemblywoman Sheila Leslie, Vice Chairwoman  
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

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Susan Gerhardt, Assembly District No. 29  
Assemblywoman Bonnie Parnell, Assembly District No. 40

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Todd Myler, Committee Secretary  
Patricia Adams, Committee Assistant

Chairman Arberry explained that Assembly Bill 546 was rescheduled for a later hearing and the agenda would be taken out of order.

**Assembly Bill 252 (1st Reprint): Authorizes deductions from the state taxes on financial institutions and other businesses for payments on behalf of employees to certain apprenticeship programs. (BDR 32-883)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 252 (1st reprint) and recognized Assemblywoman Susan Gerhardt, Assembly District No. 29.



Ms. Gerhardt read introductory testimony ([Exhibit C](#)) in support of this bill and introduced Jim Sala, Delegate, Carpenters Union (CU).

Chairman Arberry recognized Mr. Sala and asked how this bill would fiscally impact the State.

Mr. Sala explained that, in light of the fiscal constraints on Nevada, the pension portion of the bill was withdrawn and the bill was amended to only include a deduction for employers' contributions to state-approved apprenticeship and training programs.

Mr. Sala said there were currently 8,500 apprentices in 50 categories in 200 programs in Nevada. He acknowledged that there were many apprentices in industries other than construction, though construction apprentices constituted a large portion of the total, and said the construction industry was the second largest employer in Nevada.

Mr. Sala explained that the original fiscal impact statement from the Department of Taxation was approximately \$600,000 for the apprenticeship deduction per year; however, in working with Taxation on the particulars of the bill, the fiscal impact was reduced. He noted there was a handout ([Exhibit D](#)) that showed the numbers used. In FY 2008, because of some start-up funds needed, the fiscal impact was approximately \$208,100, while FY 2009 would experience an impact of approximately \$113,000. This impact was lowered because the original fiscal documents had calculations based on how many apprentices there were multiplied by the cost of graduating an apprentice. This bill, however, took into account the hourly contributions of 35 cents paid by employers to apprenticeship programs. He then noted that the construction trade received a wage increase each year, which he thought would be between \$1.50 and \$2.00 per hour this coming July. Additionally, apprentices received 5 to 10 percent increases as they progressed through training. Mr. Sala explained that with these wage increases, the cost for the new deduction to the State would be offset. For example, if the Carpenters Union received a \$2.00 per hour raise on the 12 million man-hours, that would translate into an additional \$24 million subject to the modified business tax. At the rate of 0.63 percent, this would be approximately an additional \$150,000 in tax revenue to the State. Mr. Sala pointed out that this example did not include increased tax revenue from the apprentices increased wages. He claimed this increase in wages would apply to other trades as well.

Mr. Sala believed that this incentive to continue apprenticeship programs was important to meet the labor needs of different trades, particularly the construction industry. Currently, there were 2,000 construction apprentices throughout Nevada, though there were only 300 eight years ago.

Chairman Arberry recognized Dino DiCianno, Executive Director, Department of Taxation.

Mr. DiCianno explained that the impact of this bill would only be to the businesses involved in the apprenticeship programs and would not affect financial institutions. Additionally, he requested that, if the Committee passed this bill, the effective date be changed to January 1, 2008. This would cut the fiscal impact to the State in half for the first year.

Chairman Arberry recognized John Madole, representing the Associated General Contractors (AGC).

Mr. Madole said that AGC supported A.B. 252 (1st Reprint).

Chairman Arberry recognized Clara Andriola, President, Associated Builders and Contractors, Inc. (ABC), Sierra Nevada Chapter.

Ms. Andriola said that ABC supported A.B. 252 (1st Reprint). She noted that the bill intended to motivate contractors to support apprenticeship training.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 252 (1st Reprint). With no response, he closed the hearing on this bill.

**Assembly Bill 210 (1st Reprint): Revises provisions governing certain exemptions from and refunds of property taxes. (BDR 32-470)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 210 (1st Reprint) and recognized Dave Dawley, Carson City Assessor, representing the Nevada Assessors' Association (NAA).

Mr. Dawley explained that A.B. 210 (1st Reprint) contained a provision [Section 1] that would make a current exemption for honorably discharged veterans, who served in major conflicts, available to all honorably discharged veterans. He noted there were a number of bills dealing with this issue, but NAA believed A.B. 210 (1st Reprint) was the most restrictive. Mr. Dawley noted that Section 2 of the bill was withdrawn by the Assembly Committee on Taxation. Section 3 raised the amount of the senior citizens' rebate from \$500 to \$1000. Sections 4 and 5 attempted to remove the sunset date for apprenticeship programs.

Assemblyman Parks asked him to clarify which veterans would be eligible for the exemption.

Mr. Dawley said the exemption was only for those veterans who were honorably discharged.

Chairman Arberry recognized Carol Sala, Administrator, Division for Aging Services, Department of Health and Human Services.

Ms. Sala read testimony ([Exhibit E](#)) regarding the fiscal impact of this bill on the State.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 210 (1st Reprint). With no response, he closed the hearing on this bill.

**Assembly Bill 212 (1st Reprint): Provides for high school reform. (BDR 34-118)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 212 (1st Reprint) and recognized Assemblywoman Bonnie Parnell, Assembly District No. 40.

Ms. Parnell believed that since passage of the Nevada Education Reform Act in 1997 proper attention had been paid to students in elementary schools to ensure they had good math and reading skills. However, Ms. Parnell believed that high school students had been somewhat neglected, and this bill addressed the needs of these older students. She explained that this bill had five main sections that proposed changes in Nevada's high schools.

First, Ms. Parnell said Section 2 required that each ninth grade student develop a four-year plan for graduation. This plan was to be laid out together with

parents and school counselors to outline the courses to be taken to graduate. According to Ms. Parnell, many states were already doing this. She said education experts noticed that the best functioning high schools provided graduation plans. This included such things as requiring that students work in consultation with parents and counselors, that plans be reviewed on at least an annual basis, and that the plans ensured students would receive the required credits for graduation (this would lead to lower dropout rates). Ms. Parnell said the plans would include, without limitation, designation of a career pathway which could include dual-credit courses that would yield college credits as well, career and technical education courses, and advanced placement or honors courses that the student believed would most likely keep them in school.

Ms. Parnell explained that Section 3 required high schools with more than 1,200 students to create "ninth grade school-within-a-school" designs, or "small learning communities." She said it was "easy for some of our students to get lost moving into our high schools." There needed to be some way for making this transition from middle school. Ms. Parnell said there were many instances, including the Virginia Tech University shootings, where students were "lost" all across the country. For whatever reason, these individuals were not connected to others and felt alone. This was not something that should be allowed. Ms. Parnell said "we should try to do whatever we can to do to prevent that from happening in our high schools." Creating "small learning communities" allowed students to become connected to others.

Ms. Parnell noted there were a number of handouts given the Committee. First, there was a list ([Exhibit F](#)) of high schools in Clark County that had already created "small learning communities." She mentioned that most legislators were aware of the great success with this at Hug High School in Washoe County, but noted that she was surprised to see so many schools in Clark County School District had already implemented such programs. However, she was disturbed that she had heard from a principal who feared that the little funding that had been received for the school's small learning community was in jeopardy of being eliminated. Ms. Parnell noted that, though the schools on the list all called their programs by different names, each school had found time for the entering ninth graders to have more adult contact with counselors and/or mentors. There were many creative ways to develop a small learning community, and A.B. 212 (1st Reprint) allowed for local autonomy. Ms. Parnell said this bill would give local boards of trustees the responsibility of creating the policies surrounding each school district's program.

Ms. Parnell said Section 4 required the State Board of Education to prescribe a uniform grading policy for high schools, including one for advanced placement and honors courses. Ms. Parnell said she was shocked to learn that currently students at some high schools in advanced placement classes were graded on a 4.0 grade point scale, while other students at other schools were graded on a 5.0 grade point scale. This meant that students in these courses were not "on a level playing field." For example, if a student from Cimarron High School applied for the Millennium Scholarship or other scholarships and had taken the same course as a student from Carson High School who was graded differently, the Cimarron student did not have the same ability to compete for those scholarships. Ms. Parnell said it was appalling to have a state scholarship program when there was not equity in grading.

Ms. Parnell said Section 5 of A.B. 212 (1st Reprint) required the adoption of a policy by local school boards that limited the amount of time counselors spent on test coordination. This issue was presented to the Legislative Committee on Education during the interim. According to Ms. Parnell, counselors were

spending way too much time on testing. These counselors were trained to work with students in guiding them and helping them reach academic potential. Many of these counselors spent significant amounts of time counting test booklets. Ms. Parnell noted that this was fiscally irresponsible, and if she were a high school counselor and had to spend her time counting test booklets, proctoring tests, and administering tests while students in the school needed her attention, she believed it would be very easy to change jobs and use her counseling skills in another capacity.

Ms. Parnell explained that Section 6 required that the age of compulsory attendance change from 17 to 18 years. She noted there was a Senate Bill that addressed this same issue. Ms. Parnell said it was necessary to encourage every student to stay in school until they graduated or until they were able to receive a General Education Development diploma. Currently, students could leave high school at the age of 17. Ms. Parnell believed that most present at the meeting agreed this should not be encouraged.

Ms. Parnell then mentioned a yellow handout ([Exhibit G](#)) from the Nevada Association of Manufacturers that addressed the need for high school reform. A blue handout ([Exhibit H](#)) was an article from the *Las Vegas Sun* that addressed pupil-counselor ratios. Ms. Parnell then mentioned the previously discussed list of high schools with ninth grade "school-within-a-school" programs. Finally, there was an executive summary called "Breaking Ranks" ([Exhibit I](#)), developed by high school administrators, which was the guide for directing high schools on how to best benefit students.

Assemblywoman Gansert noted that A.B. 212 (1st Reprint) appeared to only bind schools with more than 1,200 students to have the school-within-a-school, and the bill required a certain area of the school to be designated for this purpose.

Ms. Parnell explained that the bill required schools with over 1,200 students to create a small-learning-community program for ninth grade students, and each school district could develop its own policy to do this. Ms. Parnell noted that there was discussion about having a separate location for the small learning community, so one school district included a large fiscal note because it believed that a separate facility was needed to meet this requirement; however, this was not the intent of the bill. Ms. Parnell noted that all ninth graders were required to take a ninth grade English course. With that being the case, she thought that the language arts wing of schools could be a good place for this new program. Ninth graders could then stay in that area for a certain block of time to review different issues with counselors. Ms. Parnell acknowledged that some areas of high schools were not appropriate for this purpose, such as science wings with labs. This bill was designed to allow time for ninth graders to connect with adults and make sure they were tracked and listened to about the classes they were taking. One other important factor to consider was that this program allowed for personal tracking of student attendance so early intervention could take place. Ms. Parnell noted that A.B. 212 (1st Reprint) mandated the development of policy and did not mandate a separate area or facility for the students. She believed local school districts should have control over their own programs.

Assemblywoman Leslie noted there was a fiscal note on the original bill, but that some of those issues were resolved. She then asked what the current fiscal impact of this bill was.

Ms. Parnell said the Department of Education originally believed that development of the common grading policy would incur costs; however, that concern had been resolved, and the fiscal impact was nil. In reference to Assemblywoman Gansert's earlier question, some of the school districts were under the impression that separate facilities were needed to be built to comply with the mandate. Ms. Parnell believed that all of the high schools had wings for different departments, such as language arts or social studies. She believed that with scheduling for the students and counselors, this program could be implemented without extra space. With this in mind, Ms. Parnell believed this program could be implemented inexpensively but that the program was more important than any cost involved.

Ms. Leslie noted language in the bill regarding school counselors.

Ms. Parnell said it was time for school districts to examine what could be done in high schools to make counselors more effective.

Ms. Leslie noted that Hug High School was a good example of positive change.

Ms. Parnell said there were many good examples in Clark County as well.

Chairman Arberry recognized Joyce Haldeman, Executive Director, Community and Government Relations, Clark County School District (CCSD).

Ms. Haldeman said CCSD supported A.B. 212 (1st Reprint); however, CCSD believed that the provision in the bill that required a separate geographic area for the small learning community was an area of concern. The CCSD agreed with the intent of the bill in that regard, and CCSD had already created small learning communities in some of its high schools, but the language in the bill did not provide flexibility. Ms. Haldeman stated that CCSD would be more comfortable if the bill contained the words "where practical" on page 3, line 13. She noted that CCSD was currently building a high school with different halls to be designated for each grade, yet the school had classrooms, band areas, physical education facilities, or science labs where it was impractical to have separate facilities for each grade. Ms. Haldeman noted that as currently written, A.B. 212 (1st Reprint) could be easily misinterpreted. Other than the language she mentioned, CCSD supported this bill and believed it would make a positive impact on high school students.

Chairman Arberry recognized Terry Hickman, Executive Director, Nevada State Education Association (NSEA).

Mr. Hickman explained that NSEA supported A.B. 212 (1st Reprint). He said high school reform should be made a priority of the Legislature. He noted the provision in Section 5 regarding the usage of counselors for test administration. As a high school counselor for almost 20 years, Mr. Hickman said the counseling offices in which he worked virtually closed down the week prior to proficiency tests and remained closed the week after proficiency tests. This was because every test booklet, every sheet of paper that had students' names on it, and every instance where a student was absent for any portion of the test or only partially finished the test had to be accounted for. This was a monumental task given the counseling department. He explained that the school administrator would sign as "Test Administrator;" however, it was the counseling offices that administered the tests. This usually happened multiple times during the school year. Weeks of counseling time were taken for this test administration, according to Mr. Hickman. He noted that NSEA did not oppose testing, but the time taken for testing generally affected the counseling office.



He said, "The very people who want to work with the students are the ones who have the least amount of time because of the imposition of the testing requirements that fall upon the counseling office." Mr. Hickman said NSEA strongly supported Section 5 and believed it was important that students and counselors had time to work together.

Assemblywoman McClain asked why clerical staff was not used for test administration instead of counselors.

Mr. Hickman explained that it was an administrative decision for this to occur, but acknowledged that in most high school counseling offices there were perhaps six counselors and one secretary. If the secretary was gone doing test administration, there would be no one to take appointments or greet parents. Under those circumstances, many administrators felt it was better for the counselors to perform the test administration.

Ms. McClain believed this was odd and said she remembered that support staff did those types of tasks when she was in school.

Mr. Hickman noted that many high schools had counseling department chairpersons with no students for whom they were responsible because their duties in test administration were so time-consuming.

Chairman Arberry recognized Lonnie Shields, representing the Nevada Association of School Administrators (NASA) and the Clark County Association of School Administrators & Professional Technical Employees (CCASAPTE).

Mr. Shields explained that NASA and CCASAPTE supported A.B. 212 (1st Reprint) but there were some concerns with the bill. First, the Principal of Hug High School in Reno, Andrew Kelly, called Mr. Shields to express his concern that Hug High School may not fit within the requirements outlined in the bill. Hug High School's student body was separated into four separate groups where ninth graders had constant interaction with upperclassmen. If Hug High School's program qualified under the guidelines of A.B. 212 (1st Reprint), NASA supported the bill; however, he suggested amending the bill if Hug High School's model did not qualify. Mr. Shields noted that NASA and CCASAPTE were supportive of the idea presented for the proper support for ninth graders; however, Mr. Kelly was apprehensive about separating the ninth graders geographically as required in the language of the bill, according to Mr. Shields.

Mr. Shields also noted that NASA and CCASAPTE supported the academic plans for every ninth grader; however, additional counselors might be needed to develop the plans. Mr. Shields noted that NASA and CCASAPTE strongly disagreed with the use of counselors for test administration; however, he acknowledged that there may not be others available to do it in the time allotted. In Washoe County School District, most high schools had test coordinators, so the counselors were mainly used for testing in middle schools. Clark County, however, did not use test coordinators, according to Mr. Shields. He said that NASA and CCASAPTE believed counselors should not have to work on test administration; however, under current law, the tests had to be administered in a timely fashion.

Additionally, Mr. Shields noted that the bill also called for principals to report on the ninth grade program, but the bill did not outline to whom the report should be sent, whether it was the Board of Trustees, the superintendent, or the Department of Education.

Chairman Arberry recognized Anne Loring, representing the Washoe County School District (WCSD).

Ms. Loring said WCSD supported A.B. 212 (1st Reprint). She noted it was important to work with ninth graders to help them stay in school until graduation. Ms. Loring said, regarding Ms. Leslie's concerns about the fiscal impact, that WCSD's fiscal note was not as large as originally proposed. She said WCSD first understood that the concept was to require all ninth graders to be housed together. WCSD's high schools were designed differently. For example, some were designed with separate "wings" while others had separate buildings. Ms. Loring explained that WCSD originally believed there would be a need to place science classrooms in places where they were not currently located. As a result, WCSD believed the fiscal impact to comply was higher; however, with Ms. Parnell's clarification of that issue, WCSD had significantly reduced its fiscal note.

Ms. Loring also noted Mr. Shields' comments regarding Hug High School's concerns. She referred to the program there as "vertically aligned, small schools." She then noted Ms. Parnell's generic term "small learning communities" and said this gave schools many options for implementation.

Ms. Loring said there was money included in WCSD's fiscal note for testing coordinators. Generally speaking, WCSD had testing coordinators at high schools, though many other staff members were probably involved in the testing process to ensure all that needed to get done was accomplished in a timely manner, according to Ms. Loring. She noted that WCSD's middle schools did not have testing coordinators, but said that Swope Middle School used "discretionary money" to hire a retired teacher for that purpose. However, not all schools used funds similarly, especially the higher-risk schools.

Additionally, Ms. Loring explained that another large portion of WCSD's fiscal note was for new counselors to help students develop four-year graduation plans. The issue WCSD had with this was whether the reference in the bill to create the plan in consultation with parents, the counselor, and the student meant that a group meeting had to be held. If so, additional counselors would be needed because of high student-to-counselor ratios. Should the plan be developed with computer software and then sent to the parents to sign off on it, the fiscal impact would be reduced or eliminated.

Chairman Arberry recognized Veronica Meter, Vice President of Government Affairs, Las Vegas Chamber of Commerce (LVCC).

Ms. Meter said LVCC supported A.B. 212 (1st Reprint) and believed it would contribute positively to high school education.

Chairman Arberry recognized Dr. Keith Rheault, Superintendent of Public Instruction, Department of Education.

Dr. Rheault explained that the Department of Education supported A.B. 212 (1st Reprint), and the proposed regulations could be developed for the uniform grading scale. He noted that the effective date of the bill was July 1, 2007, though the Department of Education would want to phase in those regulations over time to allow the students already subject to the current scales to graduate according to those scales.



Chairman Arberry recognized Ray Bacon, representing the Nevada Manufacturers Association (NMA).

Mr. Bacon said NMA supported A.B. 212 (1st Reprint).

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 212 (1st Reprint). With no response, he closed the hearing on this bill.

**Assembly Bill 410: Makes certain changes relating to the immunization of children. (BDR 40-877)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 410 and recognized Assemblywoman Sheila Leslie, Assembly District No. 27.

Ms. Leslie noted that A.B. 410 had no fiscal note. She wanted to do something to improve the number of children being immunized in Nevada, as Nevada ranked either 49 or 50 among the states for percentage of children immunized by the age of two. She said Nevada was one of two states that did not have a mandatory immunization registry. Some places in Nevada did a good job of properly registering immunization information while some did not. With this in mind, Ms. Leslie said she did not believe Nevada really ranked 49 or 50, but because immunizations were not tracked, there was no way of knowing exactly where Nevada ranked. Ms. Leslie noted that money was also wasted as some children were immunized multiple times for the same diseases.

Ms. Leslie explained that A.B. 410 had two major provisions. First, it established a mandatory immunization registry and required the State Board of Health to oversee it. All immunization providers were mandated to enter information into the registry. Ms. Leslie said this registry would keep track of who had immunizations performed and would be a good source of information for parents as well. She noted that she had a 20-year old daughter in college who needed her immunization records for a trip to Argentina. Ms. Leslie explained that she gave her daughter the record when she went to college; however, her daughter had since lost the record. Had the registry been in place, either one of them could have been able to get a copy of the record without great difficulty.

Ms. Leslie said the second provision of note in this bill was in Section 2. This section created incentives so more organizations would perform immunizations. Section 3 requested that the Department of Health and Human Services (DHHS) perform a feasibility study regarding offering group purchasing plans.

Ms. Leslie said the Health Division's budget had just closed the same day and contained the needed funds for this program. She noted that DHHS was already making efforts for the creation of this registry, but she thought this bill had perhaps motivated DHHS to act more quickly. She referenced prepared testimony (Exhibit J) from Deborah McBride, Chief, Bureau of Community Health, Health Division, which stated that no fiscal note was needed.

Ms. McBride read Exhibit J in support of A.B. 410.

Assemblywoman Koivisto asked whether county health districts performed immunizations and whether those records were available.

Ms. Leslie explained that Clark and Washoe counties had good registries, and those would be tied into the proposed statewide registry. For example, if a person with a 1-year old child moved from Clark County to Washoe County, the

central statewide registry would provide needed information for Washoe County.

Chairman Arberry recognized Larry Matheis, Executive Director of the Nevada State Medical Association (NMSA).

Mr. Matheis stated that NMSA supported A.B. 410. This was a long-standing issue that needed to be addressed. Working with the Health Division and the county health districts, Mr. Matheis believed that an adequate system could be developed.

Chairman Arberry recognized Mary-Ann Brown, representing the Washoe County District Health Department (WCDH).

Ms. Brown said WCDH supported A.B. 410 and that immunizations were also provided in "medical homes" where parents sought health care and physicals for their children. This registry would help tie all this information together.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 410. With no response, he closed the hearing on this bill.

**Assembly Bill 591 (1st Reprint): Revises provisions governing charter schools.  
(BDR 34-49)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 591 (1st Reprint) and recognized Assemblywoman Bonnie Parnell, Assembly District No. 40.

Ms. Parnell noted that this bill revised provisions regarding charter schools. The intent of this bill was to recognize the exemplary charter schools in Nevada and give an incentive to those which were struggling. She noted that charter schools offered students something they needed but were unable to receive in regular schools.

Ms. Parnell explained that this bill contained two main provisions. First, it recognized exemplary charter schools. Second, it allowed for charter schools to be sponsored by a college or university within the Nevada System of Higher Education.

Ms. Parnell drew the Committee's attention to page 25 of the bill, which explained the qualifications for a charter school to become a "tier-2 charter school." These were charter schools that had been established for some time and the State had confidence in them. Because of this, Ms. Parnell suggested that these schools did not have to "be under...the difficult restrictions" placed on charter schools. She explained that a "tier-2 charter school" was one which:

- Had been operated in this state for at least five consecutive years and was in good financial standing;
- Had no major notations, corrections, or errors in financial audits or performance audits for at least five consecutive years;
- Had met adequate yearly progress as determined pursuant to *Nevada Revised Statutes* (NRS) 385.3613 for the majority of the years of its operation;
- Offered instruction on a daily basis during the school week of the charter school; and
- Had at least 75 percent of the pupils enrolled who were required to take the high school proficiency examination pass the test.

Ms. Parnell said the bill set a threshold for performance that would exempt a charter school from some of the restrictions placed on charter schools. If a charter school met these qualifications, it would become a "tier-2" school and be exempt from annual performance audits. Ms. Parnell said that an amendment made in the Assembly Committee on Education ensured that this exemption was made for performance audits and not financial audits. The performance audits would be required for "tier-2" schools every three years, rather than annually. Ms. Parnell explained that Section 30 stated the "tier-2" school could make application to the Department of Education for a grant of up to \$250,000 for facilities. This was to be taken out of a \$1 million appropriation to the Department of Education. Ms. Parnell said this money was to serve as an incentive for schools that had experienced academic success for five years.

Ms. Parnell said Section 17 of A.B. 591 (1st Reprint) authorized a college or university within the Nevada System of Higher Education to sponsor a charter school. She noted that she had distributed two articles ([Exhibit K](#)) and ([Exhibit L](#)) showing examples of Stanford University sponsoring charter schools in Palo Alto, California, and also the University of Chicago sponsoring charter schools through a partnership grant with the Bill Gates Foundation in the Chicago area. Oftentimes, these sponsored schools were referred to as "lab schools." Ms. Parnell noted that when she was finishing her education degree, many of the teachers she taught with had come from universities that had worked with "lab schools." These included elementary schools near the university campus where new teaching techniques were practiced and modeled. Ms. Parnell noted that "lab schools" had been around for some time, and the University of Nevada had a "lab school" at one point as well.

Ms. Parnell said A.B. 591 (1st Reprint) also addressed many concerns that charter schools had. Section 22, for example, expanded the services that a school district must provide if the school district was the sponsor of the charter school. Section 23 prohibited more than two persons representing the same organization or business to serve on the school's governing body. This provision was requested by some of the charter schools. Section 1 required school districts to report charter school information on the district accountability report separately from other school information. Currently, the school districts reported accountability in an aggregated manner.

Assemblywoman Leslie asked whether this bill had a fiscal impact.

Ms. Parnell said there was an appropriation for \$1 million for charter schools who qualified as "tier-2" schools to receive grants for increased facilities.

Assemblywoman Buckley thanked Ms. Parnell for her hard work in creating this bill. She said, "I think we have a couple of unbelievably wonderful charter schools in this State, and we should be doing more to encourage that innovation and encourage [the schools]." The excellent ones, which Ms. Buckley believed to be Andre Agassi College Preparatory Academy and ACE Charter School (ACE), should be encouraged.

Chairman Arberry recognized Mike Cate, ACE Board Member.

Mr. Cate noted that ACE supported A.B. 591 (1st Reprint).

Chairman Arberry recognized Clara Andriola, President, Associated Builders and Contractors (ABC).

Ms. Andriola noted that she sat on the ACE Board and said that she believed this bill encouraged innovation, as Ms. Buckley stated. She said ABC and ACE supported this bill.

Chairman Arberry recognized John Madole, representing the Nevada and Las Vegas chapters of Associated General Contractors (AGC).

Mr. Madole noted that AGC supported A.B. 591 (1st Reprint).

Chairman Arberry recognized Jill Wells, Principal, I Can Do Anything Charter High School (ICDACHS).

Ms. Wells noted that she agreed with the proposed funding for new buildings and that ICDACHS had been operating for almost ten years. She drew the Committee's attention to a document ([Exhibit M](#)) that contained a suggestion to remove the annual yearly progress (AYP) requirement because ICDACHS had good performance and financial evaluations for almost ten years, but served high-risk students. Ms. Wells noted that the students were "doing so much better than they have in their entire lives, but they may never make AYP." If attaining AYP standards was required, Ms. Wells said "you are shutting these kids out from ever participating in a building that they own." She noted that ICDACHS rented its premises and was probably going to have to rent indefinitely with the current AYP requirements in the bill. Ms. Wells explained that the educational experience for these students was "the most permanent thing in a lot of these kids' lives." She believed buying the buildings would ultimately benefit the students. Additionally, she explained that ICDACHS was close to meeting AYP requirements this year, but the requirements were being raised again. Ms. Wells requested that the AYP requirements be removed from the bill.

Chairman Arberry recognized Catherine Levy, representing the Andre Agassi College Preparatory Academy (Agassi Prep).

Ms. Levy said that Agassi Prep supported A.B. 591 (1st Reprint) and was enthusiastic about the prospect of university sponsorship. She noted that Agassi Prep had enjoyed strong community support and public/private partnerships, but believed that if a school had demonstrated its ability to make a difference in a community, that funds for expanded facilities were reasonable.

Chairman Arberry recognized Ricci Rodriguez-Elkins, Executive Director, Center for Charter School Development (CCSD).

Ms. Elkins said she had been working with charter schools for approximately ten years and was pleased to see this legislation moving forward, especially for access to funds for facilities expansion. She noted that targeting "tier 2" schools for these funds was prudent. Ms. Elkins said this bill not only provided excellent charter schools access to these funds, it also provided them with ability to leverage federal facilities financing. She said that CCSD supported this provision and also supported university sponsorship. Ms. Elkins noted that universities had expressed support for charter schools and had provided aid in the development of charter schools.

Chairman Arberry recognized Gene Paslov, Member, Board of Directors for Silver State High School (SSHS).

Ms. Paslov noted that SSHS was in its third year of operation and had continually met AYP standards, was well managed, and had approximately

300 students. He stated that A.B. 591 (1st Reprint) was an "excellent piece of legislation."

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 591 (1st Reprint). With no response, he closed the hearing on this bill.

Chairman Arberry noted for the audience that there would neither be any budget closings nor would A.B. 546 be heard in this meeting.

**Assembly Bill 168 (1st Reprint): Makes various changes concerning expanding health insurance to make health insurance available to more residents of Nevada. (BDR 38-1144)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 168 (1st Reprint) and recognized Assemblywoman Barbara Buckley, Assembly District No. 8.

Ms. Buckley explained that 104,340 of Nevada's children were uninsured. That figure represented 16 percent of all children in the State and ranked Nevada fourth highest in the nation in the percentage of uninsured children. She said the national average was 12 percent. Ms. Buckley said she had chaired an interim committee before the 73rd Legislative Session which discovered that only 39 percent of small businesses of 50 employees and under offered health insurance for their employees. The biggest reason for not offering health coverage was that it was unaffordable. Ms. Buckley claimed that the business owners in question wanted to provide health coverage for themselves and employees, but did not have the means to do so. Finally, there were thousands of pregnant women without any health insurance. Ms. Buckley said Nevada had health coverage for the poorest women who did not work; however, the only option for many working women was to visit an emergency room to deliver their baby.

Assembly Bill 168 (1st Reprint) addressed the uninsured, according to Ms. Buckley. This bill provided insurance coverage for an additional 6,200 children and expanded coverage for small businesses. Ms. Buckley explained that after a Health Insurance Flexibility and Accountability (HIFA) waiver was implemented in the 73rd Legislative Session, the federal government changed the rules for the program and allowed for small businesses to offer coverage, but only to those employees with children. Therefore, the second provision in this bill provided coverage to employees without children. Third, the bill sought expanded coverage for working pregnant women. Ms. Buckley noted that in 2004, there were 3,050 pregnant women whose income was between 134 and 185 percent of the poverty level. In 2005, 2,048 of those women were unable to qualify for health insurance. By raising the qualifying income cutoff to 200 percent, 1,000 more pregnant women would be covered every year.

Ms. Buckley noted that this bill was discussed in other legislative hearings, and she explained that in 2005 the federal government took a long time to approve Nevada's HIFA waiver, so there were few people enrolled in the program. She said it was necessary to build on current successes as there was a large number of uninsured people in Nevada.

Ms. Buckley noted that perhaps the bill could be amended to include those pregnant women who earn 200 percent of the poverty level by using the savings within the budget from a delayed effective date. She said that these women were going to deliver babies regardless of being covered or not, and it made sense to offer them prenatal coverage and "planned-emergency



admissions," rather than just forcing them to deliver their babies in the emergency room.

Ms. Buckley noted that funding was limited but it was necessary to provide health insurance for the uninsured. She suggested this could be done through savings or through existing budgets to cover childless adults working for small businesses. Additionally, more outreach was needed. She suggested that funding of new positions might be appropriate through a performance-based contract. Ms. Buckley explained that one of the problems was that people were unaware that these types of programs existed. She noted that Maine's Governor had participated in promoting a children's health insurance program by dressing up in a dinosaur costume in some public service television commercials. Ms. Buckley noted that different media often aired free public service announcements and wondered why Nevada was not using the media to promote this program. She wondered why there were no signs in conspicuous places such as infant clothing stores. She suggested that outreach to various chambers of commerce could help promote coverage to small businesses. However, there was currently no money in the budget for this type of outreach, and as a result, programs were underutilized.

Assemblywoman Gansert asked whether the State, under this legislation, would be responsible for the full cost of coverage for the childless adults mentioned.

Ms. Buckley explained that the federal government would not provide matching funds for the childless adults, so the State was responsible for the entire subsidy.

Mrs. Gansert asked whether this was true for all employees of small businesses, or whether the federal government would still match funds for those employees with children.

Ms. Buckley said the federal government would still provide matching funds for those employees with children.

Chairman Arberry recognized Veronica Meter, Vice President of Government Affairs, Las Vegas Chamber of Commerce (LVCC).

Ms. Meter said LVCC supported A.B. 168 (1st Reprint) and believed it was important for employees of small businesses to afford health care.

Chairman Arberry recognized Diana Glomb-Rogan, representing March of Dimes of Nevada (MDN).

Ms. Rogan said that MDN strongly supported A.B. 168 (1st Reprint) and noted that she had provided the Committee with written testimony ([Exhibit N](#)) from the MDN Director, Michelle Gorelow.

Chairman Arberry recognized Scott Heinze, representing Saint Mary's Health Plans, Saint Mary's Regional Medical Center.

Mr. Heinze said that Saint Mary's supported A.B. 168 (1st Reprint) and that he worked with small businesses and childless adults that did not have access to insurance. The number one reason for these individuals not having health coverage was that premiums were too high.

Chairman Arberry recognized Larry Matheis, Executive Director, Nevada State Medical Association (NSMA), also representing the Nevada Health Care Reform

Project (NHCRP) [a consortium of organizations committed to improving access to health care] and the Nevada Covering Kids and Families Coalition (NCKFC).

Mr. Matheis said this legislation was essential for those who "categorically should be covered for everybody's best interest." He said that NSMA, NHCRP, and NCKFC supported Ms. Buckley's call for more and better outreach and education regarding programs such as this.

Chairman Arberry recognized Jon Sasser, representing Washoe Legal Services (WLS) and Nevada Legal Services (NLS).

Mr. Sasser explained he had served with Mr. Matheis on NHCRP and also had helped with the study that lead to Nevada's strategic health care plan. He noted that the main finding of the study was that Nevada had poor ratings for numbers of uninsured because of the lack of population using Medicaid and other publicly funded programs. For example, Mr. Sasser said there were approximately 20,000 fewer Medicaid recipients for the current biennium over the last biennium and A.B. 168 (1st Reprint) would help to reverse that trend. Mr. Sasser said WLS and NLS were in support of this bill and believed that more outreach was needed.

Chairman Arberry recognized Mike Willden, Director, Department of Health and Human Services.

Mr. Willden said he was at the meeting to support this bill and noted that Section 5 of the bill cleared up confusion regarding the HIFA holding account and use of those monies for payment of prior year claims. This bill allowed prior year claims to be paid.

Ms. Buckley asked Mr. Willden what the effect of expanding the coverage to those who earned 200 percent of the poverty level would be, taking into account that it took time for programs to experience high case loads. She suggested that the fiscal note could be reduced because of expected "slow ramp up," though she did not believe placing a cap on the program growth was appropriate. She asked him to provide a revised fiscal note that expanded the coverage within amounts already included in The Executive Budget.

Mr. Willden said he would work on revising the fiscal note, but advised the Committee that outreach was needed and may jeopardize the savings hoped for. He said outreach had been done in the past and had been at times too effective in bringing in more clients than the Department could adequately handle. Mr. Willden noted that the Department had worked on developing an e-application for services that could be filled out online, but after September 11, 2001, the Department had to adjust priorities, and the project was never completed. He noted there was legislation in the process to fund completion of the e-application project.

Ms. Buckley said she would appreciate an outreach plan, a revised fiscal note that would capture some savings from gradual building up of program usage, and a revised fiscal note regarding the e-application mentioned, especially because the projected cost was \$3.1 million.

Assemblywoman Leslie noted that \$815,000 was cut from the Health and Human Services budget because of under utilized programs. She noted that Nevada was fourth worst in the nation in percentage of population enrolled in these types of programs.



Assemblywoman Smith asked whether information for these services was available through the Nevada 2-1-1 phone information line.

Mr. Willden said, "I think so, but if not, it will be tomorrow."

Chairman Arberry recognized Dan Musgrove, representing University Medical Center (UMC).

Mr. Musgrove explained that UMC supported A.B. 168 (1st Reprint) and said UMC delivered 6,000 babies in the last year. He said 1,200 of those were "drop-ins." In other words, the mothers arrived at the hospital with no evidence of prenatal care. He said UMC would do more outreach regarding these insurance programs to help avoid such a large percentage of uninsured people. One important consideration in performing effective outreach was determining which populations needed to be reached and how to best do that. Mr. Musgrove said UMC's "eligibility staff" had listings of programs available, including the program in question, because UMC needed to be paid for services rendered and was, therefore, committed to helping with more outreach.

Chairman Arberry recognized George Ross, representing Sunrise Hospital, which was owned by Hospital Corporation of America (HCA), and also representing the Las Vegas Chamber of Commerce (LVCC).

Mr. Ross said HCA supported A.B. 168 (1st Reprint) and was encouraged by the proposed outreach and expansion of coverage from savings realized. He then said that LVCC supported this bill. Mr. Ross said that LVCC had met with the Department of Health and Human Services and more publicity for the HIFA waiver was going to be placed in various LVCC publications to members.

Chairman Arberry recognized Larry Struve, representing the Religious Alliance In Nevada (RAIN).

Mr. Struve said RAIN supported A.B. 168 (1st Reprint) and noted that RAIN was encouraged, in light of current budget constraints, that this bill was progressing to alleviate the problem of the uninsured. He noted that the faith community was concerned with potential recipients of this bill's programs; however, RAIN was equally concerned with the 450,000 Nevadans who had no health insurance. Mr. Struve said that RAIN had adopted the following statement regarding health care:

We believe [health care] is a shared endeavor and that it is a gift from God. We as a society should work together to help everyone to have access to this gift.

Mr. Struve said RAIN hoped that, regardless of the fiscal situation, the Committee would continue to work with the Senate to take steps to address the issue of the uninsured. He said RAIN hoped the ultimate goal was to have health insurance for everyone.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 168 (1st Reprint). With no response, he closed the hearing on this bill.

Chairman Arberry then suggested to the Committee that a Bill Draft Request (BDR) be submitted to the Assembly for consideration. He mentioned BDR 23-1491, which revised provisions governing the public employees' deferred compensation program.

ASSEMBLYWOMAN BUCKLEY MOVED THAT BDR 23-1491 BE INTRODUCED TO THE ASSEMBLY FOR CONSIDERATION.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**Assembly Bill 273: Makes an appropriation to the Department of Health and Human Services for computer software and hardware and other equipment. (BDR S-1214)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 273 and asked Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, to review the bill for the Committee.

Mr. Stevens explained that this bill was a proposed one-shot appropriation included in The Executive Budget for the Division for Aging Services to provide funds for computer hardware, software, and other related expenses including air conditioning for server rooms in Reno and Carson City. Staff had examined the bill and reduced the proposed appropriation because of updated computer pricing from the Purchasing Division and also by cost allocating this expense to some federal funding. Mr. Stevens noted that staff recommended amending the bill on line 3 to indicate that the amount should be \$63,447 to partially fund computer hardware and software and to partially fund the purchase of air conditioning. This would allow for non-General Fund dollars to be used to make up the difference in cost.

ASSEMBLYMAN HARDY MOVED THAT THE COMMITTEE AMEND AND DO PASS AS AMENDED A.B. 273 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**Assembly Bill 275: Makes appropriations to restore the balances in the Stale Claims Account, Emergency Account and Reserve for Statutory Contingency Account. (BDR S-1267)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 275 and asked Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, to review the bill for the Committee.

Mr. Stevens noted that A.B. 275 was a "restoration of fund balance" that was included in The Executive Budget. In discussions with the Director of Administration, it was learned that these funds were needed before the end of FY 2007. Some bills needed to be approved by the Board of Examiners and A.B. 275 could not be passed as currently written until after the K-12 education bill was passed. Mr. Stevens mentioned that the only alternative was to:

- change the amounts in Section 1, subsection 1, to \$100,000 for the stale claims account;
- delete subsection 2;

- change the amount in subsection 3 from \$5 million to \$350,000;
- include a reversion date of June 30, 2007.

Mr. Stevens explained that making the suggested change would provide the funding to the Board of Examiners to be used before the end of FY 2007. The balance of funds proposed would then have to be amended into another bill that would be passed after the education bill was passed. Mr. Stevens was unsure how the Committee wished to address this bill and reminded the Committee that the Director of the Department of Administration had indicated that the Board of Examiners needed some funds before the end of FY 2007 and preferred to have this funding before the Legislature adjourned. Mr. Stevens noted that this was the only method he knew of that would provide the Board of Examiners its needed funding without violating the Education First initiative.

Assemblywoman Buckley asked whether "the Budget [Division] was advising [the Committee] how to get around Education First."

Mr. Stevens said the Board of Examiners advised staff how much money was needed before the end of the fiscal period.

Ms. Buckley asked whether anyone else found this situation ironic.

Chairman Arberry asked what the Committee wished to do with this bill.

Mr. Stevens said the Committee could pass the bill as written and then the amounts pending with the Board of Examiners would have to be held until A.B. 275 was passed by the Legislature, or the bill could be amended and another appropriations bill could be amended to contain the balance of the funds needed.

Assemblywoman McClain noted that the Education First initiative was not conceived by the Committee and believed that the amounts pending would have to be held until later.

Assemblywoman Leslie asked what the effect of not passing this bill would be.

Mr. Stevens explained that these bills in question needed to be approved by the Board of Examiners—either stale claims or statutory contingency claims. He said the Committee could probably wait, but the Board's preference was to get these bills placed on their agenda as soon as possible for Board approval. He noted that not passing A.B. 275 would only save a short period of time before the money would be spent anyway. If the Committee chose to amend and pass this bill, it would still take time for it to go to the Senate, which would translate into a time savings of only three or four weeks.

Chairman Arberry noted that A.B. 275 would be held until a later date.

**Assembly Bill 328 (1st Reprint): Makes various changes relating to elections.  
(BDR 24-1045)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 328 (1st Reprint) and asked Assemblywoman Smith to review the bill for the Committee.

Mrs. Smith noted that this was a bill dealing with elections, for which she had prepared an amendment (Exhibit O) that addressed a concern expressed by Assemblywoman Gansert. On pages 2 and 3 of the drafted amendment changes were made regarding the voter registrar's office that requested

verification that a disabled person was still disabled every year. Mrs. Smith explained that the fiscal note had been removed from the bill per testimony heard in another meeting.

Assemblywoman Buckley was concerned with unduly burdening those with disabilities. She noted that her sister was a paraplegic, and that was never going to change. Ms. Buckley asked why it would be necessary to get a statement from a doctor every year to prove her disability.

Mrs. Smith explained that this bill made the process easier than it currently was. She said that a statement did not have to be made by a doctor, but that the voter made the statement.

Mrs. Gansert noted that this bill allowed for disabled persons to be placed on a permanent list to receive absentee ballots.

Chairman Arberry asked how the Committee wished to act on A.B. 328 (1st Reprint).

ASSEMBLYMAN HARDY MOVED THAT THE COMMITTEE AMEND  
AND DO PASS AS AMENDED A.B. 328 WITH THE DRAFTED  
AMENDMENT PROVIDED BY ASSEMBLYWOMAN SMITH.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**Assembly Bill 485 (1st Reprint): Revises provisions relating to the attendance  
and truancy of pupils. (BDR 34-418)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 485 (1st Reprint) and asked Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, to review the bill for the Committee.

Mr. Stevens said this bill had a number of provisions. Sections 1 and 2 required reports on pupils who dropped out of school to be included in accountability reports prepared by the Department of Education. Section 3 required school districts' boards of trustees located in counties with populations of more than 100,000 to establish a school attendance council. Mr. Stevens said that Section 6 required boards of trustees to establish procedures to monitor attendance and truancy of pupils. He noted that there were other provisions contained in the bill, including Section 11 which required the Legislative Committee on Education to form a subcommittee to study the issue of truancy and report its findings to the Legislature in 2009. Mr. Stevens said there was a fiscal note attached to A.B. 485 (1st Reprint) from the Research Division of the Legislative Counsel Bureau (LCB). Mr. Stevens believed that the Committee could add funds to those requested or could consider the mandate as one of the interim study responsibilities of the LCB during the interim.

Assemblywoman Smith said this could become part of the work the Legislative Committee on Education was charged to perform during the interim. This would not require extra staff.

ASSEMBLYWOMAN SMITH MOVED THAT THE COMMITTEE DO  
PASS AS AMENDED A.B. 485.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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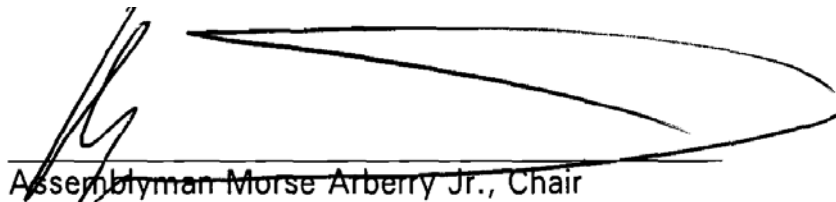
Chairman Arberry reviewed upcoming Committee meetings with Mr. Stevens and adjourned the meeting at 3:15 PM.

RESPECTFULLY SUBMITTED:

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Todd Myler  
Committee Secretary

APPROVED BY:



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Assemblyman Morse Arberry Jr., Chair

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

**EXHIBITS**

**Committee Name:** Committee on Ways and Means

**Date:** May 8, 2007

**Time of Meeting:** 1:34 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 252	C	Assemblywoman Gerhardt	Testimony
A.B. 252	D	Jim Sala / Carpenters Union	Updated revised fiscal note
A.B. 210	E	Carol Sala / Division for Aging Services	Testimony
A.B. 212	F	Assemblywoman Parnell	Schools with small learning communities
A.B. 212	G	Assemblywoman Parnell	Recommendations to improve No Child Left Behind
A.B. 212	H	Assemblywoman Parnell	Article about pupil-counselor ratio
A.B. 212	I	Assemblywoman Parnell	Breaking Ranks
A.B. 212	J	Deborah McBride / Health Division	Testimony
A.B. 591	K	Assemblywoman Parnell	Stanford article
A.B. 591	L	Assemblywoman Parnell	University of Chicago article
A.B. 591	M	Jill Wells / I Can Do Anything Charter High School	Testimony
A.B. 168	N	Michelle Gorelow / March of Dimes	Testimony
A.B. 328	O	Assemblywoman Smith	Proposed Amendment