

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session  
April 13, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 7:45 a.m. on Friday, April 13, 2007, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator William J. Raggio, Chair  
Senator Bob Beers, Vice Chair  
Senator Dean A. Rhoads  
Senator Barbara K. Cegavske  
Senator Bob Coffin  
Senator Dina Titus  
Senator Bernice Mathews

**GUEST LEGISLATORS PRESENT:**

Senator Terry Care, Clark County Senatorial District No. 7  
Senator Steven A. Horsford, Clark County Senatorial District No. 4

**STAFF MEMBERS PRESENT:**

Gary L. Ghiggeri, Senate Fiscal Analyst  
Larry L. Peri, Principal Deputy Fiscal Analyst  
H. Pepper Sturm, Chief Deputy Research Director  
Cynthia Clampitt, Committee Secretary  
Blake Anderson, Student

**OTHERS PRESENT:**

Mark Coleman, Deputy Director, Clark County Association of School Administrators and Professional Technical Employees  
Jeff Geihs, Ed.D., Principal, Cheyenne High School  
John Barlow, Principal, Del Sol High School  
Beverly Waters, Parent  
Karen Fonbuena, Parent  
Gary W. Olsen, Executive Director, Deaf and Hard of Hearing Advocacy Resource Center  
Andrea Juillreat, EIPA, Deaf Interpreter  
Jane Nichols, Ed.D, Vice Chancellor, Nevada System of Higher Education  
Carren Knehr, Early Intervention Chair, Alexander Graham Bell Association for Deaf and Hard of Hearing, Nevada Chapter  
Corrine Altman, Vice President, Alexander Graham Bell Association for Deaf and Hard of Hearing, Nevada Chapter  
Aspen Sorenson  
James Womack, Professor of Deaf Studies, Community College of Southern Nevada

Heather Andrews, Parent  
Jean Irwin, Teacher of the Deaf  
Dana Bilyeu, Executive Officer, Public Employees' Retirement System  
Terry Johnson, Director, Department of Employment, Training and Rehabilitation  
Danny Thompson, Nevada State American Federation of Labor and Congress of Industrial Organizations  
Samuel P. McMullen, Hospital Corporation of America, Sunrise Hospitals, Nevada Restaurant Association, Retail Association of Nevada  
Virginia Johnson, Chair, Nevada Organic Program Advisory Council, Organic Certified Farmer  
Doug Busselman, Executive Vice President, Nevada Farm Bureau  
Edward Foster, Regional Manager, Plant Industry Division, Department of Agriculture  
Ray Johnson, Friends of Nevada Organics Incorporated  
Bruce Quinlan, Wild Oats Markets, Incorporated  
Laura Hale, Chief, Grants Management Unit, Department of Health and Human Services  
Bo J. Bernhard, Ph.D, Director, Gambling Research, International Gaming Institute, University of Nevada, Las Vegas  
Glenn Christenson, Chair, Governor's Advisory Committee on Problem Gambling  
William Bible, Nevada Resort Association  
Rex Williams, Raymond I. Smith family  
Larry D. Struve, Religious Alliance in Nevada  
Carol O'Hare, Executive Director, Nevada Council on Problem Gambling  
Rena M. Nora, M.D., Member, Governor's Advisory Council on Problem Gambling  
William Bingham, Member, Governor's Advisory Committee on Problem Gambling and Vice President, Table Games, Bellagio, Las Vegas  
Carole A. Vilardo, Nevada Taxpayers' Association  
Bill Hanlon, Southern Nevada Regional Professional Development Program  
John W. Gwaltney, Ph.D., State Board of Education  
Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education  
Terry Hickman, Nevada State Education Association  
Anthony Ruggiero, Member, State Board of Education  
Jan Gilbert, Progressive Leadership Alliance of Nevada  
Michael R. Alastuey, Clark County  
John H. Emerson, Committee on Children and Poverty, California-Nevada Conference, United Methodist Church

CHAIR RAGGIO:

At this time, we will open the hearing on Senate Bill (S.B.) 225.

**SENATE BILL 225**: Makes an appropriation to the Department of Education for the development of a program that provides electronic access to the records of pupils. (BDR S-463)

SENATOR TERRY CARE (Clark County Senatorial District No. 7):

Senate Bill 225 promotes an appropriation about parental involvement in public education. I know how critical that role is, based upon my experience of working with our daughter in public schools in Clark County. Caring parents want to know their child's situation at school.

I was invited by Mr. Mark Coleman, former Principal of Silverado High School, to see a demonstration of a program utilized in his school. Imagine a situation where a willing parent can go online and find out whether or not their children got to school on time, if they were missing any homework assignments, what their grades are, what are their test scores, do I have any questions for the teachers. I can type out the questions and the teachers can respond online, as opposed to leaving a recorded message at the children's high school and waiting two or three days to receive a response.

My intent, in this bill, is for parents to have hands-on knowledge of what is happening with their children at any particular time in a public school. Some high schools, middle schools, and even some elementary schools in Clark County have this technology. There is no appropriation from the school district or the State for the program. The schools have used student-generated fees, sales from vending machines and funding of that nature to find a way to pay for the program.

I cannot speak for Washoe County, but their program is somewhat different. It is system-wide in Washoe County. Schools have to scramble to find funding, but I was impressed enough to request this measure. The Department of Education (NDE) would receive the allocation and it would hire a consultant to establish a statewide program as an option for individual schools.

CHAIR RAGGIO:

Section 2 contains what I would term "the laundry list" of information proposed for parental availability under the measure. Would this bill authorize the NDE to enter into contracts with an independent consultant to develop the program?

SENATOR CARE:

That is correct.

CHAIR RAGGIO:

The program is in place in which limited locations?

SENATOR CARE:

The program is in Washoe County and some schools in Clark County. It is not a district program in Clark County, and the State Board of Education provides no funding.

CHAIR RAGGIO:

How was the requested amount of \$1.5 million derived?

SENATOR CARE:

I consulted with the Clark County School District; we discussed a cost per school and tried to estimate a statewide cost.

MARK COLEMAN (Deputy Director, Clark County Association of School Administrators and Professional Technical Employees):

I speak on behalf of my affiliation and as a parent.

We are not here to simply ask for an appropriation. I will show you how the money can be spent and the return on investment it will provide. I will refer to comments made recently by the Chair of the Senate Committee on Finance.

I retired from the district last September. I follow legislation related to education. I listened to your testimony recently on a bill concerning a parental report card. You made a comment that is wholly about education. You stated, "Whatever we do, we need to keep trying, we need to do whatever it takes to make a difference." Every educator worth their salt operates from that concept. I deserve no credit for the program at Silverado High School. The credit belongs to a teacher, Ms. Theresa Duman, who approached me after I challenged her. This is a 24 hours a day, 7 days a week (24/7) program. I am not here to talk specifically about the program at one school. I am present for all 24/7 programs.

The use of \$1.5 million, in the end, will save the State time and money. The process at Silverado High School began six years ago. Over time, we were able to eliminate certain mass mailings. By not mailing out materials and finding a better way to communicate with parents, we saved money. In the first year, we initiated a \$3,000 budget appropriation for the program. We likely paid that back and saved about \$12,000 in other budget areas.

We stopped sending out so many progress reports because we found a better way to communicate with parents. Silverado High School was the first school in the State to register its students online. That process helped save counselors time to do other things. The registration process, in the second year of operation, provided parents an opportunity to know which classes their students registered for through access at home. The parent could see what the student registered for and the teacher recommendations. They could ask their sons or daughters why they were not taking the recommended course of study.

The program has reduced the number of parent/teacher conferences because parents understand what is happening at school. Those savings have been redirected to pay for other needs.

A 24/7 program has proven it can make teachers more accountable. They must explain and provide more information to parents. Administrators have become more accountable. The most important outcome is that students and parents have been made more accountable. It is a win/win situation. There are no losers and no negatives.

The responsibility needing to take place between students and parents has been placed where it belongs; as a responsibility of students and parents.

From the school standpoint, we have taken the extra time to do what we needed to do. The 24/7 program gives parents the tools they need in their homes. We cannot force them to use the programs but with your guidelines, they have been given the opportunity to be engaged in the system if they choose.

In my last year as Director of Silverado High School, we had more than 2,700 students. I did not have one parent telephone call asking what was happening with their child in our school. There were parental telephone calls, but everyone in our building knew where to direct the calls.

At that time, my son was a student at Silverado High School. On a Saturday night in his junior year, as he was preparing to leave the house, I noticed he was missing three assignments in his social studies class. I told him he could not leave because of his missing assignments. That is the type of power these

tools provide to parents. I have no hidden agenda. I do not work for a school district or any vendors. I have daughters who are teachers in two school districts. I have a son becoming a teacher at Reno and a son attending college at the University of Nevada, Las Vegas (UNLV), and a daughter-in-law who is a teacher. Teachers and parents need the tools. This past Sunday morning, a parent stopped and thanked me for institution of the program. They said their five children went through the school system and only one of them had that access. It made a difference for that child.

Education is a State responsibility. Schools and districts should not be required to pay for a 24/7 program.

CHAIR RAGGIO:

Are you able to relate the number of parents that utilized the program at your school?

MR. COLEMAN:

It appeared, at the time of my retirement, approximately 70 percent of parents were online checking on their children. Many parents did not take advantage of the opportunity. The system provides parents with their own pass codes. Unlike telephone calls or mailings that can be intercepted by students, if parents use their pass codes, they can access their student's information without the student having similar access. Many parents wished to be straightforward with their children, so they would check the information through their student's pass code. In those cases, we did not always know if it was a parent or child seeking access.

JEFF GEIHS, Ed.D. (Principal, Cheyenne High School):

Cheyenne High School is a large, comprehensive high school serving approximately 2,600 students in Clark County. There are 41 high schools in the Clark County School District, and most of them serve between 2,500 and 3,500 students. I am present to advocate for a communications system and for S.B. 225.

A Web- and telephone-based system has been invaluable to our school since its adoption in 2004. It is a tremendously effective tool in communicating with our large constituency. Most importantly, it is one that serves to keep our community well informed. The Web system communicates with our district and school databases, as well as with our teacher's grade books, to secure and upload the most up-to-date student information, student grades and attendance. The information is accessible to students and parents on the Internet or by telephone and in multiple languages.

The number of passwords has grown in 3 school years to 8,500. The passwords have allowed parents and students to access a variety of information. I too, have a "laundry list" of suggested functions that I will not read in the interest of time. Many are listed in section 2 of S.B. 225. I strongly advocate for the provisions of the bill. The transiency rate at my school is 38 percent. One unified system is critical to communicate with parents.

During the current school year, Cheyenne High School has issued 3,057 passwords to parents and students; the largest number in any single school year. These accounts continue to be monitored by both parties with parents responsible for approximately 90 percent of the use. When asked about

the benefits of the Web- and telephone-based system, parents particularly appreciate the ability to access the system any time of day, and from a computer in any location. They can easily contact teachers with questions and concerns by using e-mail links. Parents cite the benefits of e-mail communication and note how quickly their child's teachers respond compared to leaving telephone messages.

The online information system also holds many benefits for teachers and school personnel. Teachers use the system as a tool to expeditiously communicate information regarding grades and upcoming assignments to parents and students. The system allows other school personnel such as mentors, counselors, coaches and others to directly access information concerning progress and attendance on students. The accessibility of information provides needed flexibility to personnel working one-on-one with at-risk students making the programs much more effective. With the online systems, teachers and other school personnel are also able to access student information when not at school.

Most importantly for the State, we believe this system has contributed greatly to our most recent increases in student achievement according to the federal No Child Left Behind Act Adequate Yearly Progress (AYP) calculations. We have experienced a 45-percent increase in reading and writing achievement and a 26-percent increase in mathematics achievement. Most impressively, there was a 15.9-percent decrease in the number of failing grades issued between the spring of 2005 and the spring of 2006. It is our belief the decrease was due, at least in part, to parents having easy access to their child's daily academic standing.

The system includes an autodialer. The autodialer has made 31,000 calls to date. It notifies the parents about absenteeism, tardiness and informs parents of a variety of upcoming events. The system has been used multiple times to notify parents of the upcoming Nevada High School Proficiency Examination dates. As you may know, for schools to reach AYP under the No Child Left Behind Act, they must have 95-percent attendance in each of the subgroups. The system helped us reach that marker, in each subgroup, two school years in a row.

CHAIR RAGGIO:

Has your school dropped the procedure of mailing progress reports as a result of the system?

DR. GEIHS:

Yes, we do not mail home progress reports or report cards. Those reports are given to students and followed by an autodialer system call to parents alerting them of the date of issuance.

JOHN BARLOW (Principal, Del Sol High School):

I strongly support S.B. 225. I have seen the results in my building. It allows me to be better and more-accurately prepared when planning for parent conferences. The system has greatly reduced the number of parent/teacher conferences during after-school hours.

There are many different programs and I do not know if it is in the best interest of the State to single out a specific program when various programs are in place over several years and working well with trained staff.

CHAIR RAGGIO:

How are these programs presently being paid for at the three schools?

MR. BARLOW:

At Del Sol High School, I allocated the costs from student-based fees.

MR. COLEMAN:

At Silverado High School, the program was paid for through vending-machine funds.

DR. GEIHS:

The program at Cheyenne High School was funded through our budget and vending-machine proceeds.

MR. BARLOW:

The cost for each school is approximately \$3,000 annually, depending on the number of students enrolled.

I have parents of students present from Del Sol High School who would like to briefly address the bill.

BEVERLY WATERS (Parent):

I am a resident of Clark County and a parent. I have three children who have been in, or are in, the system. The State Legislature has sent a clear and distinct message to parents of this State to become more responsible and accountable for their students. We are fortunate at our school to have Ed Line. It has all the functions specified in S.B. 225.

One important fact that has assisted my family is this: it is not a penalty for working families. My husband works outside the country and it is not uncommon for him to notify me of something on Ed Line that affects the academic careers of our children. This tool has empowered parents, as a whole, to become more accountable and responsible and places the responsibility on us to work with our children throughout their academic careers.

CHAIR RAGGIO:

Which school do your children attend?

MS. WATERS:

They attend Del Sol High School in Las Vegas.

KAREN FONBUENA (Parent):

I have two sons attending Cheyenne High School. I cannot imagine not having a communications system similar to the one at my sons' school. Before the system was implemented, we would find out about missing assignments when it was almost too late to take action. Now the communication is instant and I am always aware of what is happening with my children. My sons have become more involved with their education. They check the In Touch System more often than I do. It has given them a sense of ownership for their

education. They are involved and know exactly when assignments are missing. We can immediately contact teachers through the program.

Schools are not allowed to legally give parents information by telephone about their children, requiring the parent to visit the school. This system gives parents immediate access to all information for their children's education. It alleviates work for school staff and parents.

CHAIR RAGGIO:

We will ask our staff to invite further information from the Washoe County School District and the NDE as to their utilization of a 24/7 communications system. The Committee requests a proposal from the NDE on the utilization of the funding if allocated. Apparently, previous funding has been from sources other than a General Fund appropriation in some of the schools.

If there are no further comments, we will close the hearing on S.B. 225. We will now open the hearing on S.B. 525. This is an appropriation for programs relating to students who are hearing impaired.

**SENATE BILL 525**: Makes appropriations for various programs relating to students who are deaf or hard of hearing. (BDR S-433)

SENATOR BARBARA K. CEGAVSKE (Clark County Senatorial District No. 8):

This bill makes appropriations for various programs relating to students who are deaf or hard of hearing. The background to S.B. 525 was a request from the Legislative Committee on Education, a Committee on which I serve. The issues of the training, recruitment and support of teachers to deaf and hard of hearing students were also discussed in great detail by the Legislative Committee on Persons with Disabilities, a Committee I chaired in the last interim and Senator Titus chaired the previous interim.

As some of you may know, the disability community is authorized to appoint an advisory committee to assist with its studies and inquiries. In the last interim, the Legislative Committee on Disabilities studied ways the school districts can meet the needs of pupils who are deaf or hard of hearing. An advisory committee was appointed to study education and interpreter certification issues as they related to residents of Nevada who are deaf or hard of hearing.

In addition to recommendations for changes concerning the practice of interpreting and real-time captioning, the issues of training, recruiting and supporting teachers of students who are deaf or hard of hearing were the top priorities of the advisory committee. Therefore, I speak for the members of the Legislative Committee on Disabilities when I say the Committee wholeheartedly supported the recommendations for which S.B. 525 will provide the following.

It would make several appropriations designed to train recruits and support teachers of students who are deaf or hard of hearing. The first appropriation is for \$12,000 in fiscal year (FY) 2007-2008 and \$24,000 in FY 2008-2009, to the Western Interstate Commission for Higher Education (WICHE) for stipends to students enrolled in programs that provide courses of study and training for the education of teachers to students who are deaf or hard of hearing.



Additionally, a \$5,000 appropriation in each year of the biennium to the NDE is requested to provide signing bonuses to newly-hired teachers of students who are deaf or hard of hearing.

An appropriation of \$37,500 in each year of the biennium is requested to the NDE, for distribution to school districts to fund the continuing education or training stipends to teachers of, and interpreters for, students who are deaf or hard of hearing. To qualify for these stipends, teachers and interpreters must be enrolled in college or university courses related to their work with students who are deaf or hard of hearing.

An appropriation of \$200,000 in each year of the biennium is requested to the NDE to establish a statewide mentoring program for teachers of students who are deaf or hard of hearing. This appropriation would support two consultants; one in northern Nevada and one in southern Nevada. These consultants would provide mentoring, training, technical assistance to teachers and establish a supportive statewide network for them.

An appropriation of \$275,000 over the biennium is requested to establish a pilot program for the consolidation of elementary educational services through a regional magnet school for children who are deaf or hard of hearing. An eligible program would include a partnership among rural or small school districts such as Carson City and its neighbors, a deaf studies program at an institute of the Nevada System of Higher Education (NSHE), such as a program currently available at Western Nevada Community College (WNCC).

The bill also requests a funding of \$5,000 in FY 2007-2008, that could be used for planning, including a survey of parents and guardians of elementary-age children who are deaf or hard of hearing in the region, to determine the interest in a magnet program. Funding for FY 2008-2009 is also requested to include one teacher, two interpreters or aides, one speech pathologist and transportation for participating pupils. It includes a requirement that school districts are responsible for costs associated with facilities and supplies for the model program. It also includes the preparation of an evaluation of the pilot project including academic achievements of participating pupils.

GARY W. OLSEN (Executive Director, Deaf and Hard of Hearing Advocacy Resource Center):

(Testimony interpreted by Andrea Juillreat, EIPA.) I am a member of Senator Cegavske's subcommittee which studied this measure. I am also a member of the Strategic Planning Accountability Committee for disabled people. We are all in support of all provisions of S.B. 525. If the entire measure cannot be approved, we would like your Committee to consider our recommendations for prioritizing the bill.

We hope the Committee will be able to invest in a program that will enable deaf children to receive the education they deserve. They have been neglected for too long. I feel strongly if we give them support, things will change in Nevada.

The issues of education problems in this State are longstanding because people think that teaching and interpreting are the same thing but they are not. Education is one thing, and interpreted education is another. We need to focus on the development of an education system that has strong support and provides funding to the NDE and NSHE in continuation of efforts to serve the

needs of these children. I strongly recommend the following priority for provisions of the bill.

First, a pilot school program should be established and studied. Next, the mentoring program should be established as a critical support for the first priority. Mentors would approach principals and assist teachers of deaf children on how to teach them better. Bonuses should be assigned to newly-hired teachers, training stipends given to teachers and interpreters, and finally stipends for two students enrolled in higher education.

I strongly believe deaf students are special and unique individuals. We need to ensure we are able to establish a pilot program to get an idea of what will happen in the future.

I have confidence in the members of the Senate Committee on Finance. I look forward to working with all the interested entities. I want to see the efforts materialize.

CHAIR RAGGIO:

I was Chair of the Legislative Committee on Education and that committee heard this information. I would ask Mr. Olsen to submit the prioritization in writing to our staff.

MR. OLSEN:

I will provide those to the Committee today.

JANE NICHOLS, ED.D, (Vice Chancellor, Nevada System of Higher Education):

I am here to indicate the NSHE support for S.B. 525. We worked diligently with the interim committees and clearly recognized the serious problem of not having enough teachers for students who are deaf or hard of hearing in Nevada.

Yesterday the head of Disability Services at the University of Nevada, Reno (UNR) told me the fastest-growing segment of our own students within the NSHE system are among students who are deaf or hard of hearing. We know we have an unmet need. We have worked with our teacher-education programs and the community colleges on this matter. There is currently a program at the WNCC and at the Community College of Southern Nevada (CCSN) for interpreter training, but they are initiating proposals to the Master's program at the UNLV for teachers of students who are deaf or hard of hearing. The CCSN and the Nevada State College are proposing new programs, particularly related to interpreter training, at the back end of the Master's level. We anticipate those programs coming forward in June or August 2007 to the Board of Regents of the NSHE.

In the meantime, we request support from the Legislature for two teachers in the WICHE program. Immediately, we will have the ability to train those Master's-level teachers that are so badly needed. Remember, the WICHE carries a requirement that teachers, under its provisions, return to Nevada to work and teach. That will allow us to provide a quick response while the NSHE programs are being developed. It is a relatively low-cost interim solution.

The NSHE is committed to assisting the school districts in solving this problem. Throughout S.B. 525, it calls upon the NSHE services in terms of education and training. We are committed to providing the training.

CHAIR RAGGIO:

The Chair and Vice Chancellor Nichols are both wearing hearing aids so you have our attention.

CARREN KNEHR (Early Intervention Chair, Alexander Graham Bell Association for the Deaf and Hard of Hearing, Nevada Chapter):

I am a parent of a 4.5-year-old son who wears hearing aids for moderate hearing loss.

CORRINE ALTMAN (Vice President of Alexander Graham Bell Association for the Deaf and Hard of Hearing, Nevada Chapter):

I have five children. My oldest two children were born severe to profoundly deaf. They are now 23 and 21 years old. I will read from written testimony ([Exhibit C](#)).

We represent over 200 families, professionals, and hearing-impaired individuals throughout Nevada who share our passion for oral deaf education. I sit on the Executive Board of Alexander Graham (A.G.) Bell, Nevada Chapter. Our chapter is affiliated with the national A. G. Bell organization in Washington, D.C. We are 1 of 30 chapters throughout the nation. The A.G. Bell, Nevada Chapter, is a 501c3, nonprofit organization. Our mission is to support deaf and hard of hearing children to achieve their fullest potential as independent members of society. We advocate that informed parents and professionals are keys to achieving this objective. We promote early detection of hearing loss, amplification and ongoing rehabilitation to maximize the use of residual hearing and the development of speech. We are working collaboratively and in conjunction with the newly-formed Hearing Task Force of Nevada.

It is important to clarify the difference between communication options and communication approaches. Both are extremely important to understand. We believe, as this becomes clear to you, you will better understand the unfortunate emotional debate that many times accompanies the deaf and hard of hearing communities. There are two different communication options; total communication (TC) and oral communication. In short, TC is acquiring language through sign language and speech. Oral communication is acquiring language through listening and speaking with the help of technology such as cochlear implants and/or hearing aids. Each option should be available for parents to choose as they see fit. The oral option is not right for everyone nor is TC. That is why there needs to be a choice.

A communications approach is an intervention that can be used within the communication option, such as American Sign Language (ASL) Cued speech, Signed Exact English, Auditory Oral, and Auditory Verbal (AV). Each of these communications approaches result in different desired outcomes. For example, a student who is successful in acquiring language using the Auditory Verbal approach will be taught to access language through listening alone, be mainstreamed at their neighborhood school at an early age, be able to communicate orally with their typical-hearing peers, and most of the time, successfully pass their State proficiency exams. These communications approaches need to be available to a student, or group of students, who share the same desired outcome. How children acquire language and listening skills varies because of individual needs and differences. All the variations of communications approaches should be available to every child in Nevada who attends public schools regardless of city population. As you can imagine,

emotions in parents and professionals run high when they desire a certain outcome for their hearing-impaired child or student, and the communications option that has been proven through research is not available to them.

The A.G. Bell, Nevada Chapter, does not want to be confrontational with any organization. We are hoping to create a positive partnership with everyone involved. We would like to have representation in the tasks delineated in S.B. 525 to ensure the needs of the oral deaf and hard of hearing population in Nevada will not be overlooked regardless of which method of communication they are using.

A parent has a right to choose which communication they want their child to use to acquire language. It is A.G. Bell's vision that every parent and professional be educated and directed to the option that best fits the desired outcome for their student or child. We believe every school district in Nevada has an obligation to create and provide a strong oral communications program as well as a strong TC program. We have only recently learned about S.B. 525.

This bill is lacking specifics about which modes of communication are going to be offered to children who will participate in the pilot programs. Who would oversee the programs, what is their background knowledge of oral deaf education and their understanding of desired outcomes? Was this bill written after considering all modes of communications? Who on the task force has a thorough knowledge of oral deaf education? What is the justification for limiting pilot programs to populations of less than 100,000 in Nevada?

There are great needs throughout Nevada for the best practice of deaf and hard of hearing programs. Miss Aspen Sorenson, seven years old and profoundly deaf, would like to share her testimony. She wears bilateral cochlear implants and she has been in an Auditory Verbal program since the age of seven months.

ASPEN SORENSON:

I am deaf. I have two cochlear implants and love to talk. I am in first grade and go to Paradise School. I love school. At school, I read, write, do math, dance and I even sing. I am glad my mom and dad helped me learn to talk. I think all kids should have a chance to hear from the start and talk for a lifetime.

CHAIR RAGGIO:

Thank you, Aspen. That was well done.

JAMES WOMACK (Professor of Deaf Studies, Community College of Southern Nevada):

I will speak for myself in the interest of time. I came to Nevada after 20 years of teaching the deaf. My intent is to talk about the need to be sincere about the qualification of people existing in deaf-training programs. However, after listening to previous testimony, I feel strongly I need to discuss the education of the deaf as it relates to deaf people.

Every semester, I see new deaf students attend the CCSN. Their eyes are so bright, their hopes are so high. Some have talked to me about their plans to improve themselves and even attend the UNLV. They have dreams, but I see this light dim in their eyes as they realize they have neither the language, nor the communications skills to compete in a classroom and fulfill those dreams. As a deaf person, it breaks my heart.

One of the things that will be heard over and over is individuals from all areas, parents, teachers, professionals, are talking about what they want. In the midst of all of that, what the deaf child needs is forgotten. What those children need is viable, accessible first things. That is the foundation on which you will build anything related to educating these children. You want to lay the foundation for a house, then, you can build the walls and the roof. Without the foundation, the house will fall apart.

Language relevant and proper for the deaf, and readily accessible, is the American Sign Language. Everything else is too expensive. Some people will benefit from cochlear implants, but I have encountered a number of people with cochlear implants who do not hear clearly. The information received through cochlear implants is as if I covered my mouth. The language assistance through cochlear implants lacks clarity.

You have heard testimony about total communication. I was at Gallaudet Research Institute when the term "total communication" was first coined. It was not intended to be a method of communication. It was intended to be of service. The idea was, if there was a signing child, using sign language total communication would assist them. If you put a teacher in a classroom for 50 minutes with a child and they are trying to teach math or English or whatever, without communications systems, you are asking a lot of the child. Here is what will happen. You will have one child who comes from a deaf-signing family, and these children are being taught sign language is fun. Older individuals struggle to learn a new language; children are fertile soil. If a teacher is not fluent in sign language, the child will leave the teacher in the dust. That is how total communication was switched from a service to a necessity. The teacher could not keep up. I have provided my written testimony and other informational documents ([Exhibit D](#), original is on file in the [Research Library](#)).

HEATHER ANDREWS (Parent):

My husband is Dr. Kevin Andrews. We own a business in Sparks, Nevada. This is our son, Sterling. Sterling was born profoundly deaf. The reason I am testifying is, I want the Committee to understand when Sterling was diagnosed, there were no resources in northern Nevada to assist us. That was devastating. We had to separate our family for three years. We traveled to southern California where Sterling received services. He received cochlear implants at age one.

What is important to me, as a mother, is to ensure these children receive the help they need and to incorporate all methods and modes of communication. The ASL is important. I have five years of ASL training. It is a great tool for communication and a beautiful language. I am not against ASL. I support oral communication as well. When a task force works on this measure, I want to ensure whoever is on the task force has experience and knowledge as an oral deaf educator. That person needs to be a qualified expert with credentials. I do not see that specified in S.B. 525.

Sterling has learned to read. He speaks English. He is progressing phenomenally.

CHAIR RAGGIO:

How old is Sterling?

MS. ANDREWS:

He is three years old. Thank you for giving your attention to the deaf community. I have provided my written talking points to the Committee ([Exhibit E](#)).

CHAIR RAGGIO:

Everyone is aware we have a serious financial problem in this Legislative Session. There is a shortfall in revenue far below what was anticipated at the beginning of the Legislative Session. There are many worthy issues to be considered. The Chair will assign this as a high priority, but we do not want to raise expectations that we will be able to fund all requests. This measure is extremely important. I will ask Senator Cegavske to follow these efforts, and hopefully, we can accommodate some of the concerns addressed today.

MR. OLSEN:

I want to talk about the credibility of the interim committee. We had a representative from A.G. Bell on the committee and we worked well with them. However, they did not share information with other members of the committee. The committee consisted of representatives from every avenue of deaf education.

CHAIR RAGGIO:

We recognize there is some competitiveness on this measure. Everyone has common goals and we will recognize there is high emotion and a desire to reach something productive and effective on this measure. Mr. Olsen has presented his list of priorities to the Chair. Under the requirements of this Committee, any proposed amendments must be submitted in written form. No formal action will be taken at this hearing on any of the bills that are being heard.

JEAN IRWIN (Teacher of the Deaf):

Our specific concern in S.B. 525 is the issue of parental education. We have provided a written amendment ([Exhibit F](#)) to S.B. 525. In section 4, line 11, we would like to add "hearing and to coordinate parental education as to educational options for deaf children by experts in ASL, AV, TC and Oral Education" or, at page 6, line 39 "(e) Set forth a plan for coordinating resources to educate parents as to education options for their deaf or hard of hearing children by experts in TC, ASL, AV and Oral methods before they enter the pilot program." (Other written testimony presented included testimony of Ms. Lindsey Nunn ([Exhibit G](#)) and written testimony from John and Trudy Nunn ([Exhibit H](#)).

CHAIR RAGGIO:

I hereby close the hearing on S.B. 525 and open the hearing on S.B. 457.

**SENATE BILL 457**: Provides for the creation, administration and investment of a trust fund for the management of certain retirement benefits provided by a local government. (BDR 23-736)

This measure was heard on April 7, 2007. Can the provisions of the legislation, if amended, adversely affect or result in risk to the Public Employees' Retirement System (PERS) fund in any way?

DANA BILYEU (Executive Officer, Public Employees' Retirement System):

In the past, we have worked with the Committee on Local Government Finance and the Legislative Counsel to craft an amendment to S.B. 457 to address the concerns of the PERS regarding the PERS pension trust fund. The bill has been amended to address our concerns and we will ask the PERS Board to approve and support this legislation in the amended form.

CHAIR RAGGIO:

Our staff has provided a mock-up of the amended bill ([Exhibit I](#)).

MS. BILYEU:

The bill is recrafted to create a separate board. It will work in an ex-officio capacity as the investment board for a pooled trust. It would be a voluntary trust in which all local governments and the State could participate. All actions of the trust would be funded from the trust and from the participating governments instead of the pension trust fund support. Support of the trust from the PERS pension trust fund would be a problem under the Internal Revenue Service code. With those changes, the PERS will support this measure. We will be working with the Committee in the coming years to establish the trust fund start-up features.

CHAIR RAGGIO:

Will the new board be titled the Retirement Benefits Investment Board in section 5 of S.B. 457? Is the other language deleted no longer necessary?

MS. BILYEU:

You are correct.

SENATOR BEERS:

At this time, your agency has no experience in recording your time and allocating it to two separate billing systems. Have you thought the matter through? It is a practice commonly found in law and certified public accounting firms.

MS. BILYEU:

We have had discussions on those procedures at the staff level. We will have to use a billing system and allocate our time to ensure payments are made through the appropriate sources. Both my operations officer and I have experience in that area, and we will be crafting a methodology.

CHAIR RAGGIO:

Is the Committee able to process this bill with the amended language?

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 457 is not exempt. If the Committee wishes to take action, it must be processed today.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 457.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

I will now open the hearing on S.B. 351.

**SENATE BILL 351**: Makes an appropriation to the Department of Employment, Training and Rehabilitation to promote workforce and education initiatives. (BDR S-1316)

SENATOR STEVEN A. HORSFORD (Clark County Senatorial District No. 4):

I am sensitive to the Chair's comments about the limited funding available to address other important issues of this State.

This bill seeks to support business and industry in addressing their workforce needs. Nevada is fortunate in that we maintain a relatively low unemployment rate based on our robust economy throughout the State. While maintaining low unemployment is a positive indicator of our economic growth, it does pose a few challenges.

The formula allocation we receive from the federal government through the U.S. Department of Labor to our State is based on unemployment statistics. Thus, when our unemployment rate is low, the allocation received also declines. With that, employers continue to face challenges. Our employers need more and better-qualified employees to meet their workforce needs.

Because of our growth in nearly every major industry throughout Nevada, there are a number of quality workers employers are trying to recruit, train and retain.

Senate Bill 351 seeks to support the Governor's Workforce Investment Board through the Department of Employment, Training and Rehabilitation (DETR) to address the workforce needs of employers and major-industry groups through the development and support of what is termed, "industry-sector councils." I have provided, for the record, a brief from the National Governor's Association Center for Best Practices ([Exhibit J](#), original is on file in the Research Library). It supports the concepts that have been implemented in several other states on the sector approach to addressing workforce needs.

The model of Industry Sector Councils has been implemented in other states including Pennsylvania, Massachusetts and Washington. These states have developed industry councils that support the workforce needs of employers in major industries. Industry councils typically consist of employers, labor organizations, public- and private-postsecondary institutions, trade associations and other stakeholders that share common occupational, employment and training needs of a particular industry.

When these industry councils work collaboratively, and when they work best, the following benefits can be achieved. They provide a greater focus of a particular industry workforce needs, not a particular employer. This helps to address the barriers many employers may be experiencing in an industry. For example, the health care industry is in need of nurses. We all know there is a



nursing shortage. The only way we can address that nursing shortage is if we can move workers from the certified nursing assistant and licensed practical nurse levels to registered nursing positions, as well as other technical health care occupations.

The councils can improve direction from the private sector to the Kindergarten through Grade 12 (K-12) and postsecondary education levels on how to improve outcomes to better meet the needs of business and industry. The vice chair's work with the P-16 Council (Pre-school through College) has the same goal in mind.

Opportunities for career promotion are greater by creating multiple career pathways for workers within an industry and potentially among multiple industries.

The final benefit is better identification of worker-skill gaps and industry-workforce needs. States that have implemented sector strategies, such as those proposed in S.B. 351, have received matching funds from private foundations which support these strategies, including the Charles Stewart Mott Foundation, the Ford Foundation and the Carnegie Foundation.

The goal of this bill is to provide an appropriation to the department implemented by the Governor's Workforce Investment Board in developing the industry sector councils. For the record, "in my life, outside that of being a Legislator, I spend an inordinate amount of time trying to address the employment needs of many industries." This bill would not benefit my organization, but would benefit the employers and the workers of this State. It would help us build better capacity in addressing the workforce needs of our State. In the end, it would return an economic investment to the State.

CHAIR RAGGIO:

Would S.B. 351 establish a fund of \$500,000 as a grant fund? I believe your testimony indicated where this legislation has been implemented in other states, there has been a response from foundations and other private funding sources. Is there a reasonable probability, if the bill were passed, further grants would be forthcoming?

SENATOR HORSFORD:

[Exhibit J](#) lists the levels of investments other states have made and the private funding from foundations matched based on those investments. I listed three in my testimony of which I am personally aware. Because of our robust economy and new industries entering our State, many individuals are interested in how to utilize a private sector approach.

CHAIR RAGGIO:

When the programs began in other states, did they begin with state funds or with foundation funds and then seek state funding?

SENATOR HORSFORD:

In the four states I referenced, it was an initiative started by the Governors. In Pennsylvania, it was Governor Edward G. Rendell who launched the Job Ready Pennsylvania initiative. In Michigan, it was Governor Jennifer Granholm and Governor Mitch Daniels in Indiana. In nearly all states, the programs began with

an initiative by either a Governor or a Legislature followed by grants from private foundations.

CHAIR RAGGIO:

We have the Governor's Workforce Investment Board. How effective has the Board been?

SENATOR HORSFORD:

Several members of that Board are present for this hearing. I presented the concept of this measure to them before requesting the bill. The new chair, Mr. Cass Palmer, was open to the concept. Mr. Terry Johnson, Director, DETR, may be better able to answer the question.

CHAIR RAGGIO:

Staff has provided the Chair an impressive list of individuals who have served on this Board. Is the Board holding meetings and what have been the outcomes?

TERRY JOHNSON (Director, Department of Employment, Training and Rehabilitation):

The DETR, on behalf of the Governor, works with and assists the Governor's Workforce Investment Board. The Board meets quarterly. It is comprised of individuals from education, labor and the majority of its membership, by law, represents the business community. They have been effective in branding and building the Nevada JobConnect System allowing it to become a resource for employers and employees throughout the State.

In recent times, there has been a shift to more strategic planning such as that proposed under S.B. 351, particularly under the new chair of the Board, and the directive given by the Governor.

The Board has been effective. I can provide its results to Committee members in terms of specific measurable outcomes. It is a productive and well-run organization.

DANNY THOMPSON (Nevada State American Federation of Labor and Congress of Industrial Organizations):

I am a former member of the Governor's Workforce Investment Board. I found the Board to be an impressive organization. It is a blessing to have low unemployment rates, but, along with that come critical needs for employers to find qualified people. We support the concept of S.B. 351.

CHAIR RAGGIO:

Would there be any sources of funding within labor organizations if the State created a grant fund?

MR. THOMPSON:

I do not believe the labor organizations have contributed to something of this nature in the past. I will research the possibility.

SAMUEL P. McMULLEN (Hospital Corporation of America, Sunrise Hospitals, Nevada Restaurant Association, Retail Association of Nevada):

We are aware there is a funding issue in this bill that will have to be considered. However, we wanted to make a strong point this is a policy objective. It is a

strategic mechanism to point at issues currently facing the State. It is a targeted approach.

CHAIR RAGGIO:

I am aware you represent the Chamber of Commerce as well. Are they interested in S.B. 351?

MR. McMULLEN:

There was interest in the policy aspects of the measure. They needed more information about the bill.

CHAIR RAGGIO:

I noticed there were three vacancies on the Board according to the list staff provided to the Chair, representing both northern and southern Nevada businesses. I wondered why businesses were not more involved. I see several names having business connections, but I would think, based upon what Mr. Thompson indicated, the business sector would be interested as well.

MR. THOMPSON:

The appointments to the Board are made by the Governor, and Nevada has a new Governor. Sometimes the appointments lag. The majority of the Board is represented by the business sector.

SENATOR HORSFORD:

I am sensitive to the amount requested, and I am open to any amount we can show as a good-faith effort. Any time you have labor and business at the table together, I know our State will continue to prosper.

CHAIR RAGGIO:

I hereby close the hearing on S.B. 351 and open the hearing on S.B. 268.

**SENATE BILL 268**: Makes an appropriation to the State Department of Agriculture to fund the activities of the Advisory Council for Organic Agricultural Products. (BDR S-253)

VIRGINIA JOHNSON (Chair, Nevada Organic Program Advisory Council, Organic Certified Farmer):

I reside in Silver Springs, Nevada. I have provided the Committee with a packet of information ([Exhibit K](#), original is on file in the Research Library). We want to thank Senator Mike McGinness for his sponsorship of this legislation.

As you are aware, *Nevada Revised Statutes* (NRS) 587.810 through 587.820 outlines the responsibility for the Nevada Organic Program Advisory Council. We were created in 1997. This bill, S.B. 268, is our request for funding over the next biennium. It has been some time since we have had any funding from the Legislature. We are aware of the fiscal concerns of the State at this time.

Last year, the Council recommended raising our fees to help pay for the program. It was our understanding the Department of Agriculture would be better able to meet the expenses they incur in regulating our program. The Nevada Organic Program Advisory Council has never been in the Department budget. We have depended on small appropriations from the Legislature and private donations.

It is our hope the fee increase, effective in November 2006, will meet some, if not all of the expenses of our producer/handler inspections in the five-year mark the Department must meet to be reaccredited by the U.S. Department of Agriculture.

We have a busy agenda and much work to do to catch up because of a lack of funding. We meet four times a year.

CHAIR RAGGIO:

How many producers and handlers of organic products are there?

Ms. JOHNSON:

The number varies. A list of the currently certified producers and handlers is a part of [Exhibit K](#). There are approximately 30 producers and handlers with perhaps a couple more pending. Others are present today, and I have been with the program since the beginning. One reason we lose members is the lack of financial support to help the industry thrive.

The funding requested in [S.B. 268](#) will provide a minimum series of four educational seminars for agricultural producers and others who may be interested in the Nevada Organic Program and certification. We hope to develop and print educational material. Some of the materials will provide access to informational tools. Other producers may wish to obtain information to consider transitioning from conventional farming to organic farming. We hope to expand the *Nevada Organic Review* online with more frequent updates. A copy of the *Nevada Organic Review* is a part of [Exhibit K](#). It is published from two to four times a year. It is currently online. The workshops will help generate new interest and provide organic industry networking. The mentoring program is a primary interest of the Council. Education in schools is important.

An increase in the number of organic farmers is urgently needed. The long-term goal of the Council is to establish more organic farms, more organically-grown foods and other agricultural products, for both human and animal consumption, for the following reasons. When the farmers' markets began in Sparks, there were only three or four Nevada farmers, and even fewer organic farmers, participating. This season, California farmers still occupy sales spaces at our farmers' markets in a 95:5 ratio. This is sad, considering the growing number of consumer demands for locally-grown produce and other agricultural products. There are not enough organic producers, large or small, to help fill the tremendous demand.

It is unfortunate that Nevada, with all its beauty, is not ready to be totally certified organic. Because this is a sustainable and ecologically-beneficial system, it will touch a large segment of the Nevada population and the urban and rural economies. It is unfortunate Nevada is so far behind in meeting our own needs while certified-organic agriculture is the nation's fastest-growing agricultural business segment.

It is a major goal that consumers, retailers, restaurants and institutions desiring organics would no longer have to look beyond our borders to fill their needs.

The Council wishes to help increase certified-organic production in Nevada. We request the Committee's support of [S.B. 268](#). The Department of Agriculture

has been a tremendous help to the Council and organic growers considering its other functions.

CHAIR RAGGIO:

How was the requested appropriation of \$72,300 derived?

Ms. JOHNSON:

The funding request was established by the Council with input from staff and through research of costs for workshops and outreach to meet specific goals.

CHAIR RAGGIO:

Does the requested appropriation include four workshops, travel and so forth? Do you have a budget prepared?

Ms. JOHNSON:

We have a budget and I will provide that to the Committee. (The budget document was later submitted as [Exhibit L](#)).

DOUG BUSSELMAN (Executive Vice President, Nevada Farm Bureau):

We support the Nevada Organic Program Advisory Council and S.B. 268.

EDWARD FOSTER (Regional Manager, Plant Industry Division, Department of Agriculture):

I represent the staff at the Department of Agriculture that assists the Nevada Organic Program Advisory Council. The Department works hard in support of S.B. 268. We have never requested an allocation in our bill draft requests over the past several Legislative Sessions due to a priority issue. Organics is an emerging industry. It costs \$10,000 every five years to obtain recertification. The majority of the fees are used for the certification process.

CHAIR RAGGIO:

What are the fees?

MR. FOSTER:

There is a fee schedule (later provided as [Exhibit M](#)). It is a graduated fee based on the amount of production.

RAY JOHNSON (Friends of Nevada Organics Incorporated):

Our organization is a 501c3, nonprofit organization. Our mission is to educate the public in Nevada as to the benefits of the organic movement.

CHAIR RAGGIO:

Where do you reside?

MR. JOHNSON:

I reside in Silver Springs, Nevada. Our activities will include public discussion groups, forums, panels, lecture or other similar programs involving outreach to the public and private sectors to promote such education. We support S.B. 268. Our funding is from private sources. Private funds cannot be placed with governmental funds for an organization to educate the farmer trying to convert their conventional farm to growth of some organic produce. An example of that scenario is Mr. Rick Lattin, of Lattin Farms in Fallon, Nevada. He is currently converting some of his fields to organics and paying those certification costs.

BRUCE QUINLAN (Wild Oats Markets, Incorporated):

We support organic farming. I wish to speak about the growth in the demand for organics and local produce. Since most of our produce comes from California, anything to support and grow organics in Nevada would be a great asset.

Ms. JOHNSON:

I would note the edition of the *Nevada Organics Review* ([Exhibit K](#)) includes the certification fees and other information. My written testimony is provided as ([Exhibit N](#)).

CHAIR RAGGIO:

I hereby close the hearing on S.B. 268 and open the hearing on S.B. 453.

**SENATE BILL 453**: Revises the provisions relating to problem gambling.  
(BDR 40-1410)

LAURA HALE (Chief, Grants Management Unit, Department of Health and Human Services):

This bill will remove the sunset clause for funding of problem gambling prevention and treatment programs. The administrative cap will also be increased in the provisions of S.B. 453. It will clarify funding for evaluation and other program functions. Mr. Glenn Christenson, Chair, Advisory Committee on Problem Gambling, and Dr. Bo Bernhard, Director, International Gaming Institute at the UNLV, are also present.

In the last one and a half years, these gentlemen and our advisory council have provided an outstanding service to the State, and the residents of Nevada, in directing and guiding the implementation of quality treatment and prevention programs to address problem gambling.

Sections 1 through 3 of S.B. 453 contain repeated language to clarify the provision of services related to development of data, assessment of needs and the performance of evaluations or technical assistance. As a professional of international renown, Dr. Bernhard can attest to the importance of these functions. He has prepared a report evaluating the outcomes of the treatment programs the State has funded in the last year.

BO J. BERNHARD, PH.D (Director, Gambling Research, International Gaming Institute, University of Nevada, Las Vegas):

I headed a research team, consisting of representatives from the Epidemiology and Biostatistics Program at the UNLV and the Psychology Department, which conducts an independent follow-up research project with clients who received treatment from the problem gambling programs fully or partially supported by Nevada in 2006-2007. The report is publicly available, and the Committee has been given an executive summary of the report ([Exhibit O](#)).

The methodology of the project was to provide information, in the form of the most up-to-date literature, on problem gambling program evaluation in collaboration with leading experts in a variety of other states that have funded similar programs for many years. The effort has already translated into exciting joint products between Nevada and other states including Oregon, Arizona, Nebraska and Louisiana. There are also academic programs such as the Division on Addictions at the Harvard Medical School. Both the quantitative and

qualitative analyses of the programs indicated the client experiences were exceedingly positive overall.

Important behavioral measures also indicated profound reductions in gambling behaviors. Approval ratings were remarkable. Fully 90 percent indicated they liked the services they received, and 99 percent said they would recommend it to a friend or loved one with a problem. Ninety-one percent of the sample reported reducing their gambling. Most of these reductions were profound. A strong majority indicated that, as a direct result of the services received, their lives have dramatically improved in a variety of quantifiable ways. They are better able to control their lives, they dealt more effectively with crisis, they had better family relationships and at work, their housing situations had improved, their financial situation had improved, and they had reestablished important relationships in their lives.

Further, respondents felt these programs had profound and powerful effects on their material, emotional, social and psychological well-being. In asking clients to evaluate the programs in their own words, responses often started with stories of desperation followed by profound and grateful recovery. I will share verbatim comments from a few of the respondents. Many realized they owed a debt of gratitude to the State for funding the programs and chose to speak directly to the needs of Nevadans.

I think it is so important. This program, with the grant is so affordable. It saved my life.

I think these programs need a lot of support. My husband was thinking about leaving me because of my problem. This program helped me to the point where I don't gamble anymore and it has saved my marriage. Hopefully, they will keep supporting this so they can help more people like me.

A striking number of individuals claimed these programs were life-saving in nature. Although we did not interview family members, in a handful of instances, family members demanded the phone to speak with interviewers who recorded their opinions. One retired Air Force officer described at length the positive impact these programs have had on her family.

We have been married for 33 years and people in this State need to understand how important these programs are. I can tell you what occurred within our family, and I can say that I am a woman of faith, and if it had not been for that, this family might have been blown apart. We moved here from a nearby state and the gambling started six months later. Prior to this time, he would gamble and I knew nothing about it. He gambled what he could afford to lose. Something happened somewhere, and my husband went to the dark side. Basically, we had model credit, never had any kinds of problems, and that turned into a way to destroy himself because he could go anywhere and they would give him \$10,000 in credit. He proceeded to destroy himself. He ran up \$250,000 worth of gambling debt. We are not super wealthy.

This program, once he found it, he stopped gambling and began to deal with reality and basically discovered what a horrible situation

this is. He is a retired Air Force officer. He went to Viet Nam and fought for his country and was so mature professionally. At the same time there were parts of him that I thought were childlike. After the program, I saw him grow into manhood. It is an experience I would wish on no one. But, there has to be a recognition that these kinds of things happen. Yes, drugs and alcohol can beat you up, but gambling really does things in terms of the financial picture. What I've got today is a whole man. I am grateful Nevada is paying attention to this. To me, it is a dirty little secret, and it should not be, because so many people like me are going through this. I met so many people whose families are falling apart, and like us, they all need help that is provided from this program.

Interestingly, other issues, such as poor morbidities, were addressed through the programs although the programs are gambling specific. Chemical and behavioral addictions were reduced among those participating in the survey. This finding suggests the mental health improvements observed extend beyond the range of problems associated with gambling. These services may well help address the complex constellation of commingled issues that those with gambling problems face.

These findings are especially impressive when viewed in the light of the fact that those who seek treatment tend to be the severest of pathological gamblers. Furthermore, because the survey examined both completers and non-completers of the programs, the findings indicate even partial interventions can yield significant improvements in well-being. Ultimately, the biggest criticism articulated by the clients was that they wanted more services.

With continued funding, these needs might be met in the future. Problem gambling is a disorder unique in the medical annals. By the time an individual needs treatment, by definition, most lack the means to pay for it.

In conclusion, this research team strongly recommends the State continue its impressive commitments to the problem gamblers and their families, and continue to conduct independent research on the efficacy of these commitments.

CHAIR RAGGIO:

The legislation to establish this fund was approved in the 2005 Legislative Session with funding provided in FY 2005-2006 from \$1 per quarter for each licensed slot machine and increased to \$2 per quarter in FY 2006-2007. The effect of the bill would be to continue the transfer indefinitely. There is not a great need to sell the program. The bill before the Committee continues the transfer of \$2 per quarter. In FY 2005-2006, the amount was in excess of \$818,000, not including interest income. Approximately \$410,000 was spent and the remainder was balanced forward. Year-to-date, in FY 2006-2007, according to staff, \$861,288 has been transferred to the account. Interest income of \$9,000 has been earned and \$961,191 has been spent.

The budget the Governor has presented for the next biennium projects the transfer of slightly more than \$1.6 million each fiscal year over the next biennium. The Gaming Control Board has submitted a fiscal note on S.B. 453 that projects that revenue in FY 2007-2008 and approximately \$1,690,000 in



FY 2008-2009. It is envisioned to be transferred into this account. We will resolve the funding formally when the Economic Forum report is received.

The legislation increases the administrative charge that may be charged to the account from 1 percent to 10 percent. Based on the Gaming Control Board projection of funds to be transferred, it would mean in excess of \$165,000, and more, would be available in FY 2007-2008 for administrative costs. We are interested in the fiscal note the Department of Health and Human Services has prepared. It sets the cost of administering the program from just under \$300,000 for the biennium within the 10-percent cap.

Why is there such a need for administrative expense? Has it been inadequate up to this point?

MS. HALE:

We received no funding for staff when the measure was first passed resulting in add-on duties to management staff. There were some General Funds available to us and we spent approximately \$86,530 in FY 2005-2006. We would like to hire a full-time equivalent staff member to focus on the program and to contract out to individuals for support of the grant administration. We had expenditures far in excess of the 1 percent allowed in the statute at this time.

CHAIR RAGGIO:

The fiscal note is still valid?

MS. HALE:

That is correct.

GLENN CHRISTENSON (Chair, Governor's Advisory Committee on Problem Gambling):

We have had the opportunity to work with Ms. Hale and Mr. Mike Willden and his staff, and they are working hard.

CHAIR RAGGIO:

If there is prepared testimony speaking to the value of the program, I do not want to cut you off. Please provide the testimony, and it will become a part of the record. (Prepared testimony was received from Mr. Mark J. [\[Exhibit P\]](#)).

MR. CHRISTENSON:

The Governor's Advisory Committee on Problem Gambling set its priorities, created the regulations, prepared and reviewed numerous applications, funded all the programs, evaluated how the programs were performing and we did all that in a 21-month period. We strongly urge continued support to further the work that has begun.

CHAIR RAGGIO:

How often does the Advisory Committee meet?

MR. CHRISTENSON:

During the funding periods, we gathered in lengthy meetings on a monthly basis. The most difficult period we had was determining the most appropriate use of the funds. The Committee will recall approximately \$2.5 million was appropriated in the 2005 Legislative Session; we decided to divide the funding into \$1.5 million for treatment, \$500,000 for prevention and education,

\$300,000 for research and \$200,000 for workforce development. Many issues had to be considered. The ultimate outcome reflects a value use of the funds appropriated.

WILLIAM BIBLE (Nevada Resort Association):

I want to convey the appreciation of the industry to the Committee for the support of this important legislation. We were one of the authors of the legislation establishing these programs. The key to S.B. 453 is the establishment of funding on a permanent basis. That is supported at the highest levels of the member companies of the Nevada Resort Association to stabilize these programs into the future.

CHAIR RAGGIO:

We appreciate the commitment the industry has made. They have accepted the programs and provided their assistance and involvement.

MS. HALE:

We are requesting an amendment to S.B. 453. The language has been provided in writing ([Exhibit Q](#)). *Nevada Revised Statutes* 458A.060, section 2 (a) cites "One member who holds a restricted gaming license." We would like to add "or his designee."

In NRS 485A.606, section 2 (b,) it states "Two members who hold nonrestricted gaming licenses." We would like to add "or their designees." It would allow flexibility for casino executives to serve who do not necessarily hold a specific license.

CHAIR RAGGIO:

Are you requesting service of a member who is not actually a licensee, but a designee by that person?

MS. HALE:

That is correct.

REX WILLIAMS (Raymond I. Smith family):

The Raymond I. Smith family was the founders of Harold's Club. Six years ago, I came before this Committee and we discussed problem gambling and its treatment. One oversight occurred, in that the Judicial Branch was given no power, by the Legislature to address compulsive and problem gambling addiction.

My testimony today is to suggest that one-quarter to one-third of the funds generated through S.B. 453 be allocated to the Judicial Branch allowing the development of specialty courts for the treatment and rehabilitation of those with gambling problems. The new court could be incorporated with the existing drug and alcohol courts. We are requesting the same treatment for drug and alcohol addicts be given to gambling addicts. Judges are frustrated. There is no legislation for reference when dealing with a compulsive gambler.

I have provided this Committee with the amendment proposed before the Senate Committee on Judiciary, Amendment No. 90 to S.B. No. 335 of the 71st Legislative Session ([Exhibit R](#)). This amendment provided the Judiciary with powers to address compulsive gambling addictions.

CHAIR RAGGIO:

Was Amendment No. 90 not approved?

MR. WILLIAMS:

The bill was initially passed after midnight on the last day of the 2001 Legislative Session, and when a Special Session was called, the Governor did not allow legislation passed after midnight to be reconsidered. As a result, we had to return the next Legislative Session. We obtained the treatment and education portions of the original legislation, but, there was an oversight in the provision of judicial powers.

CHAIR RAGGIO:

What amount of the funds are you suggesting be redirected?

MR. WILLIAMS:

We are requesting one-quarter to one-third be directed to the judiciary.

CHAIR RAGGIO:

Would those funds be utilized to establish a specialty court?

MR. WILLIAMS:

That is correct. I believe it could be combined with the drug and alcohol courts.

CHAIR RAGGIO:

Have you discussed this with the Governor's Advisory Committee on Problem Gambling?

MR. WILLIAMS:

I have not had an opportunity to address the Governor's Advisory Committee. I have provided written testimony today ([Exhibit S](#)).

CHAIR RAGGIO:

The place you should start is with the Governor's Advisory Committee in Problem Gambling to see how the request would impact their programs.

MR. WILLIAMS:

This was proposed by former Senator Mark James in the 2001 Legislative Session.

CHAIR RAGGIO:

I appreciate that. I am trying to channel the efforts. This Committee has no way to know, at this time, what kind of impact your proposal would have on the funding. I suggest you speak with the Governor's Advisory Committee. If they endorse the proposal, we can consider it.

MR. WILLIAMS:

Even if the funds are not allocated to the judiciary, the judiciary still needs Legislative power to act. I would ask you to amend S.B. 453 giving the judiciary at least the power to act with regard to compulsive and problem gambling.

CHAIR RAGGIO:

In what manner are you suggesting an amendment?

MR. WILLIAMS:

I am suggesting an amendment to S.B. 453 with the language from Amendment No. 90 of S.B. 335 of the 71st Legislative Session.

CHAIR RAGGIO:

What are the provisions of the amendment?

MR. WILLIAMS:

The amendment gives the judiciary specific power to deal with compulsive problem gambling, to stay a sentence and send the offender into rehabilitation. Upon successful completion of the program, after a period of time, the record can be sealed. It allows the courts a remedy other than sending the offender to prison.

CHAIR RAGGIO:

I will defer to staff and our legal counsel as to whether the amendment is germane to this legislation and whether or not it can be considered. We will accept the proposed amendment.

MR. WILLIAMS:

Senator Titus was present at the Senate Committee on Judiciary when I spoke. I ask you to defer to her for firsthand knowledge of the original intent.

CHAIR RAGGIO:

We will seek input from the Governor's Advisory Committee and others with interest in this legislation for their recommendations.

LARRY D. STRUVE (Religious Alliance in Nevada):

We strongly support your continuation of the program specified in S.B. 453. I wish to convey appreciation to your Committee for initiation of this legislation. This in the first time, in the history of this State, we have committed public funds to address a significant problem associated with a principle economic activity in Nevada. We hope the discussion indicates the need for the program.

CAROL O'HARE (Executive Director, Nevada Council on Problem Gambling):

I am also a member of the Governor's Advisory Committee. In the interest of full disclosure, we are also one of the grant recipients under this fund.

I want to respond to your concern about the administrative cost being requested in the fiscal note. The idea of having a full-time administrative person to work with the problem gambling issue and the grants is not merely a matter of paperwork and daily administration. In all areas of our research of other states with successful programs, we have been encouraged and advised that one critical issue to success is to have a full-time, dedicated, czar of problem gambling who can access various resources and be a part of the collective group sharing best practices. We hope to advance the use of these funds in the most effective way.

A national organization, the Association of Problem Gambling Service Administrators, was formed some years ago. It allows state governments funding these programs to share their information and leverage their best resources. The addition of a full-time individual allows us to become a full partner in that network.

RENA M. NORA, M.D. (Member, Governor's Advisory Council on Problem Gambling):

I serve on other commissions and boards regarding addictions as well. I want to highlight the limitations of this grant. It is not only for the recovery of problem gamblers and their families. The programs are cost effective. For every problem gambler we change to a productive worker, we have other benefits in decreasing the cost for social services, homelessness and a significant decrease in fallout of legal and financial issues.

I support the request for judicial involvement.

WILLIAM BINGHAM (Member, Governor's Advisory Committee on Problem Gambling and Vice President, Table Games, Bellagio, Las Vegas):

As a member of the largest employer in the State, I would note the commitment of our corporation to the continued funding of this program.

CHAIR RAGGIO:

I hereby close the hearing on S.B. 453 and open the hearing on S.B. 540.

**SENATE BILL 540**: Revises provisions governing the system of public education in this State. (BDR 34-113)

I have remarks to make concerning the historical perspective on this measure. I am making these remarks because I chaired the Legislative Committee on Education and have been involved in that Committee for a long period of time. I have also been the principal sponsor of the Nevada Education Reform Act (NERA).

Those of you who work in the private sector know the problems that occur when key people or functions operate independently of the chief executive officer with little control and no accountability. In the business world, this situation is a recipe for financial ruin. When it is allowed to happen in government, it represents a breach of the public trust.

I would remind the Committee that the NERA was adopted in 1997 as a bipartisan response to what was seen as serious shortcomings on the part of the State bodies governing public education.

Beginning in the late 1980s and continuing into the early 1990s, the Education Commission on the States, the Council for Basic Education and others had promoted comprehensive, system-wide state education reform using academic standards as the foundation for change. Most other states were well into the process by the mid-1990s, but in 1996, the Council of Chief State School Officers determined that Nevada was the only state still at the beginning of the development process of standards. That wasn't a very significant achievement when it was the Council of Chief State School Officers that had to point that out, we were that far behind the curve. A lot of us saw that as a serious challenge. We received failing grades as well, from a number of national groups for various state-level defects or lack of policies.

As a result, Nevada's standards-based reform effort prior to 1997 was roundly criticized, very properly, by business leaders, the public, legislators, and the Governor. Before 1997, the statewide standards-based reform activity was uneven, unstructured, and unable to progress. School districts could not agree upon common assessments; some districts wanted to adopt their own standards, many did not want statewide testing, several did not want any testing at all. No one at the Board or the Department level, at that time, was willing to take a leadership role to untangle that mess. Neither the Governor, nor the Legislature, at that time, was able to get the Board to act. The Governor, Governor Miller, was so frustrated, he mentioned the problem in his 1997, State of the State address when he said; "Today is the beginning of the end to our surrender to mediocrity." Those are not my terms, even though I was in the forefront of wanting to do something about education. I am of one party, the Governor was of another, and it was time this came to a screeching halt.

From our perspective at the State level, any kind of movement to a coherent statewide system linked to standards appeared to be at a standstill. The lack of action by the Board and the Department on several other fronts also was of significant concern. This time marked a critical turning point for Nevada. The vacuum in policy leadership by the State Board of Education constituted a significant crisis in confidence. If left unaddressed, the consequences would have had a profound impact upon public education.

Please take a moment to think about this – the matter was of such significance that the leadership of two branches of state government took the same action. It is not a coincidence that both the Governor and the Legislature chose to act at this point. During the 1997 Session, the Governor and the Legislature together decided to go in another direction to accomplishing systemic reform by creating separate education bodies that could complete the reform agenda. This action was accomplished by joint effort; both parties, both Houses and the Governor, to create the Nevada Education Reform Act.

I have heard it said since 1997, and most recently by critics of this bill, that the Department and the State Board of Education are supposed to be in charge of public education – that it is not the "proper" role for the Legislature, to be involved in public education. I would direct your attention to the *Constitution of the State of Nevada*, which to me, is still a very important document of some significance. In Article 11, section 2, you will find the fundamental responsibility for Nevada's system of public schools lies with the Legislature.

Everything – the county school district form of governance, Nevada's Department of Education, the State Board of Education, and the school district boards of trustees were all created by the Legislature to form the State's system of public schools. I would emphasize, the Legislature established the current system and it certainly can modify or eliminate components that are not

productive or not working as efficiently as was assumed. Make no mistake, the Legislature's responsibility is clear under the *Nevada Constitution* – we have the primary responsibility for our State's system of public education. To that end, I would, if I may speak for the Legislature, we will act when necessary on major issues that affect that system regardless of who is lobbying and for what purpose. That does not mean input is not important. I want to stress that, of necessity, the primary responsibility lies with the Legislature.

When something isn't right or isn't funded exactly, who gets the blame? Not the rest of these entities, not the critics, the Legislature. If we don't take that responsibility seriously, we deserve the criticism.

I have provided you with this rather lengthy history as a means to review where this so-called "fragmentation" came from – it was a deliberate decision by both Houses of the Legislature and the Governor to create a "workaround" for a dysfunctional State Board of Education, at that time, and to some extent, the State Department of Education. I realize it makes the members of the State Board of Education uncomfortable to hear this, but we have to understand, this situation was of their own making, during that period of time. The current Board members, privately, to their credit, acknowledge these mistakes, but ask us to ignore what happened and sweep the historical business under the rug.

With nearly every other Executive Branch agency, the built-in checks and balances provide the structural accountability needed by our State. The Governor has direct or indirect influence on each of the departments in his cabinet, with one exception – the State Department of Education, probably the most important function in our State. The Governor neither selects the members of the policy board, nor the head of the agency for which he is responsible. Other agencies have policy boards appointed by the Governor or they have an administrator that is selected by the Governor. These agencies have a grasp on the reality their decisions have upon the fiscal and policy structure of the State. They can be compelled to act when circumstances require it. The K-12 portion of the State General Fund, as this Committee well knows, and most of you who are interested know, is the K-12 portion accounts for 35 percent of our spending, yet there is no such reality check for the Board of Education.

The model proposed in this bill is a more viable solution than a return to the failed structure of the past. Senate Bill 540 establishes a mechanism to provide for greater alignment of public elementary and secondary education agency decisions with the Governor's priorities, in the same manner that other Executive Branch agencies currently function. At the same time, the Legislature maintains its current role in reviewing, formulating and setting policy at the statewide level.

The changes we made in 1997, as a result of all I have indicated, were not made lightly. They were a response, at that time, to a significant crisis in confidence for a State-level institution. The State Board now wants us to undo those changes and move back to the past by reducing or eliminating the structure we put into place under NERA. From the Chair's perspective, there is only one reason for making any such changes, that reason would be that we have addressed the structural flaw that led us to that action in the first place. In my view, there cannot be modifications to the system we created under NERA without making the structural changes contained in this bill.

I am strong-voiced on this. I can tell you the genesis of it was not only my personal frustration in that period of time, but the frustration of the entire Legislature and the Governor, who was a Democrat. We don't want to recoup back into that kind of situation where there was no movement, no strong statewide effort consistent across the State. We can point to the achievements made under this system with the establishment of standards, assessments and accountability as proof it was necessary and that to change it at this time would be, as the State Board is suggesting, a complete reversal of commitment.

SENATOR CEGAVSKE:

I will provide a brief structure of the bill and an opening statement.

Senate Bill 540 provides for a major overhaul of the State-level governance structure of public elementary and secondary education in Nevada. The primary purpose of this bill is to simplify the existing structure by providing an enhancement to the Executive Branch through the appointment of the Superintendent, while still maintaining legislative oversight. The chart on display was originally distributed by the State Board of Education to urge us to restructure K-12 governance.

As Senator Raggio described the conditions that existed in 1997, my first Legislative Session, that led to the NERA, the conditions may be summarized as follows.

There was perception the State Board of Education had a dysfunctional policy presence. Senator Raggio explained that well.

An opinion shared by a number of legislators and Executive Branch agencies was there may have been a reluctance or lack of ability on the part of the NDE to fulfill its regulatory role with the school districts. After reviewing the actions of the Legislature in 1995 and 1997, it appears to me there was some confusion within the NDE concerning key regulatory responsibilities such as standardizing accountability reports and testing systems. Added to that was a lack of authority on the part of the Governor and his staff to require enforcement of statutory obligations for regulatory control.

I will provide examples for this Committee. Both the Governor's Budget Office and the 1995 Legislature approved additional positions for the NDE accountability and program evaluation unit, but the unit was dissolved during a 1996 reorganization of the NDE. Likewise, members of the 1995 Legislature



expressed concerns that the Board and the NDE were not active in intervening and preventing the financial bankruptcy of the White Pine County School District.

Some of these problems can be attributed to the personalities of the time, but I would argue that many of the difficulties can be connected to the structure of the governance system that also existed at that time. Senate Bill 540 addresses those concerns with the following streamlined structure proposed by the bill. The second chart displayed indicates the structure proposed in this bill.

The National Association of State Boards of Education reports there are only seven other states remaining that have a governance model similar to Nevada's which is an elected state board who hires the state superintendent. That means 42 other states have a structure that allows the Governor direct or indirect oversight of the state's public policy decisions regarding K-12 education. There are two states that have completely eliminated their boards of education, but in the others, the Governor either appoints all or some of the state board members or the state superintendent. In nine states the Governor makes both types of appointments.

I requested staff to make a summary review of the recent actions by those seven other states sharing our governance structure titled, "Model II States with specialty Education Committees and Commissions created by the Governor or the State Legislature," ([Exhibit T](#)). I have also provided a document titled Alternatives for Nevada's Public Education Policy Structure ([Exhibit U](#)), a color chart of models in other states ([Exhibit V](#)) and two proposed amendments, ([Exhibit W](#)) and ([Exhibit X](#)).

In [Exhibit T](#), consider the Standards on Excellence Commission role served by Alabama's Education Study Commission; the State Standards and Assessments Development and Implementation Council created by the Colorado Legislature; the Commission on Educational Restructuring and Accountability created by the Kansas Legislature; the Center for Educational Performance and Information created by Executive Order in Michigan; and the Schools Accountability Commission created by the Nebraska Legislature. The point is, a quick review revealed in five of the seven states, the Legislature or Governor created "workaround" commissions and councils similar to those in Nevada. Some were temporary, but many remain on the books in those states. In my mind, these actions provide significant evidence that the governance model used in Nevada and those other states is flawed.

The Education Commission of the State provided a number of materials about state-level policy governance, and the recent actions of the states in this regard. One structural deficiency with the elected member model was described as a lack of clarity with regard to who is responsible and accountable at the state level for public education. Two additional criticisms of elected state boards of education in general are; the lack of coordination in education reform efforts and less efficiency in implementing state policy decisions. In discussing this with Senator Raggio, it was these two conditions that were of particular concern to the Governor and many legislators in the events leading up to the NERA in 1997.

The conclusion I have reached, in my mind, was the governance model of an elected state board of education, without the direct influence by the Governor

on that board, or strong indirect influence, may have contributed to Nevada's problems in the past. Unless we change that dynamic, similar problems can, and will, occur in the future.

In formulating the key components of S.B. 540, a number of options and alternatives were considered to address this imbalance. In the end, the bill was drafted to include several key components. I would like staff to review those provisions at this time.

H. PEPPER STURM (Chief Deputy Research Director, Research Division, Legislative Counsel Bureau):

As nonpartisan staff, I cannot advocate for, or against, a bill. Senator Cegavske asked me to present key components of S.B. 540.

Sections 2 and 5 of S.B. 540 rename the State Board of Education to the State Commission on Public Education and assigns that body an advisory role to both the superintendent of public instruction and the NDE. The new State Commission retains the role currently held by the State Board as a sponsor of State-sponsored charter schools.

Section 3, page 3 of the bill, provides for the Department to become the regulatory body for K-12 education.

Section 4 requires the NDE to create a separate Division of Accountability for Public Schools and authorizes the superintendent to appoint a deputy superintendent for the Division.

Section 15, on page 8 of S.B. 540, specifies the Governor will appoint the superintendent of public instruction to a four-year term.

Section 17, on page 8, provides that the superintendent oversees the activities of the State Commission in conjunction with the newly-named commissions and councils dealing with academic standards and educational technology.

Sections 38 and 39, page 43, of S.B. 540 simplifies the ancillary commissions and councils. It changes the name of the Commission of Educational Excellence to the Advisory Commission on Educational Excellence. Section 40 specifies that it make recommendations for allocations to the Legislative Committee on Education. The appointment process and duties remain essentially the same as it currently exists in law, modified to restore the previous process of submitting school improvement funding requests through the Legislative Committee on Education, the Board of Examiners and the Interim Finance Committee (IFC).

The Commission on Education Technology becomes the Advisory Committee on Educational Technology to the superintendent. That is found in sections 95 through 99, on pages 83 through 88 of the bill.

The Council to Establish Academic Standards is renamed the Advisory Council for Academic Standards in sections 119 through 125, beginning on page 105 of the bill. The appointment process is modified to delete legislative appointees. These changes are made to reflect the advisory role of the Council to the superintendent and to maintain separation of powers and principles. The duties of the Advisory Council remain essentially the same, modified to support the superintendent and the Department's regulatory role.

Sections 151 through 154, beginning on page 123 of the bill, specify the superintendent is to establish the geographic boundaries of the Regional Professional Development Program. The structure and the duties of the program remain essentially the same, modified to reflect the enhanced role of the superintendent and the Department.

Budget considerations in the bill are as follows.

Section 4 of the bill creates a new division within the NDE. There is a fiscal note from the Department on that provision.

Section 40 and section 209 of the bill reassign the fiscal approval process for the Advisory Commission on Education Excellence. The Commission makes recommendations about school improvement grants to the Legislative Committee on Education; that committee reviews and revises them as needed and passes them along to the Board of Examiners and the IFC.

Section 219 repeals the statute that creates the Legislative Bureau of Educational Accountability and Program Evaluation (LeBEAPE). Nearly all reports received and evaluated by LeBEAPE remain with the Legislative Committee on Education. The additional duties related to the Committee's role with the Advisory Commission of Educational Excellence will require assignment of those staff resources to the Committee.

The rest of my discussion concerns the transitory provisions of the bill.

The current term of the superintendent of public instruction continues until 2010 as related in section 220. After that term expires, the Governor would then make his appointment as specified in the bill.

Section 221 specifies that the terms of the members of the Council to Establish Academic Standards expire June 30, 2007, and that the superintendent will appoint the new members.

Sections 222 and 223 specify that regulations and contracts entered into by the Board remain in effect, as if the Department had made them.

Section 224 provides the Legislative Counsel with the authority to make any needed technical changes not noted in preparation of this bill for name changes.

The remaining portions of the bill are effective July 1, 2007.

SENATOR CEGAVSKE:

In conclusion, S.B. 540 simplifies the existing policy structure by providing greater involvement by the Governor in matters affecting public elementary and secondary education in Nevada. The changes represent an enhancement to the Executive Branch through the appointment of superintendents while maintaining Legislative oversight.

These revisions also eliminate a major policy conflict within Nevada's structure of education governance by clarifying leadership responsibilities and accountability for influencing and carrying out the State's policy direction for public elementary and secondary education.

I hope you will join me in supporting this bill. The amendment language in [Exhibit W](#) and [Exhibit X](#) was provided by Mr. Bill Hanlon, who is present in Las Vegas.

SENATOR COFFIN:

Where are the provisions in the bill regarding the appointment of the State Board of Education?

MR. STURM:

The State Board of Education is not appointed. It is still an elected Board. The provisions simply change it to an advisory Board to the superintendent of public instruction.

SENATOR COFFIN:

Does the superintendent of public instruction govern the Commission on Educational Excellence?

MR. STURM:

The superintendent is appointed by the Governor and the State Board of Education has a new name and advises the superintendent. It is an elected body.

SENATOR COFFIN:

When a position is appointed to head the entire educational system, does the bill have a provision for Legislative or Senatorial input to the appointment of the position? Or, is there a confirmation process?

MR. STURM:

A number of states have that specification. Our State does not traditionally have that role.

SENATOR COFFIN:

I pose the question to hopefully keep politics centered in the spectrum.

SENATOR CEGAVSKE:

The State Board of Education currently appoints the superintendent and that has resulted in some of the previous concerns. No matter where it is placed, someone will find fault.

CHAIR RAGGIO:

I will make my comments available as a part of the record ([Exhibit Y](#)).

SENATOR TITUS:

In the executive summary, on page 4 of [Exhibit U](#), some of the provisions, such as a new accountability division, repeal of the LeBEAPE and placing that responsibility under the Legislative Committee on Education, are excellent. Also, giving the superintendent input on the boundaries of the professional development zones and making the Commission on Technology and Academic Standards advisory to the superintendent are good.

Other things I do not support. I see no reason to go through the trouble and expense to hold an election for an advisory board. In effect, it would make the Board simply window dressing.

I disagree with gubernatorial appointment of the superintendent of public instruction because it would be like having a mayor appoint a school district head. While the Board may be elected, they are not elected on partisan grounds. There are more of them, so there is more of a balance. There is overlap with their terms and appointment of the superintendent. It is less political if it remains the same.

It does not make sense to have the Commission on Educational Excellence report to the Legislative Committee on Education with the Board of Examiners and IFC approving all the grants. It will slow down the process, add more paperwork and be more bureaucratic. I would hope when we approach the bill we might look at it by sections.

CAROLE A. VILARDO (Nevada Taxpayers Association):

I did not sign in on this bill. In listening to the explanation, there are two provisions we have previously supported. I will speak only to those two provisions.

Senator Titus, I have had conversations with two different Governors who have expressed concern that, because they were not involved in the appointment of the superintendent, they have less direct input and a lack of coordination relative to budget issues. If there is a problem with the budget, there is no way a Governor can rectify the situation. That was a recommendation we provided to Legislators in 2004.

As I sit on various committees, of concern is the fact that in the larger school districts, from comments I have heard by staff people in the districts, there is a disconnect between the existing structure of the State Board. We have discussed education in some of the other groups with whom I meet such as the National Taxpayers Conference. Some states have moved to a point where the state board has a set of duties that do not parallel the functions of the local school boards. Those school boards, particularly in Clark County, have a particular expertise that may, or may not, be available to the State Board.

I can think of one instance in New Jersey, where the state board was reconstituted with the function of oversight of those schools that had a continuing history of failure according to their standards. The members literally go to the school districts and make determinations of what should be done.

Those are the only two conceptual portions of the bill I can address, but we would support anything that would point us in that direction for those reasons.

BILL HANLON (Southern Nevada Regional Professional Development Program):

We propose two amendments to S.B. 540. On page 8, section 17, subsection 2, we would eliminate lines 35 and 36 as noted in [Exhibit W](#). They are inconsistent with current statute and with sections 151, 152 and 153 of the bill.

The second amendment to S.B. 540 as noted in [Exhibit X](#), would be in section 152 to add a subsection 7 on page 126. Currently, the Regional Professional Development Programs (RPDP) are limited to offering professional development for teachers and administrators. The amendment allows us to provide training for parents to allow them to help their own children, in terms of the core academic subjects.

JOHN W. GWALTNEY, PH.D. (Nevada State Board of Education):

As I sat here listening to the presentation and discussion on S.B. 540, I had a flashback to a thought my father shared with me a number of years ago. He described one of my great-uncles being ridden out-of-town on a rail in southern Illinois. He said to the group, as they got together, "I would really prefer to be somewhere else if it weren't for being the center of attention."

Today, I speak on behalf of the State Board of Education. The Board showed a great deal of courage in suggesting to the Legislature that we needed to look at the governance structure above the local board structure. We believe, under the circumstances, synergism, the process of the parts rendering more than their parts as a whole, is not taking place here in Nevada as it could.

This is an extremely complicated issue. We are in support of an interim study. The interim study proposed is in Senate Concurrent Resolution (S.C.R.) 14.

**SENATE CONCURRENT RESOLUTION 14:** Directs the Legislative Commission to conduct an interim study concerning the governance of the system of K-12 public education. (BDR R-1007)

We have set no parameters or ramifications for the study. We are not, and have never been, on record suggesting the State Board return to the exact structure it was prior to the reorganization or the change in the governance structure in 1989. Many of us, who were elected during that time, were equally appalled at what had taken place prior to that period of time. The reason I sat on the State Board was my concern for the conflicts that existed. Many have worked hard to develop a stronger and more appropriate working relationship with this body. We hope that has been recognized. I think many of you do recognize that.

I would suggest the issue of governance structure I have studied for more than three years does not simply suggest the governance structure has a direct link to the final product.

I have a document with me that indicates approximately one-half of the states select their superintendent through the work of the Governor. The other half allows their state board to perform that function. If we are not exactly clear on something as simple as how a superintendent should be selected, is it possible that we can take a piece of legislation in recognition of a problem, and address larger concerns with the one measure? We are not in opposition to that thought. We are simply suggesting this is much more complicated than can be taken up in the time you have allotted or the time you can spare during this Legislative Session. Thirty-five percent of the funds of this State would demand we have an interim study.

I will reserve the remainder of my comments until after my two colleagues have made their presentations.

KEITH RHEAULT, PH.D. (Superintendent of Public Instruction, Department of Education):

I will limit my comments today to the fiscal note on S.B. 540. As I read the requirement for a new division of accountability, it appeared additional duties were assigned. I have accountability staff I might reorganize under such a division. The two staff positions were requested because of the additional duties that will be required.

TERRY HICKMAN (Nevada State Education Association):

We are in support of the two study bills in the Legislature, S.C.R. 14 and Assembly Bill (A.B.) 333. We believe this is such an enormous task, a stand-alone study is extremely important. We do not oppose the restructuring, we simply feel this is such an immense task that a study we trust will be necessary.

**ASSEMBLY BILL 333**: Requires the Legislative Committee on Education to study certain issues during the 2007-2009 interim. (BDR S-417)

As Senator Raggio noted, with 35 percent of the budget involved, we want to get this right. A study is well-suited to this immense task.

CHAIR RAGGIO:

The genesis of the bill was a submittal by the State Board of Education as a revision proposal for the entire education system. In the opinion of many of us, it failed to recognize the responsibility of the Legislature. It was suggested the Legislature ought to "back off" from being a real participant in providing for education, at least that seemed to be the intent of their proposal. Dr. Gwaltney and others also recognize, from the historical perspective, that in 1997, the largely Democratic Nevada Assembly and the Democratic Governor wanted to abolish the State Board of Education and this Chair was the buffer who suggested, at the time, we should not act in haste.

If the arrows are going to be slung on this measure, they better understand the history of this is the reason we are still working on it. If we continue to study something, which seems to be the knack of the Legislature sometimes when you do not want to consider something, we do nothing but study. That is how this measure is here today. It is not an attempt to be critical, but an attempt to recognize, if you are going to come forward with a proposal that does something like that, we must understand what the history was and why we are where we are. Just to correct politely, your comment; "It was the lack of anything being done in 1997 that put us where we were."

DR. GWALTNEY:

I have been the primary spokesman for the State Board of Education on this topic. I take responsibility if I have, in any way, conveyed to this body that I believe we should return to the old days. That is not my position and I do not think it is the position of my colleagues on the State Board. I believe my colleagues to be open to the discussion of what is best for young people in this State.

There are approximately 400,000 students in Nevada. We can work together to establish a system that will do as good a job as we can possibly do. Let me repeat to you, after better than a year's work at looking at the data associated with governance structure, I have personally come to the conclusion that no single governance structure has any analytical data to support that it is any better than any other governance structure.

What is true, to the best of my knowledge, is that structure which is designed by people in that system, with input of the people in that system, works better than any other procedure. I would caution you not to try to chase after a system that works better than any other, because I do not think that exists. I have been at this now for better than three years. A process we build together

will produce the best answer. If I led you to believe the State Board of Education wants to return to the "good old days," no, that is not what I think they have suggested to you.

ANTHONY RUGGIERO (Member, State Board of Education):

My senior board member, Dr. Gwaltney, spoke on behalf of the Board. I am here to provide the Committee my personal experience as a newly-elected Board member and to let you know where I foresee the future of the Board.

I have done nothing in my first three months but try to reach out to Legislators and the Governor. I try to be available in any way possible to address any concerns those individuals may have. I do not take this elected position lightly. This is the first time I have run for office and the first time I have appeared before a Senate Committee.

As a newly-elected official, I feel I am accountable, responsible, and have a duty to the people, 25,500 individuals in Clark County District 2, for the State Board of Education. I want you to know I take it seriously every day. Although you will maintain an elected board, it will act in an advisory capacity.

Section 17 of S.B. 540 specifies the superintendent, appointed by the Governor, oversees all the activities of the State Board. If the Board does something the superintendent does not approve of, you are creating a Board on paper only by this legislation.

We, on the Board, take our duties seriously. The Board is representative of Nevada. There are ten districts with individuals who have campaigned for their office and they are the ones who currently make the decision on the superintendent of public instruction position. You have a superintendent who is representative of the people of the State of Nevada. It is not news that Nevada is the melting pot of the United States. Unless a representative Board hires the superintendent for the NDE, the people of Nevada will not have a voice in the educational process.

I took the opportunity of going to Washington, D.C., last weekend as a Board representative to the U.S. Department of Education, Charter School Showcase. I was in awe of our country's history. When I visited the Lincoln Memorial, I felt compelled to pick up a book on Lincoln's greatest speeches. I would like to leave you with the last sentence of the *Gettysburg Address*.

It is rather for us to be here, dedicated to the great task remaining before us, that from these honored dead, we take increased devotion to that cause for which they gave the last full measure of devotion, that we here, highly resolve, that these dead shall not have died in vain, that this nation, under God, shall have a new birth of freedom and that government of the people, by the people, for the people, shall not perish from the earth.

It may sound corny, but I believe in those words, and I believe Dr. Gwaltney's comment that there should be some research into the governance structure of the Board. I do not believe it should be merely an advisory board.



CHAIR RAGGIO:

President Abraham Lincoln also said, "If you once forfeit the confidence of your fellow citizens, you can never again regain their respect and esteem." We need to be mindful that we have responsibilities. In the past there has been a loss of confidence in the system and we need to ensure something is done about it.

This bill is exempt so it is not affected by today's deadline. There will be another opportunity for input on this measure.

Senate Bill 545 is an exempt bill, and of necessity, we will reschedule a hearing on this bill.

**SENATE BILL 545**: Repeals the Commission on Educational Excellence and makes an appropriation to the Department of Education for certain educational programs and assistance for school districts. (BDR 34-1178)

This Committee is in recess at 10:43 a.m. until after the Senate Floor Session.

This Committee is reconvened at 12:01 p.m. I hereby open the hearing on Senate Joint Resolution (S.J.R.) 7.

**SENATE JOINT RESOLUTION 7**: Proposes to amend the Nevada Constitution by adding the provisions of the Tax and Spending Control for Nevada initiative. (BDR C-1324)

SENATOR BEERS:

This is a well-publicized initiative born during the last campaign season. It is back again for introduction in the Legislative process. It would limit Nevada's spending to current levels increased for population growth and inflation. It generally comes down to a matter of personal philosophy.

CHAIR RAGGIO:

This is not an exempt measure.

JAN GILBERT (Progressive Leadership Alliance of Nevada):

There are people in the audience who would like to oppose this bill, but are sensitive to your time constraints. We oppose S.J.R. 7.

CHAIR RAGGIO:

We will take whatever time is necessary.

MR. STRUVE:

All of you were here two years ago when a similar measure was introduced. It was based on a proposal pending in the state of Colorado. I have provided a written statement ([Exhibit Z](#)) from the Religious Alliance In Nevada (RAIN) regarding the Tax and Spending Control (TASC) initiative. It builds on a study done by the Center on Budget and Policy Priorities. The RAIN Board has examined the document and, based upon what is stated in my written comments, they have voted to oppose S.J.R. 7. I am willing to answer any questions.

MS. VILARDO:

I wish I could be present in support of a TASC limitation. We could, if it were based upon policy statements relative to the *Nevada Constitution*. When the

provision was heard in 2005, we presented a series of amendments we thought would allow more Legislative discretion.

One problem is, when statutory provisions are placed in the *Nevada Constitution*, I can promise you unintended consequences will occur.

In section 2, page 2, is the people's right to vote. There is an issue in the wording. I will use the Nevada Department of Transportation (NDOT) as an example. The gas tax and federal funding received for road projects are bonded. We have not gone to a vote of the people because we were not increasing taxes. We were using an existing revenue stream including federal funds. Yet, under the provisions of S.J.R. 7, all future bond issues from the NDOT would require a vote of the people. That is cumbersome at best.

The minimum wage provision, passed by the voters and placed in the *Nevada Constitution*, is a poster child for unintended consequences. We have already seen issues arise from those provisions.

If S.J.R. 7 were enacted, it would be a similar situation, only multiplied exponentially. I would be happy to provide our analysis of TASC and the unintended consequences we saw because of the specificity of language. It is available on our Website at [www.Nevadataxpayers.org](http://www.Nevadataxpayers.org), under the "What's New" link.

MICHAEL R. ALASTUEY (Clark County):

I will not speak to any argument with respect to sufficiency of resources or provision of critical services or other arguments that might otherwise be heard in consideration of such a measure.

I will speak to the general policy approach. Those of you who have served a length of time will recall I worked on State budgets for a number of years. There has been a level of forethought and wisdom that was reflected in ending fund balances and the Fund to Stabilize the Operation of State Government (rainy-day fund).

This measure would place considerable restrictions on the level of unreserved, unappropriated ending fund balances than the Legislature might otherwise think is appropriate. Your balances and your ability to appropriate funds is sales-tax sensitive. We have seen how responsive and elastic those are with respect to changes in the economy. The same is true at the State and local level.

In years past, the Legislature either used the recommended zero-level of 10 percent, more or less, as a guideline or as is done currently, 5 percent within the General Fund plus a permitted balance within the rainy-day fund. This measure could call those prudent-level balances into serious question.

The ability exists for use of excess revenues, or those beyond the permitted the biennial spending level, in one-shot appropriations or Capital Improvement Programs (CIP) as an alternative to funding with increasing amounts of debt. This measure would place restrictions on the consideration of CIP projects within the Legislature and may require the ballot process. Other measures that might be deemed permissible and prudent may be subject to the ballot process as well.

It has been lamented in the Legislature many times that the CIP planning and execution process is lengthy. In the interim, between Legislative Sessions, State agencies will often develop a plan and request for CIP projects whether it is in the NSHE, mental health or other critical areas. Then, they must await consideration of the State Public Works Board (SPWB) to learn whether their project became a SPWB recommendation within the expected amount of revenue available. That is a long enough cycle. There are also the architectural planning and other phases that provide for a long and protracted cycle. It is especially true, if the Legislature finds insufficient revenue to fully fund projects. This measure would add to the prolonged cycle perhaps by creating an additional lag between the end of the Legislative Session in mid-year and the November ballot season.

Switching from the State to the local level, it strikes me, if I, as a resident in Clark County, were called upon as a citizen to vote on this measure, I would be voting on a structure imposing restrictions on citizens of Elko, Fallon, Pahrump, Wabuska, Yerington and other areas of the State. I believe those structures would be dismantled by a public vote, but initially, it would impose the views of urban counties on citizens of rural counties.

Proponents of this measure have suggested even more matters should be placed on the ballots. That is a judgment call. This measure would actually place restrictions on access to the people and to the voter on the ballot by virtue of certain requirements placed on a local or State governing board.

JOHN H. EMERSON (Committee on Children and Poverty of the California-Nevada Conference of the United Methodist Church):

I have provided a written statement of our position on S.J.R. 7 ([Exhibit AA](#)). We oppose this measure.

CHAIR RAGGIO:

I feel compelled to make some comments on this measure and indicate my position on it. This measure came before us previously. I did not support the measure at that time and, with high regard for my colleague, Senator Beers, let me indicate the reasons the Chair, personally, did not support the measure at that time.

First of all, I think those who have spoken in opposition have pretty well articulated the concerns. I do not support the need to have this placed into our State Constitution. It is not the prudent thing to do, because there will be circumstances, when it would prevent necessary action, even though a provision is in here for emergencies. I think it is too cumbersome and that it would create a barrier that would have serious unintended consequences.

The thrust of the bill, as it pertains to this State, is, of course, my main concern. But, there are collateral provisions, as I understand it in reading the bill. For example, the requirement that would bar, in any situation, unfunded mandates on cities and counties, is now in the law. But too often cities and counties come to us and ask for these things to be done. Then, we turn around and say, "We could, but it is an unfunded mandate." For example, creation of judgeships, things of that kind. I think we try to observe that. There are situations where compelling reasons exist where there

ought to be a shift to local governments on some of these costs, just from a fiscal equity standpoint. Putting it in the Constitution, where the Legislature would be barred from doing that under any and all circumstances, I think would be very imprudent.

We have a system right now of dealing with the Stabilization Fund, commonly known as the rainy-day fund, and that requires a declaration by the Governor or the Legislature that an emergency exists for the utilization of money from the Stabilization Fund. As I understand the resolution, if it were set into the Constitution, it would then require, not just a super majority, but a super-super majority, three-fourths of the Legislature, and not the Governor, to declare an emergency. That would be overly restrictive, would pose barriers where we need to act immediately and without a lot of cumbersome process to access that fund. You know, one of my colleagues always asks, "What's the problem, and what needs to be fixed?" I haven't, in my time here, had any experience where the access or the utilization of the rainy-day fund was unwarranted or that it wasn't used in a responsible manner. I would think that provision alone should not be put into the Constitution.

The rebate of additional excess revenues to taxpayers, which is in the bill, sounds good. I think, with all due respect, there is a lot of sound good language here. But putting it into the Constitution to require under any and all circumstances, a rebate of what is termed "excess revenues," would be a very imprudent requirement and that there are situations when that would be a serious problem. I can frankly tell you, I second-guessed my decision on the rebates that we made before, particularly now, since we are looking at some serious, very serious, infrastructure problems that result in this State, particularly in the growing areas of southern Nevada, as well as here in the county I represent. And those, you know, there was something like \$300 million returned in rebates which we all agreed under the crescendo of public opinion that was out there. Today, I think some of that would be very helpful, if available, in dealing with this infrastructure crisis that we have.

The main thrust of the resolution, however, if implanted into the Constitution, would limit the expenditures by the State, and now also local governments. But my particular concern is the restriction that would be in the Constitution limiting the State to the growth plus inflation. I have been kicking around in this Legislature quite a while, and in the 1979 Session of the Legislature, we enacted NRS 353.213. And that is the statutory expenditure cap which is exactly, almost word-for-word, the limitations that are imposed, or intended to be put into the Constitution. So, we have been operating under a statutory expenditure cap, which again is based on, as I recall, the base period was the biennium FY 1975-1977 and that is the base year which limited State expenditures to growth plus inflation. We have operated under that limitation for 30 years, 3 decades. We have not, as a Legislature, violated that provision. We have had that statutory cap in place, even in the year where we got chastised, I think unwarrantedly, for raising

taxes after a severe national crisis. We did not exceed the statutory expenditure cap at the State level.

Some say, "Well, it only applied to the Executive Branch." Well, that may be an interpretation, but as a practical matter and otherwise politically, it applies to both the Legislature and the Governor. So, I don't want to beat this to death, but I want to make the case as clearly as I can, that I don't see the need; it's never been abused in any way. Those who say we are overtaxing the people in our State, I would challenge that very, very much. I am looking at a computation from the Tax Foundation, a very well-recognized, certainly not a liberal group, Tax Foundation of America. They publish information that is very revealing about our tax structure and situation in the State of Nevada.

I keep getting e-mails and other comments from people who think they are seriously overtaxed in the State of Nevada. I would suggest they look around and see where else they would like to move to fare better. First of all, if a strict limitation on tax increases should occur, it ought to be based on the predicate that our existing level of expenditures is exactly right. That we are funding all the necessities of government and our constituencies at the appropriate level. I don't think we are in all cases.

When we look around, and maybe comparisons with other states is not the best way to look at something, but I can tell you, we are at the bottom of the list in the way we fund a lot of serious needs in our State. I think that is something. If we are going to impose something in the Constitution, we had better be damn sure that the level of funding for the needs, that those that are necessary and should be funded by government, are at the exact point they ought to be before we impose some kind of a serious limitation otherwise. So, all I'm saying is, if you put it in the Constitution, then you strip yourself of that capability to do it.

Just looking at the reference I made to the Tax Foundation, the State business-tax climate index for 2007 ranking the states as to best to last, on the State business-tax climate, Nevada ranks fourth, for the best of states. There are only three better according to ranking, and that is Wyoming, South Dakota and Alaska. If you run a business, and you want to find a place to go that has a better business-type climate than here, you need to go to those three states where you can freeze your butt, or stay here where we have a pretty good business climate.

In addition, we don't have a personal-income tax in this State. And, when you compute the overall tax burden on our citizens in this State, you know, a big portion of it is, a very large portion of our General Fund revenues are gaming taxes which are paid largely by tourists, as well as room tax. When you strip those out, without a personal-income tax, let me tell you, the citizens of our State, by comparison to all other states, probably fare better than the taxpayers of all the other states.

Let me not take too much of your time but, in the property-tax index, you know we put a cap on of 3 percent on your personal residence bill, and 8 percent on businesses. We still rank 13th best in the country under the property-tax index for 2007.

The State growth debt per capita, which I think is extremely revealing, indicates that Nevada ranks 40th. There are 39 states where the debt per capita is higher than in the State of Nevada. Our debt per capita, if you compute it as \$1,546, and if you want to go to Alaska, or some of these other places, you are going up to \$8,000 debt per capita. The State spending per capita which I know is of great concern to people, how much we are spending per capita, Nevada is 48th in rank. That is, all the other states but two are spending more per capita than the State of Nevada.

So, before we rush to put some control into the State Constitution, my feeling is that we have fared very well. We have been prudent in this Legislature. I've had the privilege of serving on the Finance Committee, working on budgets since that time going back. I can say we have been prudent. We have to make compromises, often with the other House, maybe to some degree more than we would like. But overall, again, we have not exceeded the statutory expenditure cap for three decades. And for that reason, although I have high respect for my colleague and for the intent and purpose of this, I would vote no on the resolution.

That is my short explanation.

SENATOR TITUS:  
I appreciate your comments.

SENATOR BEERS:  
The Tax Foundation is an interesting group. We have done a superb job of auspicating our taxation polices here in Nevada by utilizing things the Foundation does not look at such as the payroll tax, the insurance-premium tax, the motor vehicle government-services tax. Those are all among the highest in the nation in their categories. The Tax Foundation simply doesn't look at them.

Other statistics the Tax Foundation has produced include local government spending per capita, where Nevada is in the middle of all the states. In both the local and state combination, Nevada is not trailing all the rest of the states.

I would also add, the matter does come down to a matter of philosophy and is probably bigger than Nevada. This is a Tax Foundation study released just nine days ago. It says, "The state and local tax burdens in America have hit a 25-year high. Eleven percent of the nation's income is consumed in state and local taxes." It is bigger than just Nevada. When you add in federal taxes by the Tax Foundation's calculations, state, local and federal, tax burdens in, Nevada is one of the top five states in the weight of that tax burden.

Those are some of the reasons why there were a lot of people who don't believe this is a danger for our state. Why we have not crossed the tax cap, put in place 25 years ago, is because we are busily working, actively reworking, what is a capital expenditure in this very Legislative Session to ensure we don't break it. That law exempts a number of types of specific spending without defining them well. We are actively re-categorizing our spending above the cap so that it is legal vis-à-vis that law.

Again, like I said when I introduced this, this is a matter of personal belief about what is proper burden of government and whether or not people want us to react to new priorities by increasing taxes; or whether or not people want us to react to new priorities by prioritizing spending. We have not done much in the way of prioritizing our spending. Our entire (Senate) Finance and (Assembly) Ways and Means process is broken up by broad category in such a manner that we never have the discussion about the overall level of spending in this category or that broad category or another broad category. The people who like this idea generally, tend not to be elected. That does not mean their opinion is any less valid.

SENATOR COFFIN:

I would like to associate myself with the Chair's remarks except for one item. I did not vote for the \$300 million rebate to the taxpayers in 2005.

I want to approach this measure from a different position. The beauty of the Legislature is that matters are discussed and decisions arrived at, and yet we remain friends. That is how it functions best. We fight wholeheartedly for our beliefs. We do not have to give them up because we lose a vote.

It is my impression this measure will be placed before the public again. I would plead with my colleague not to do that again for the following reasons. The founding fathers of our country had a feeling this country should be a republic and not a democracy. A republic meant we had representatives chosen in the states and localities to represent the will of the people. If it was felt they were unresponsive, they could be replaced. The Senate was created with a longer term of office so that if there was a rash action by the House of Representatives, it could be countered.

Now, 200 plus-years later, I do not think they contemplated how measures would come before a vote of the people. The ballot and initiative fever began in California approximately 100 years ago. California typically sets records in the length of its ballots and the number of initiatives presented. It all becomes confusing to the voters. Why are we elected, if not to try to understand the issues? Why can the Legislative body be trusted to do the will of the people?

In only the most desperate of circumstances should matters be taken to the ballot for obvious reasons. The general public is informed as to the unintended consequences of their potential actions. Citizens of Nevada are both victors and victims. We are victors because in a fast-growing State things prosper, and victims because we cannot provide for the population transfer from other states to Nevada.

Clark County is facing major transportation issues. Washoe County has a school-funding problem.

I was a proponent, several years ago, of this kind of document. I was sure I had found the panacea to the TASC issues. I introduced a bill on the subject. It was a statutory change, not a Constitutional change. I am thankful my bill failed. To this day, I have not supported something that would cause the voters of this State to make changes that can be addressed in statutes. I will oppose this measure.

(Also submitted, but not spoken to, was a document from the American Association of Retired Persons, Nevada ([Exhibit BB](#))).

SENATOR BEERS MOVED TO DO PASS S.J.R. 7.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION FAILED. (SENATORS BEERS AND CEGAVSKE VOTED AYE. SENATORS MATHEWS, TITUS, RHOADS, COFFIN AND RAGGIO VOTED NAY.)

\* \* \* \* \*

MR. GHIGGERI:

There is one other piece of legislation not exempt in this Committee. Senate Bill 370 was heard on April 7, 2007.

**SENATE BILL 370**: Revises the eligibility requirements for a Governor Guinn Millennium Scholarship for students who have completed a certain number of credits. (BDR 34-301)

CHAIR RAGGIO:

When we heard this measure on April 7, it was noted certain fields of study were required for continuation of the Millennium Scholarship Program.

SENATOR CEGAVSKE:

Senate Bill 52, my bill, has been amended by the Senate Committee on Human Resources and Education to include Senator Townsend's bill, S.B. 370, into that bill.

**SENATE BILL 52**: Creates the Governor Guinn Millennium Teaching Scholarship Program and amends provisions relating to the Governor Guinn Millennium Scholarship Program. (BDR 34-43)



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CHAIR RAGGIO:  
Then there is no need to process S.B. 370. Seeing no further business before the Committee, we are adjourned at 12:42 p.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Cynthia Clampitt,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator William J. Raggio, Chair

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