

**MINUTES OF THE
SENATE COMMITTEE ON HUMAN RESOURCES AND EDUCATION**

**Seventy-fourth Session
March 7, 2007**

The Senate Committee on Human Resources and Education was called to order by Chair Maurice E. Washington at 1:42 p.m. on Wednesday, March 7, 2007, in Room 2135 of the Legislative Building, Carson City, 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 Maurice E. Washington, Chair
Senator Barbara K. Cegavske, Vice Chair
Senator Dennis Nolan
Senator Joseph J. Heck
Senator Valerie Wiener
Senator Steven A. Horsford
Senator Joyce Woodhouse

GUEST LEGISLATORS PRESENT:

Senator Bob Beers, Clark County Senatorial District No. 6

STAFF MEMBERS PRESENT:

Marsheilah D. Lyons, Committee Policy Analyst
Joe McCoy, Committee Policy Analyst
Sara Partida, Committee Counsel
Shauna Kirk, Committee Secretary

OTHERS PRESENT:

Daniel J. Klaich, Executive Vice Chancellor and Chief Operating Officer, System Administration Office, Nevada System of Higher Education
Keith W. Rheault, Ph.D., Superintendent of Public Instruction, Department of Education
James Richardson, Nevada Faculty Alliance
David K. Schumann, Vice Chairman, Nevada Committee for Full Statehood

Senate Committee on Human Resources and Education
March 7, 2007
Page 2

Marcia Turner, Interim Vice Chancellor and Chief Operating Officer, Health Sciences System, University of Nevada
John A. McDonald, M.D., Ph.D., Vice President of Health Sciences and Dean, School of Medicine, University of Nevada
Gregory W. Hart, Principal-In-Charge, Health Care Group, LarsonAllen

CHAIR WASHINGTON:

I will open the meeting with Senate Bill (S.B.) 109 which is Senator Beer's bill. Before we do that, I have a couple of bill draft request (BDR) introductions. The first one is BDR 34-416. This request came from the Legislative Committee on Education. The chair will entertain a motion.

BILL DRAFT REQUEST 34-416: Creates P-16 Advisory Council. (Later introduced as **Senate Bill 239**.)

SENATOR HECK MOVED TO INTRODUCE BDR 34-416.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR WIENER WAS ABSENT FOR THE VOTE.)

* * * * *

CHAIR WASHINGTON:

The second is BDR 34-112. This is requested by the Senate Committee on Human Resources and Education. I understand there will be amendments offered when we set the hearing for this bill. Those who have amendments please bring them to my office, and we will make sure that we present those amendments at the hearing.

BILL DRAFT REQUEST 34-112: Provides for a program of empowerment schools. (Later introduced as **Senate Bill 238**.)

SENATOR CEGAVSKE MOVED TO INTRODUCE BDR 34-112.

SENATOR NOLAN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR WIENER WAS ABSENT FOR THE VOTE.)

* * * * *

CHAIR WASHINGTON:

We will continue with Senate Bill 109.

SENATE BILL 109: Revises provisions governing eligibility for receipt of a millennium scholarship. (BDR 34-472)

SENATOR BOB BEERS (Clark County Senatorial District No. 6):

Senate Bill 109 seeks to change the eligibility requirements for the millennium scholarship. If we pass S.B. 109 the way it is currently written, there will be a change in the number of students eligible for the millennium scholarship. That is not the intention of the bill. Senate Bill 109 seeks to make this change without impact to the scope of the program. I am concerned about the impact the scholarship program has inadvertently had on our high schools in Nevada. We see the symptoms in the news and the reports from our Legislative Counsel Bureau's analysts. The percentage of incoming students from Nevada high schools into Nevada colleges that require remedial education is growing. The percentage of our high school seniors that graduate with a B average or better is growing. Our reaction has been to raise the grade point average (GPA) to 3.1 or 3.2. We may see the percentage of high school graduates with a 3.1 or 3.2 GPA increase. If you are a teacher, it is human nature to seek the best for your student. Teachers do not just teach. They also coach. They want them to succeed. The outcome of the millennium scholarship has resulted in an unconscious grade inflation taking place in high schools. I am seeking a remedy to eliminate that impact in high school.

Today the counselor has to inform an eighth grader that they have to receive 22.5 credits in order to get their diploma. If they do so with a 3.1 GPA, they

may receive a free scholarship to college. Each one of these classes comes in easy, medium and hard. Which one would you like? I am seeking to eliminate the need to make that choice from our students' educational experience. As written, S.B. 109 would replace the GPA requirement for eligibility with an ACT (formerly the American College Testing) score or a SAT (formerly the Scholastic Aptitude Test) score requirement. After I requested this bill, I spent an hour with the University of Nevada, Reno's (UNR) President, Dr. Glick. He said the ACT or SAT is not any better an indicator of collegiate success than the GPA. The indicator of collegiate success is class standing. Senate Bill 109 should be amended to require the student to be in the top two-thirds of their class at graduation to get a millennium scholarship. I do not know where that line should be. We would need to have staff research where the line should be set with the GPA approach. That is a sensible solution. It also addresses some of the difficulties you are going to hear about from Mr. Klaich who was kind enough to send me, in advance, his problems with S.B. 109. He notes many high school students are not required to take the ACT or SAT exam. Going to a class-standing approach would resolve that difficulty completely. Statewide averages would create a moving target in an environment where teachers are pulling for students enough to give them an edge. The ACT and SAT carry costs. Class standing would be a free indicator. He also notes that you can take an ACT or SAT many times, and that creates the opportunity for fluctuation in your scores. The bill does not address whether we should use an average or highest or the lowest. Again, class standing eliminates those problems. It returns a sense of competition with oneself that has been diminished by telling students all they need is a 3.0 GPA in order to get a scholarship regardless of the difficulty level of classes they select.

SENATOR CEGAVSKE:

One of my sons took those tests multiple times. The other son took it one time.

SENATOR BEERS:

If we move away from the ACT or SAT and go to a class-standing approach, then you have to graduate in the top whatever percentage of your class and no longer have to take the ACT or SAT.

SENATOR CEGAVSKE:

I have heard more states talking about thinking the ACT or SAT are not measuring the students for their knowledge. There has been a lot of talk nationally about what to do with the ACT and SAT. I have not heard about how

the University feels about it. I have heard from teachers, administrators and people in higher education who have made negative comments about the ACT or SAT. It is something we should look into. Do you have an amendment?

SENATOR BEERS:

If the Committee thought it made sense, the amendment would base the eligibility on class-standing. I do not know where it falls today, but it would be defined as a class-standing requirement. This gives the students the opportunity to take more challenging courses because they will not be penalized.

SENATOR CEGAVSKE:

Is that in lieu of ACT or SAT?

SENATOR BEERS:

Another alternative would be the high school proficiency exam with a set combined score on the exams of their best efforts. The point is that we need to move away from the current subjective measure of eligibility and get an objective measure. Then our students will regain the sense of wanting to learn more.

SENATOR CEGAVSKE:

On page 2, lines 26 through 28 would be deleted. Is that correct?

SENATOR BEERS:

Yes, and replaced with whatever the Committee believes is best.

SENATOR CEGAVSKE:

Is the class-standing requirement the language you would replace?

SENATOR BEERS:

There would have to be a definition of class standing and determine where we want to set the mark.

SENATOR HECK:

Is there some objective study that is available showing class standing does have some correlation?

SENATOR BEERS:

That is a good question, and I do not know the answer.

SENATOR HECK:

Before we would make a recommendation to go with it, we should make sure there is some correlation that has been documented.

SENATOR NOLAN:

I agree with Senator Beers' comments recognizing those students who attempt to take honor classes. We have bright students that we would like to see excel in those honor classes but not if it brings their GPA down. Are you familiar with any follow-up study on the millennium recipients over the last three to five years regarding what percentage of those students have utilized the entire scholarship and received their degree? What were their GPAs when they came in? I am wondering if any outcome studies have been done.

SENATOR BEERS:

I have looked at the budgetary side. We are seeing some signs that, after seven years, we are taking in as many students as are leaving out the back end. There may be some information to be inferred there.

SENATOR NOLAN:

If Mr. Klaich or Dr. Glick have any additional information on whether we are tracking the recipients and their success, it would be interesting.

CHAIR WASHINGTON:

We have revised the GPA requirement over past sessions. We are now at 3.5, and the Chancellor came out with his revision as well. The attempt was to keep the scholarship intact. It was bleeding out of one side, and we were unable to provide revenues to keep it going. If we went to either the ACT or the SAT or if we amended the bill to incorporate your amendment of class standings or the proficiency exam, what is that going to do for the scholarship?

SENATOR BEERS:

The millennium scholarship is a program that is bleeding badly, financially. It has been since it started. In the first year, we had just one class of students. We spent about one-third of the targeted tobacco funding to put them through their scholarships. We put the other two-thirds in the bank. The second year we had a doubling of the number of students and needed two-thirds of the revenue and put one-third in the bank. At that point, we had one-third of the revenue in the bank. The third year, with three classes, we took all of our income and one-third of our savings. The fourth year we took all of our income, and the other

two-thirds of our savings. We then had a program that was spending twice as much as it was taking in from the tobacco fund. We bailed it out last session with the one-time cash infusion of \$30 million which is currently projected to make it last for approximately 5 or 6 years.

CHAIR WASHINGTON:

Will the changes that you are proposing assist us in making sure the scholarship stays intact?

SENATOR BEERS:

It gives us a more controllable parameter for eligibility. What we have now, by increasing the GPA, is an increase in the average GPA school-wide. That is the point of what we have done. We have introduced subjective, unintended and unavoidable grade inflation because teachers want to promote the students they work with. I am not proposing that we make the program financially sound for fear that would jeopardize the passage of this concept by the two houses of the Legislature.

CHAIR WASHINGTON:

This legislation deals with policy, but the real impact is money. Can we continue to provide this millennium scholarship to the students whether they meet the GPA or meet this class standing? I do not know how you are going to measure the class standing. We can change the policy and we can change the statute but can we meet the financial obligation for the millennium scholarship? I know we put some money into it last session. We tried several sessions to set up a trust fund with failure, not from this side of the aisle, but from the other side of the aisle. I am not sure where we are with that proposal either.

SENATOR BEERS:

The bottom line is that we are exceeding the tobacco revenue that was initially going to be the sole source for funding. It is now a General Fund program.

CHAIR WASHINGTON:

I am not opposing the millennium scholarship. I am a beneficiary of it. The general public's concern is we are using tax dollars to support what initially should have been funded by tobacco money. If we are going to change the policy, are we just going to put a Band-Aid on it and leave it to future Legislators to work out?

SENATOR BEERS:

I am ready to deal with it.

DANIEL KLAICH (Executive Vice Chancellor and Chief Operating Officer, System Administration Office, Nevada System of Higher Education):

Senator Beers has testified eloquently as to the comments of the university system regarding what the bill has introduced. We are keenly aware of the financial aspect and understanding and dealing with the financial aspect of the millennium scholarship is critical to this Legislature. We also would like to tell you how important this scholarship is to the Nevada System of Higher Education. I can find no fault with the testimony of Senator Beers trying to find the criterion for success that will bring students from our high schools to our institution of higher education, get them degrees and get them out into the job market here in Nevada. I have concerns regarding utilizing it. I have heard Senator Cegavske testify several times about her children's experience. I have had two great standardized test takers, and I have had two really bad standardized test takers. All four are smart students who graduated on time from college. All of them have jobs in Nevada. Two of them could not hit a standardized test with both hands. I have real concerns about that for personal reasons and for other reasons that may be more persuasive to you than what happened in my family. Senator Beers talked about that concern in his testimony. We are prepared to work with staff in defining the criteria. I do not want to penalize students for wanting to take advance placement classes. I do not want a student who took advanced algebra or advanced English and received a B to be penalized because he or she chose a higher course of study. I am also not here to push you down the path of saying that this is too hard, and we cannot do it.

CHAIR WASHINGTON:

We are putting the cart before the horse. We have to work on both fronts. There has to be some sustainability within the program as far as funding. Once you set the standard for determining eligibility, it should stay there. I am hearing young people saying that the GPA was 3.0, now it is 3.5, it was 2.0, etc. It is a moving target. You enter high school as a freshman with a 2.0, have the hopes of obtaining a millennium scholarship, but before you finish high school the standard is a 4.0 and you have to make some adjustments in your high school career to obtain that GPA. As Legislators, policy makers and university systems, we have to tackle this on two fronts to make sure the program is sustainable on

whatever revenues. We have to make sure that the requirements to obtain that scholarship are not a moving target.

MR. KLAICH:

We have tried to change our requirements a full cohort of students ahead of time. If I am going to change the requirements for Senator Beers who is a freshman in 2007 to receive the millennium scholarship, I am not going to make those effective until the Class of 2011. There is a real element of fundamental fairness, because you are putting everyone on notice of what the requirements are and what they will be. You have the students on the way in, and that is the way it will be on the way out. The reality is, as you pointed out, this is a policy question and a financial question. Those do not always meet in the middle. It is important to the System of Higher Education, and to everyone, that we provide for the long-term viability and solvency of the millennium scholarship. We will have to make some tough decisions together to do it. I could not be supportive of a program that provided too many scholarships for a few students, for a few years, to the detriment of generations of students to come.

CHAIR WASHINGTON:

This is one of the issues on which we have to find a balance on both the revenue and the policy end. Another important issue is the target will be moving for the children in middle school or exiting elementary school. I am not saying this is not a good bill, but we need to look at the revenue.

SENATOR BEERS

The program is far from balanced. Another alternative is to contemplate what objective measure the qualification is as to the high school proficiency test. That eliminates the financial issue. You can make a policy decision that it be the highest score you achieve and set it at some point above what is required to graduate from high school.

SENATOR CEGAVSKE:

This brings back a lot of the debate that we had when this was created. One of the things that we warned against was if we do not have structure in place, if we do not say it is supposed to be this or that, we are going to end up like we have. We promised our constituents and the State that this would not have any General Funds. We broke that promise, and we did not have any structure. We have changed this several times, and it is confusing. We need to set the parameters and make the decision of whether this is general funding or not.

That is critical. We made a promise and we have already broken the promise. If we keep moving the target, we are not being fair to the students. Another proposal was to make it so that people can put money into it. We need to get this solved. It is a scholarship. I do not know how many other states provide something like we have provided. It is important for us to get this set and go by the guidelines. We cannot keep using General Funds.

MR. KLAICH:

I think you are being too tough on yourself. You are talking about a promise and a broken promise. You need to keep in mind part of that promise you made to Nevadans was to help their sons and daughters attend institutions of higher education. You have met that promise. We may disagree on that, but the piece of legislation that created the millennium scholarship and the effectuation of this scholarship over the years represents a tremendous promise kept to Nevadans in making these institutions accessible to their children. It was not perfect the first time around. I do not know of a lot of legislation that is perfect the first time. Does it need to be fixed? Maybe it does. Are we here prepared to work with you to add the type of structure you are indicating and to prepare for solvency? I am. I know this is not going to be simple. In my opinion, this has been one of the greatest programs this Legislature has done for the System of Higher Education and thousands of students in Nevada.

CHAIR WASHINGTON:

Many students have benefited from the millennium scholarship. The State as a whole has benefited from scholarships, and the dismantling of the scholarship would be a travesty. As responsible Legislators and committed policy makers and those who work within the University System, we have to find a standard and make it solvent so it can continue to benefit students for years to come.

MR. KLAICH:

I absolutely agree with that statement. I agree with where Senator Beers started. Let us help students be successful. Let us find that structure. Let us make this solvent.

SENATOR BEERS:

My goal is to eliminate students selecting less-ambitious classes than they are capable of as a road to success. That is counterproductive, and that is what we have in place.

CHAIR WASHINGTON:

We are in agreement with that.

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

I signed up in opposition to S.B. 109, and I will be up-front, I have not met with Senator Beers to give him my concerns. Knowing he is open to an amendment and some other source, my concerns are not quite as strong. My concerns were with the statewide average. It was mentioned that it is a moving target. It does vary from year to year so you would have a different standard with each graduating class. In Nevada, more students take the SAT than the ACT. You are all aware, the more students that take it, the lower the State average. I would not want to tell a student to take the SAT because it is a lower criterion than the ACT. We usually do not get the State's results until late August or early September. We would always be a year behind, because they would have to know the results when classes start in August. It was not clear in the bill whether a student took the test as a junior, and does that score follow the year they took it, or would it be their graduating class. I have a lot of concerns with using a statewide average. When you look at the term "statewide average," it defines a state average as 50 percent or above, and 50 percent below. What we are saying is 50 percent of the students could qualify for the millennium. Using the statewide average is not the way to go. I would rather you tell a student in the ninth grade they need 21.2 on ACT or 1080 on SAT so it is not a moving target.

CHAIR WASHINGTON:

Senator Beers, there is merit to your bill, and your concept is there. We are going to let Senator Cegavske, Senator Wiener and Senator Woodhouse work with Senator Beers in a subcommittee for a couple of weeks.

SENATOR BEERS:

Would you be willing to let your staff find out the statistics on the program? You may have that already.

CHAIR WASHINGTON:

Yes. We will ask staff to retrieve the statistics on the program, and we will ask Mr. Klaich if he would be accessible to help the members on the Committee.

MR. KLAICH:

Do you mean what percentage of our graduates wins millennium scholarships and that kind of thing?

CHAIR WASHINGTON:

Yes, as well as how many actually received the scholarship, and how many that were part of the millennium scholarship actually received a diploma.

JAMES RICHARDSON (Nevada Faculty Alliance):

We have testified in favor of the millennium scholarship program in every session and would like to participate in the subcommittee. I think that we can solve this problem if we work together.

CHAIR WASHINGTON:

That would be fine.

DAVID SCHUMANN (Vice Chairman, Nevada Committee for Full Statehood):

I support this bill. Because the ACT and the SAT scores get us in an objective standard, you could say that the top 30 percent or 40 percent are eligible or put that into some sense of the kind of money you want to gather to do this. It gives prestige to the student to be elevated.

CHAIR WASHINGTON:

We will close the hearing on S.B. 109. We will continue with a presentation that was offered by the University of Nevada, Las Vegas, Health Sciences System.

MR. KLAICH:

We are here to answer your questions. Marcia Turner has some materials with respect to partnerships.

CHAIR WASHINGTON:

We are looking for some answers to questions that were posed the last time we met, such as, what the structure, governance, implementation and budgeting will look like. Who is going to be in charge, etc.? I will let Senator Heck ask some of the questions he had.

SENATOR HECK:

Throughout the Education Commission of the States there have been a lot of discussions on what piece of the pie is going to fit where, and who has jurisdiction over what. Everybody would agree that nothing is going to move physically from one school to another. There was concern about who is the ultimate decision maker. I want to know who is going to have day-to-day control over these schools. Where does the buck stop? Is it going to be with the new Executive Vice Chancellor for the Health Sciences who will tell the university presidents that this is where we are going, or is it a collaborative process that keeps us from moving forward?

MR. KLAICH:

The model for the Executive Vice Chancellor who will be the Chief Executive Officer (CEO) for the Health Sciences Systems is, of necessity, going to be a collaborative model. We are not prepared to recommend to the Board of Regents, and through them, in a budgetary way, to the Legislature that we create what might be thought of as a health sciences university with a separate model of governance. It might look like the Oregon system that incorporated programs into it. That will be a detriment to each of the individual institutions of the system. We have the individual institution and some of the primary schools within those institutions that will make up the health sciences model, such as schools of medicine, the dental school and schools of nursing. Ms. Turner has done as good as a job as we can do of indicating how that is going to work. We need our systems to speak to each other, to collaborate with each other and to arrange curricula with each other for the benefit of students, to get them in and get them through. The buck should stop with the Chancellor of the System of Higher Education. We are going to devise a system where the Executive Vice Chancellor, who is the CEO for Health Sciences, will collaborate closely with the academic deans and work closely with the presidents to ensure what kind of collaborative efforts are made. If there is an impasse, that person is going to have to govern by consensus. If there is an impasse, the Chancellor will step in and make a decision.

SENATOR HECK:

The concern I have is one of the reasons why we are where we are today in health care education. This body failed to fund the program appropriately. Through my research, we have found out that there has never been a request in the last 10 or 15 years that has come to this body. It constantly gets weeded out. It may be in the President of the University's budget, but as it works its

way through the chain, it gets weeded out. I do not want to hear, in the future, that it is the Legislature's fault you were not funded. I agree that you need to rule by consensus when you can. Eventually, you may have to rule by decree. Someone has to set the strategic vision, and it should be set by the CEO, and he is going to collaborate with his partners to achieve that vision. As you know, chancellors come and go.

MR. KLAICH:

I understand that. In the context of the Education Commission of the States, which we jointly served on, that was understood. We looked at that history, and we came to the conclusion, in that Commission, that health care must be a continuing priority for the people of the State of Nevada. We indicated to you the last time we were here that we were going to be talking about doctors and nurses. We were going to be talking to you about long-term strategies. The reason the School of Medicine was formed almost 40 years ago is not the reality that we face in 2007. Whether it was because we were slow to pick that up or whether we were caught in a huge population swing that pressed priorities elsewhere may not be known. The reality of where we are today and particularly the reality of the health care crisis that faces us throughout the State is obvious. We have to change the way we do business and be more productive.

MARCIA TURNER (Interim Vice Chancellor and Chief Operating Officer, Health Sciences System, University of Nevada):

As you said, there has not been a track record of requests directly from the School of Medicine, because somewhere in the budgeting process, within Reno or within the system, it did not make its way. This Session we have a significant budget request on behalf of the School of Medicine, on behalf of the seven nursing programs and on behalf of some of the other programs under the umbrella in a special part of the systems budget for health sciences. That is an example of how this new structure we have can help work across institutions and bring together a collaborative request on behalf of health care professional programs. One of the things we are doing that we have talked with you about is the inventory chart. We are also doing an assessment of the approximate 150 programs. What we had to do is immediately work on our budget request for this Session. We focused primarily on nurses and doctors. We are also trying to look at all of the other programs out there like the emergency medical technicians (EMT) programs, death studies and the whole spectrum of health care professional programs.

Greg Hart and his firm are helping us in meeting with all the program directors from the different schools so we can understand what programs are in existence, what is the nature of the program, and what are the short-, mid- and long-term plans in all of the individual programs. We want to have a consolidated approach to be a resource to them and have more coordinated and thoughtful requests for expansion. Whoever we have in the leadership role should have the authority to work with all the programs to nurture and nudge the coordination and collaboration. We meet every couple of months with a group of health sciences deans from across the institutions. They are positive about this and want to work together. From a structural standpoint, there are some opportunities to set the strategic vision. Will each of the different programs have their own unique spin on things? Absolutely. The example of our health sciences budget and the fact that the School of Medicine and University of Nevada, Reno (UNR) are not carrying that one piece of the budget that is in our bucket shows that from a State budget-request standpoint, the system, the Chancellor and the Regents are part of the system budget. As it relates to being able to address any issues or concerns about the system budget, the authority rests at that level.

CHAIR WASHINGTON:

I see two parts. We are laying the fabric for an infrastructure that we hope will grow with the State and meet the needs of ongoing health care within the State. The first is trying to reorganize the School of Medicine and any ancillary satellites so that they can collaborate and communicate better than we have been. The second is the budgetary request for space. You have \$110 million for the Capital Improvement Plan. You have \$47 million in private contributions, and you have \$20 million for the school of nursing which is not only for space but also for faculty. Am I correct so far?

MR. KLAICH:

That is close enough, and the workforce is the need. There is a step before the workforce which is the needs of the people of the State of Nevada. That is where we started in August 2005. We started with a needs assessment of where we saw shortcomings to the people of the State of Nevada that just could not get health care service. We took that needs assessment and held it up against the template of the School of Medicine. We were not impressed with what we saw; not with the School of Medicine and not with the quality of the School of Medicine but with the completeness of the School of Medicine. We were distressed with what we saw in graduate medical education. By the time

these residents get to that point, they are finding spouses, having children and their children are going to school here. About 70 percent of the students stay here. We saw tremendous gaps in our residency programs, particularly compared to sister institutions in surrounding states. We assessed the needs, matched those against the program offerings in the School of Medicine and realized that we had to expand our graduate medical education programs. We assessed what those programs were and asked ourselves how we can do that. We do that by creating a more solid, complete core of faculty at our School of Medicine. We have to do it by cooperating and collaborating with our community-physician partners. We cannot do this by ourselves. We cannot do it with full-time faculty and without the participation of the community doctors that we have relied on.

That is where our program started. About that time, we bumped into your Committee last summer. We realized that we had been focusing intently on the needs that could be met by the School of Medicine, and we had not fully addressed other critical needs like nursing. At your request, direction and assistance, we worked hard over a short period of time to bring a proposal for increasing nursing enrollment in the State of Nevada. Senator Heck asked excellent questions last time we were here. We know the plan we gave you was not perfect. We are working on the answers to your questions and refining that plan as we move into this Session. The third step of that is that you cannot train doctors over here and nurses over there. Dr. McDonald and Ms. Turner took the lead and said we need to coordinate the education of our nurses and doctors so there is a foundation of mutual respect and collaboration in treating the health care needs of this State, and those programs were merged together. That is where we were around April or May of last year. What happened since then is the longer-term plan to which you were just referring. If we can plan this way for medical and nursing education within the system, which we were successful in doing, what else can we do? What else can we do with other schools such as schools of public health and with the other health-related disciplines? When I talk about doctors and nurses, I do that in a chronological sense of where we started. Then it moved into a collaborative mode, and then that collaborative mode was expanded to the type of other disciplines that Ms. Turner talked about.

SENATOR HECK:

This will be an area of continued conversations as we see the process develop. The second major issue is the involvement of the private partners that are

available. With our limited resources, we do not want to be duplicative. We want to leverage those entities that have already shown success in certain areas. I am curious as to what has been achieved in that regard.

MR. KLAICH:

I would like to tell you about something that happened this week. We got together at UNR with Dean McDonald, some members of this Legislature, representatives of the Whittemore Peterson Institute, and the Nevada Cancer Institute to break ground on a structure that you made possible last Session. That was a great day. Dr. Glick talked about partnerships. He indicated to those present that partnerships are really pretty troublesome. They are annoying; they make things difficult; they muck up the process. We do it because it is worth it, and because we have to do it. We cannot meet the needs in the Nevada System of Higher Education alone. When you are working to fund associations and institutions, it is our obligation as your public school of medicine to do everything we can to work in partnership. We spent the better part of two years working out partnership agreements with Whittemore and others. It was not easy, and it was not always pleasant. The result was worth it, and it will be worth it with the State of Nevada. We buy into the idea of partnerships 100 percent. I hope that Dean McDonald and Vice Chancellor Turner can talk more about the detail of that to convince you my rhetoric is not empty.

CHAIR WASHINGTON:

Let me add to Senator Heck's question. In your development of a workforce, there are critical needs to be met. One was the nursing, technicians and doctors versus primary-care doctors and meeting that need throughout the State. As we look at these public and private partnerships, we have Touro University-Nevada that is producing 53 graduates versus the School of Medicine that only produced 57 over the last several years. We do not want to be duplicating, and we want to maximize the taxpayer's dollars so that we get the most for our money. We want to incorporate not only institutions, but hospitals and increase fellowships, and residency, and get the cap lifted off of our Graduate Medical Education (GME) programs. It is going to take some collaboration with those public and private entities.

JOHN McDONALD, M.D., PH.D. (Vice President of Health Sciences and Dean, School of Medicine, University of Nevada):

Let me go back to your first question. I come at this with a different perspective. In the organizational chart you have, I represent a box that is

hidden in that massive chart. We understand we are a State institution. We are State assisted in our salaries and in our programs. We are totally responsive to the needs of the State. That is why we exist. We exist to help the State. We always begin with an environmental assessment of where we are today; where do we want to be; and what do we have to do to get there? For example, the only workforce that seems to not be underrepresented in Nevada is the physician workforce in oncology. We have not emphasized oncology in our programs. Oncology has not been a major goal. We have the Nevada Cancer Institute, and we partner with them. We are starting a residency rotation and actively planning a fellowship program in the next year. In the CEO position, which is fraught with all sorts of issues due to the existing structure, there are only a couple of things that a CEO has to do. They have to be able to make decisions and commit funds. They can do that directly or indirectly. I would welcome having someone who can help set the overall direction and guidance for health education in this State. This was not a hot topic at the last Session. We did not talk about the overall health care of the State. We have focused on health care as a core part of the mission of the Nevada System of Higher Education with its partners. That has not happened before or been accepted by the Nevada System of Higher Education as part of the fiduciary responsibility. We train nurses and doctors, but no one ever said to us that we are not stepping up and meeting the needs of the State. I am saying, as a dean, I would welcome this structure to provide overall guidance. As a dean of a medical school, I am going to fight for every penny in the entire system of the higher-education budget. We agree that there are major issues to be fixed; we all are willing to work collaboratively to make sure that we take every dollar we get and spend it wisely and integrate the use of those funds.

SENATOR HECK:

I appreciate your comments. If the Legislature decides to give a significant amount of capital that has been requested in this new endeavor, we do not want to see the past practices come back and haunt us.

SENATOR HORSFORD:

I want to echo Senator Heck's comments. We make a lot of promises when the momentum is there and everyone is in agreement. How will this structure ensure that the momentum is maintained? The request this year is significant. In future years, the request may be just as significant, but the priority of the Health Sciences System may not be a future Legislature's priority. How will these units continue to work in that collaborative nature if there are even

smaller amounts of resources to compete for? How do the priorities within all of these structures get decided? Who makes the decision to say yes or no to requests?

MS. TURNER:

It is a great question. It helps us to explain why a systems approach is really important. An example is the nursing programs. What if all seven nursing programs came up individually to ask for money because they think their programs should expand? With the blessing of all the presidents and working directly with all the nursing directors, we were able to bring everybody together and convene them to have the discussion. We hope we can serve on a systems level as a coordinating entity to have a coordinated request and a thoughtful expansion plan. It helps that we have a coordinating lobbying team with which Mr. Klaich coordinates the message of the system. The priorities are blessed by the Regents. We are doing the inventory and the assessment. This Session we have focused on a handful of items, but we are now talking with other schools to find out where they are. The Health Sciences System level will continue to do environmental assessments and find out if our programs are meeting the needs of our students. Are there programs that we do not offer that the health care community needs us to offer? Are we doing a good enough job? Hopefully, this structure can help us be able to do those assessments. We need to make sure we are working efficiently and effectively.

MR. KLAICH:

I only get one chance to break my promise to you. After that, I expect you to quit listening to me. I respect Senator Cegavske's promise to constituents. Your questions to us are the kinds of questions that you will audit in two years when we are back here. There are price tags on these things, and you are in the unenviable position of hearing people, with good intentions, talk to you about the serious needs of the people of the State of Nevada. You have to look at the funds that are available and make difficult decisions. When those decisions are made, we are not going to be fully satisfied or funded. You will leave Carson City not having funded important programs. We will respect the decisions that you make. We will do our best and take the funds that you are able to give us and maximize them in partnerships. There are things that we can do, and we have to commit to you that we will do them regardless of funding. If there are inefficiencies in our system, we have to be committed to finding and eliminating them. Some we can do without funding.

SENATOR CEGAVSKE:

You have talked about programs that are the best and the most effective, such as the registered nurse program. You have a community college that is putting out these courses. It is accredited. When I start looking for the bang for the buck, I look at these things to see if community colleges are affordable. People who cannot go to a university look for the community-college setting. I look at how much is it costing at the State college. All the resources the State college uses are the community college's. They are using the buildings and the faculty. I do not think you are looking at that when you talk about cost savings. I am trying to stress to you that we could have, in 2003, put a four-year nursing program in the community college. It would have been the best thing we could have done. The territory broke down that whole thing. When you have a good program that is working, why do we suddenly try and minimize that and put it in another location? The community-college setting is where the money is best spent; where it is most cost-effective for the students and where can we have the most graduates. I do not know if your changes are going to work. I do not know if we have time to wait. I cannot emphasize enough that you have to engage and you have to get on board with the other private sectors that are here and encourage more to come here. We need to look at more of the private sector coming in to help. We cannot keep going to the bank.

MS. TURNER:

I would like to go through some of the "University of Nevada Health Sciences System Developing Programs and Building Partnerships" presentation you have a copy of with regard to the partnership question and interaction with the other schools. ([Exhibit C.](#))

CHAIR WASHINGTON:

If we are going to support our university system as the catalyst for producing doctors that are going to meet the needs of the State of Nevada, we should allow you to administer funds to those institutions that are providing research and doctors. We would not be duplicating the same effort within the university systems but working with those private institutions, so we are not constantly session after session, having requests to appropriate funds for ongoing maintenance and operations but allowing whatever partnerships or collaborations that have been developed within those private sectors to work hand-in-hand with the university. The university can administer those funds to be used for ongoing research and professional development.

MR. KLAICH:

One thing we all spent a lot of time on was talking about a superstructure to assist in the policy making of health care goals for the State of Nevada. The intent was always the same, to look at taxpayers dollars. How can we try to make good policy decisions in the best way with limited dollars?

CHAIR WASHINGTON:

We are all accountable to the people, but we still appropriate funds to those private institutions to provide a necessary workforce or research. In my opinion, it is a lot easier to appropriate funds to an institution that we know is governed by the Board of Regents who answers to the Legislature that has to answer to the people. If the Lou Ruvo Alzheimer's Center says it wants \$10 million, we could say we are going to allocate so many dollars to our university system that has developed some partnerships and collaborations in whatever arenas necessary and allow you to administer the funds. We could then come back and ask how have you met the requests and what are the outcomes.

MR. KLAICH:

This School of Medicine underpins the health care of the people of the State of Nevada and the ones who need it most. We want to be a part of the solution that you draft.

CHAIR WASHINGTON:

We believe in the concept. If we are going to make this commitment, there is another commitment after that. In order to make that next commitment, we have to be assured that the governance, policy structure and the accounting are all in place. Then we can say that we now have something that is more than a health sciences system. We have something that is developing not only a workforce, but providing research and providing clinical services to those that need it. If we buy into this step, we also have to buy into the next step to make this work.

DR. McDONALD:

There is another piece of this we have not discussed but is embedded in the macro model that LarsonAllen helped us develop for the health sciences system. The real goal is to create an entity that would be largely self-supporting and largely self-perpetuating. We are trying to develop a system that is fiscally and financially responsible and is self-supporting.

MS. TURNER:

Again, I would like to click through a few of the slides on this presentation. There is some confusion over what the Health Sciences System is and how it relates to any other outside entity. Please turn to page 5 of [Exhibit C](#). This chart explains some of these partnerships.

SENATOR HECK:

I appreciate the concept there and the system will be a major spoke in the wheel surrounding the Academy of Health. The partnerships and collaborations involved with that are important. My colleague from Clark County, Senatorial District No. 8, and I are concerned about whether or not these programs are duplicative or necessary due to programs that are being provided in the private sector. The collaborations regarding areas of mutual interest like the GME and third-year student clinical rotations are important.

DR. McDONALD:

There is a cultural difference between a start-up institution with a small faculty and a large student body and an established medical school that has had variable success in that market. In addition to that, there are real and substantive differences in the educational models, in the regulatory requirements and in the accreditation requirements for medical doctor (M.D.) granting schools and doctor of osteopathy (D.O.) granting schools. There are also differences in the GME programs. We cannot put everyone in one basket. We have always said we would review Touro students for our fourth-year clinical electives. We have always said that we will accept any qualified candidate into our residency program. Where we have struggled is with the third-year required clinical rotation, the rotation that puts its stamp on the character of your medical-student products. When you go to see a doctor trained in the University of Nevada School of Medicine, they have been branded with the common experience they have with the clinical required rotations in surgery, internal medicine, psychiatry, etc. We try to train them to a high level.

There were two issues we were able to make progress toward yesterday. As we expand our ability for residency programs and our faculty so we can satisfy the requirements of the American Osteopathic Association and our accrediting agencies, we will allow Touro students to be part of our medical school education in the clinical tract, only if we can do that without hurting the quality of their students educational environmental or ours. We have had a series of meetings that Touro has been a part of about graduate medical education.

I think we have reached an agreement, philosophically, that because our residency programs are available to osteopathic physicians and M.D.s, it is the preferred residency program to have. If we have an osteopathic residency program, our graduates cannot apply. They are not qualified to enter that program. I understand from yesterday's meeting that they are willing to have dual accreditation of programs and that the Advisory Committee on Gender and Equity (ACG&E) should be the standard to which we strive. If the University of Nevada, School of Medicine decided to collaborate with a private hospital to partner in a residency program, would Touro students be able to do their third-year required clinical clerkships in that residency-program environment? The answer is we would apply the same kind of criteria that we would use to put them in our existing programs with the new program. We have opened the door as widely as we can to the full spectrum of medical education that our proposed budget enhancement will support for the State. We are going to take advantage of every opportunity we have to train M.D.s and D.O.s in the same environment whenever we can do it within our regulatory constraints. We also agreed that we would be mutually supportive. We have no business trying to educate the public about osteopathic education. They can educate their population about osteopathic education. We will do the same for our business. We have made a lot of progress.

Chair Washington:

If we can simplify it and not duplicate efforts and maximize the best efforts possible, then I think it is a win-win situation. This is a big commitment for all of us. We have to look at all avenues before we make that commitment.

DR. McDONALD:

We have been careful to not be duplicative of specific areas of expansion that are already covered by other private partners in the environment.

CHAIR WASHINGTON:

The only other issue is, because of our process and the system, a lot of us are going to term out sooner or later, and you will have a rotation of Legislators that will rely on staff and the minutes we leave to make sure the intent of the legislation and the appropriations we have passed can be forwarded. We have to get it right this time. It is incumbent upon us.

GREGORY W. HART (Principal-In-Charge, Health Care Group, LarsonAllen):

I would like to give you a national perspective of the things Dean McDonald just referenced. We are breaking new ground in this State around public and private partnerships which you acknowledged are difficult. We want to see the Nevada System of Higher Education doing business differently than it has in the past if we are going to make this kind of investment. There is clear evidence of a willingness to do business differently. There is not going to be a perfect solution around the governance questions that were talked about earlier. It is a complex system. There will be matrix relationships that ultimately evolve. The leaders have gotten the message that we need to do business differently. We want to work with others externally more effectively and more proactively than we have in the past. I know that you need to see results produced and that you will hold us accountable for those results, and that will be in the quality of the programs that are started and the new doctors and nurses that are produced for the State. Everybody is passionate about producing those results.

CHAIR WASHINGTON:

We just want to make sure we are not being counterproductive to one another.

MR. KLAICH:

We are working on difficult programs that everyone is concerned about. You are right. We are in the same boat. When the board meets here in Carson City next week, one of our goals is to convey to the board what we have heard from you. When we leave Carson City, we will hopefully have found some common ground.

CHAIR WASHINGTON:

We are not the money committee, but we have a number of bills that have come out of the interim health care committee that will come to this Committee for policy review, and they will have budgetary requests. You have to understand the money and budget to facilitate these programs. I am sure we will see you in the near future.

Senate Committee on Human Resources and Education
March 7, 2007
Page 25

CHAIR WASHINGTON:

If there are no further comments, I will adjourn the Senate Committee on Human Resources and Education meeting at 3:48 p.m.

RESPECTFULLY SUBMITTED:

Shauna Kirk,
Committee Secretary

APPROVED BY:

Senator Maurice E. Washington, Chair

DATE: _____