

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

**Seventy-fourth Session
March 28, 2007**

The subcommittee of the Senate Committee on Human Resources and Education was called to order by Chair Barbara K. Cegavske at 4:09 p.m. on Wednesday, March 28, 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.

SUBCOMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator Maurice E. Washington
Senator Joyce Woodhouse

SUBCOMMITTEE MEMBERS ABSENT:

Senator Valerie Wiener (Excused)

GUEST LEGISLATORS PRESENT:

Senator Bob Beers, Clark County Senatorial District No. 6

STAFF MEMBERS PRESENT:

Jeffrey A. Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau
Joe McCoy, Committee Policy Analyst
Sara Partida, Committee Counsel
Patricia Vardakis, Committee Secretary

OTHERS PRESENT:

Ray Bacon, Nevada Manufacturers Association
Daniel J. Klaich, Executive Vice Chancellor and Chief Operating Officer, System Administration Office, Nevada System of Higher Education
Gloria Dopf, Deputy Superintendent for Instructional, Research and Evaluative Services, Department of Education

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Crystal Abba, Assistant Vice Chancellor for Academic and Student Affairs,
Director of Public Policy, System Administration Office, Nevada System
of Higher Education

Janice A. Wright, Senior Deputy Treasurer, Office of the State Treasurer
Maria Urbina

Chair Cegavske:

We will open the subcommittee meeting with testimony on Senate Bill
(S.B.) 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 authorizes establishment of a minimum score on standardized
tests and other criteria which would provide accessibility to the program to
homeschooled children. The standard required students to pass all sections of
the Nevada Proficiency Examination and achieve a score of 21 on the ACT,
formerly the American College Test, "and/or" a combined SAT, formerly the
Scholastic Aptitude Test, of 990 or higher.

CHAIR CEGAVSKE:

I will read lines 19 through 26 from S.B. 109.

SENATOR BEERS:

The ACT examination score of 21 is slightly below the ACT statewide average.
The composite SAT statewide average of 1020 is higher than the SAT
examination standard of 990 or higher combined. The millennium scholarship is
currently going to students who achieve at an average level or higher.

JOE MCCOY (Committee Policy Analyst):

The chart ([Exhibit C](#)) has been given to the Committee showing all of the
proposals submitted to the Legislature regarding the millennium scholarship and
amendments to those measures that have been discussed in subcommittee and
the Senate Committee on Human Resources and Education meeting.

CHAIR CEGAVSKE:

How does Nevada compare to the national ACT average score?

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MR. MCCOY:

These scores are compiled from 1991 through 2006.

CHAIR CEGAVSKE:

Is there a national average?

MR. MCCOY:

For 2006, the ACT average score in Nevada was 21.5 and 21.1 was the national average.

CHAIR CEGAVSKE:

How do Nevada's ACT scores compare to the national average?

MR. MCCOY:

In 2004, the average ACT score for Nevada was 21.2. We are consistently higher than the national average.

CHAIR CEGAVSKE:

Do we use those scores for the millennium scholarship?

MR. MCCOY:

Neither the University of Nevada, Las Vegas (UNLV) nor the University of Nevada, Reno (UNR) uses the ACT or SAT scores for admission.

CHAIR CEGAVSKE:

Do other states require those tests?

MR. MCCOY:

It varies. There is a movement among certain colleges not to take ACT and SAT scores. An incoming freshman to either UNLV or UNR whose grade point average (GPA) falls below the admission requirements may be admitted on the basis of an ACT or SAT score. There is an alternate eligibility requirement.

SENATOR BEERS:

The document ([Exhibit D](#)) was Exhibit F in the meeting held March 14, 2007, at 2:33 p.m. of the subcommittee. The Louisiana Tuition Opportunity Program for Students (TOPS) seems to be structured similarly to what Senator Washington mentioned. The program has components that are targeted to specific needs. The South Carolina Legislative Incentives for Future Excellence (LIFE)

Scholarships is under revision. Are any of these programs similar to the millennium scholarship?

MR. MCCOY:

The list of scholarship programs, [Exhibit E](#), that I compiled, is similar to the millennium scholarship in a general sense. They are not top-tier academic scholarships. The basic academic requirement was a "B level" performance with the expectation that there would not be a need for a high level of remediation at the college level. The funding formulas were different. In the case of the TOPS, it is a differentiated system where each particular policy goal that the program is to serve such as supplementing funds on a need-basis level, rewarding academic achievement or supplementing funds for career training are all separated and put in different tiers. The three-tier proposal at the subcommittee meeting on March 14, 2007, was similar to that program.

SENATOR BEERS:

Are they all similar to the millennium scholarship in that they are financially open-ended?

MR. MCCOY:

In the information I received, most of the statutes establishing scholarships like these have some provision such as "as funds are available."

CHAIR CEGAVSKE:

Jeffrey A. Ferguson from our Fiscal Analysis Division is here. He provided charts to the subcommittee members to show us the funding and how long the funding can last based on the Office of the State Treasurer's suggestions.

SENATOR WASHINGTON:

I have reviewed several bills. There are probably three components of this subject. One would be predictability; this enables students coming out of high school to know that it is based on core academics and grade point weighted average and whether there will be a supplementary provision using ACT or SAT scores. Another component would be whether the program is sustainable based on the number of students that are going to be accessing the scholarship. The last component is whether it meets the workforce needs within the State. There are merits to Senator Townsend's bill, [S.B. 370](#).

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

As we deal with the policy issues, S.B. 370 addresses the issue of workforce needs. Could we look at some possible amendments?

CHAIR CEGAVSKE:
Yes.

SENATOR WASHINGTON:

I suggest an amendment to S.B. 109 to insert the academic track in the existing structure. After a student has earned 30 credits, he must choose a major to keep the scholarship. The other issue is determining the use of the class ranking with the core subjects with an alternative using the ACT and SAT weighted average. The current entrance score to access the scholarship is 3.25. We could use 3.25. The Office of the State Treasurer has some figures as to how far that would go. Some of the other scholarship funds use 3.5. This would make it predictable and there is sustainability as well. This would be for accessing the scholarship. The last suggestion would be to use the three tiers for those students with the high GPA that maintain the grade level. Let these students keep the scholarship without declaring a major because they are keeping their GPA up. This way we are keeping the best and the brightest. Assembly Bill 465 addresses a loan process.

ASSEMBLY BILL 465: Revises provisions governing the Governor Guinn Millennium Scholarship Program. (BDR 34-1039)

CHAIR CEGAVSKE:

In mathematics, science and special education we were giving the students money for material and supplies. We would need to decide on that issue because it would elevate the cost.

SENATOR WASHINGTON:

I am looking at page 2; lines 1 through 29 of S.B. 370, a student who has 30 units must declare a major in one of those areas. If a student does not, the student loses the scholarship. If we put an emphasis on the education subject areas on lines 19 through 21, we could include the material and supplies.

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CHAIR CEGAVSKE:

Could we include it for the educational subjects only?

SENATOR WASHINGTON:

We would need to broaden the language.

CHAIR CEGAVSKE:

In S.B. 52, mathematics, special education and science were listed.

SENATE BILL 52: Creates the Governor Guinn Millennium Teaching Scholarship Program. (BDR 34-43)

SENATOR WASHINGTON:

I do not see science.

CHAIR CEGAVSKE:

The three are listed. What are the top areas of concern for the business industry?

RAY BACON (Nevada Manufacturers Association):

The top areas are science, mathematics and engineering. Engineering is probably the most requested, followed by science and mathematics. Mathematics is a supplemental to the others.

CHAIR CEGAVSKE:

Are there any others?

MR. BACON:

The overall complaint from employers is that people are weak in basic skills especially in the mathematic and science areas. It is one of the reasons we put a focus on those areas in kindergarten – 12th grade (K-12). This would get to the long-term problem of improving those subjects in K-12 which in theory should improve the quality of the graduates. It was a focus in our long-term strategy.

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

Demographics are showing there is a great need for personnel in the health care workforce.

CHAIR CEGAVSKE:

We keep hearing about the need but nothing is being done to recruit those workers. Health care workers would be an issue.

MR. KLAICH:

We are not only talking about the universities but the community colleges are also a critical aspect of workforce needs. When we are trying to attract new business to Nevada, they are looking for an educated workforce.

SENATOR WASHINGTON:

If we start adding resources to those specific items, some of those disciplines are not offered in the community colleges or the Nevada State College. There could be an increase or overload in the university system which may be a drain on the funds that are available for the scholarship.

MR. KLAICH:

Something that we have discussed is the need for mission differentiation and the efficient use of tax dollars. We need to bring to you a good educational policy and efficient use of tax dollars. The Legislature needs to determine whether the scholarship and the State's needs fit those entities.

GLORIA DOPF (Deputy Superintendent for Instructional, Research and Evaluative Services, Department of Education);

I would agree to the careers that have been identified. We have heard about the need for hotel, construction, and retailers' support. Mining is another area of concern. The community college component would be a significant one in looking at career preparation.

CHAIR CEGAVSKE:

Every industry is asking for people in their field. We cannot do everything with the limited funds available. Do we need to be more specific? Do we leave it open as it is now?

SENATOR WASHINGTON:

My suggestion is to include the policy in S.B. 370 and we can work from the bill in the Senate Committee on Finance because if the policy does not comport with funding, it will not matter.

MR. MCCOY:

Students will be expected to take core curriculum classes set by the Nevada System of Higher Education starting in 2009. The high school core curriculum will be expected of anyone in order to receive a millennium scholarship. The present GPA requirement of 3.25 is not correlated with the core curriculum. Currently, a student would not need to get a 3.25 GPA in the core curriculum classes. Other states recognize core curriculum classes and a lower GPA. There has been research stating that the best overall predictor of success in college is success in a rigorous high school course of study.

SENATOR BEERS:

In Florida, the GPA needs to be in 15 credits: 4 in English; 3 in substantial writing; 3 in mathematics, algebra I and above; 3 in natural science, 2 with substantial laboratory; 3 in social sciences and 2 in foreign languages in the same language.

MR. KLAICH:

It is the same as staff talked about with the exception that we have made both of the requirements, but they are not connected. That kind of rigorous curriculum with a significant achievement standard is probably the best way of predicting success. With the workforce emphasis, there is documentation to prove that a liberal arts education is a staple among leaders in business and industry. We could provide the Committee with that information.

MR. BACON:

One of the states modifies their GPA upward for those students taking advanced placement (AP) courses so they can have a lower GPA. Within the last two weeks, there was a report that showed just taking AP courses substantially increases a student's probability of graduating from college.

CHAIR CEGAVSKE:

All students cannot take those courses. They are limited classes.

MR. BACON:

We are getting closer to where we have AP courses available by distance learning. There are a few locations where we need AP instructors. We now have AP classes in Ely.

SENATOR WASHINGTON:

If we had a combination of GPA based on core curriculum and another GPA based on AP classes with an alternate using the ACT and SAT, would that cover all students? The ultimate goal is to find predictability. The university, the parent and the student should know what it takes to access the scholarship. If the student is gifted and talented and taking AP classes and falls below the minimum GPA, it should be weighted a little higher because the student has taken AP classes. If the GPA is 3.25 for a student to access the scholarship, the student is aware. A student can also use the alternative of ACT and SAT tests.

CRYSTAL ABBA (Assistant Vice Chancellor for Academic and Student Affairs, Director of Public Policy, System Administration Office, Nevada System of Higher Education):

Presently, the GPA requirements for the millennium scholarship are based on a weighted GPA. A rigorous core is the best predictor. A rigorous course in a student's last years in mathematics is the best predictor. As was mentioned, AP classes are not necessarily available. Every student can take mathematics.

CHAIR CEGAUSKE:

That is true if there is a qualified teacher and not a substitute.

SENATOR WASHINGTON:

Would we remove the AP classes?

MR. KLAICH:

Senator Washington talked about predictability, sustainability and looking at workforce needs which are positive goals. I would suggest keeping the requirements simple.

SENATOR WASHINGTON:

I agree. Children excel at different rates and achieve at different levels. If the indicators are core curriculum, then a GPA that is not inflated with an alternative method based on ACT and SAT scores could be used. For those students who are talented and have the means to access AP classes but fall below that entrance, the GPA should be a weighted GPA because they took the more rigorous courses.

MR. KLAICH:

We fully understand and acknowledge that sustainability does impact funding.

SENATOR WASHINGTON:

If Chair Cegavske is agreeable to the workforce indicators based on the workforce issues, then the other issue is those students that will not declare a major in one of these disciplines, but have a higher GPA in college. There should be some consideration shown for them to have access to the scholarship.

MR. BACON:

A simple criterion could be established to cover a whole bunch of issues by saying, "A student who has received the scholarship can make special application for continuing the scholarship." This would cover whether they make a change in their major but was still a high GPA student; or if they are an outstanding student, but they must go through an application which makes them justify what they are doing. This would cover all types of scenarios.

MR. KLAICH:

I do not agree. What Senator Washington has defined is, after a student's first year of college, how you would move from the opportunity or workforce tiers into the upper tier. If that is the goal, then set the criteria and let the student move there. The student would be with the best and the brightest.

CHAIR CEGAVSKE:

Senator Beers related to me that he feels that the subcommittee is on the right track and is in support of what we are doing. Senator Washington, if you would like to review the position, then we could make a recommendation on this issue. Even though our main concern is to establish policy, it is important for us to be aware of the money factor and its effect.

SENATOR WASHINGTON:

My recommendation would be to take S.B. 52 and adopt the provisions in S.B. 370. Can we use a preamble? A preamble would lend some legislative intent: "It is the wish of this committee that the millennium scholarship not only be sustainable but be predicable for those who will access the scholarship. It addresses workforce needs in the State of Nevada in the future."

CHAIR CEGAVSKE:

We need to be careful with the wording because of the funding. Our policy decision makes a huge difference because there is an end to parts of the funding. I would not be able to support that concept.

SENATOR WASHINGTON:

The first amendment should be that the GPA is 3.25 based on the core curriculum. Those students who take AP courses have a different weighted average. The alternative is based on ACT and SAT scores.

CHAIR CEGAVSKE:

Would mathematics, science and special education be the only areas to have books and supplies?

SENATOR WOODHOUSE:

When we had our previous work session on this issue, we discussed deleting the restrictions as to where the students could go. Is that still an option?

CHAIR CEGAVSKE:

If a community college has a certain program, a student could attend that institution. There were other systems available.

SENATOR WASHINGTON:

I would recommend taking the workforce language in S.B. 370 and including it in S.B. 52.

CHAIR CEGAVSKE:

It is currently in S.B. 52. They would pay for books, supplies and laboratory fees. The language refers to anyone taking mathematics, science and special education. The language specifies the person would need to teach for three years in Nevada or repay the money.

SENATOR WASHINGTON:

There are also health care issues.

CHAIR CEGAVSKE:

We can bring the suggestions to the Committee and make any necessary adjustments.

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SENATOR WASHINGTON:

The application verifies that the person is a U.S. citizen.

CHAIR CEGAVSKE:

Do you currently request the Free Application for Federal Student Aid (FAFSA)?

SENATOR WASHINGTON:

The FAFSA should be included.

CHAIR CEGAVSKE:

Yes.

SENATOR WASHINGTON:

We should include the upper tier for the gifted and talented. A weighted GPA should be set at 3.7.

CHAIR CEGAVSKE:

There was discussion about a three-tier system, do you want to include one additional tier.

SENATOR WASHINGTON:

Yes.

MR. MCCOY:

The proposal for the three-tier system splits the program into two parts, between the academic level and a needs-based level. Then the vocational level would ride on either of those.

SENATOR WASHINGTON:

If we do this on a needs base, you lose the predictability, and the funding gets depleted. My suggestion would be to omit the needs-based level.

MR. MCCOY:

I wanted to clarify the suggestion to put in an alternative ACT and SAT score. Does that mean something that goes with every applicant who has a minimum score or do you want to use a requirement the universities use. Absent a sufficient GPA, a student could take a SAT.

CHAIR CEGAVSKE:

There were three nods from the audience.

JEFFREY A. FERGUSON (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are three scenarios that are divided into the tobacco settlement money. One is, whether the tobacco money will come in as it has been projected. Another is, if the money comes in at 10 percent less than projected and the third scenario is if they come in at 18 percent less. This is a key factor for how much money will be available for the millennium scholarship. The Office of the State Treasurer is thinking along the lines of 10 percent.

JANICE A. WRIGHT (Senior Deputy Treasurer, Office of the State Treasurer):
We will have the amount on April 15, 2007.

CHAIR CEGAVSKE:

Separate from the tobacco money is the unclaimed property money which is unpredictable.

SENATOR WASHINGTON:

Based on the scenarios we have discussed, can you predict how far the monies will be available for the millennium scholarship or how many students could access the scholarship?

MR. FERGUSON:

We could arrive at an estimate, but because we do not have any historical data it would be difficult. Once the changes go into effect, we would have some patterns as to how the students were utilizing the scholarship.

MS. ABBA:

For S.B. 370, we did an estimate in conjunction with the fiscal division. We were given the majors specified in that bill and we estimated that by the time the provision took full impact the number of students eligible and the percent saved would be approximately 50 percent. However, it will take a number of years to get to that point with the number of students in the system. It is guesswork.

SENATOR WASHINGTON

Could you give us an estimate of how many students will access the millennium scholarship, how far out will it go and how much are we going to save?

MS. ABBA:

The Office of the State Treasurer has made those estimates.

SENATOR WASHINGTON:

Did they use these changes?

MS. ABBA:

They used the changes in S.B. 370. We could start that process.

MR. FERGUSON:

Another issue that needs to be decided within these three scenarios is on pages 1 and 2 of [Exhibit D](#) assuming that the \$7.6 million that comes from unclaimed property will continue. On pages 3 and 4, it is assumed that it will be increased to \$10.4 million a year as recommended by the Governor. The decision that will need to be made is whether the extra \$2.8 million is going to be transferred to the millennium scholarship.

SENATOR WASHINGTON:

Is that out of the General Fund?

MR. FERGUSON:

It would be out of unclaimed property.

SENATOR WASHINGTON:

It may or may not be transferred.

MR. FERGUSON:

If the Legislature approves the Governor's recommendation, it would be transferred.

Page 2 of the document concerns the 10-percent reduction. This is assuming that \$7.6 million will be transferred to unclaimed property which is set to be continued. If you look at fiscal year 2017, it shows that at the end of that year there will be approximately \$4.6 million left in the Millennium Scholarship Trust Fund which would take it out to 2018. On the last page, assuming the

10-percent reduction, and assuming the additional \$2.8 million transfer from unclaimed property would go into the Millennium Scholarship Trust Fund, the total would be \$10.4 million instead of \$7.6 as it is currently. There is considerably more money, \$37.5 million at the end of 2017 which would take us to about 2020. This will give you an idea of funding if the additional \$2.8 million is approved from unclaimed property into the millennium scholarship which is a decision the Legislature needs to make.

SENATOR WASHINGTON:

Could you make a comparison based on the new recommendations?

CHAIR CEGAVSKE:

Senator Raggio will require that information.

MR. MCCOY:

If we do include the provision for the FAFSA, would you require language that requires specifically that students utilize federal grants prior to using the millennium scholarship?

CHAIR CEGAVSKE:

Yes. There was testimony that the money for the tuition-based scholarships was being used last. I would suggest we include that language.

SENATOR WASHINGTON:

What would be the parents' incentive to do a prepay tuition if they knew the scholarship is available?

CHAIR CEGAVSKE:

The "prepay" was started before the scholarship was available. If their children do not make the grade, then it is an incentive.

SENATOR WASHINGTON:

Based on what we are putting in the bill, prepay tuition must be used first. As a parent "that is a nice big shiny boat." The incentive is lost.

CHAIR CEGAVSKE:

It is important we use the other grants and scholarships that are available before using the millennium scholarship.

CHAIR WASHINGTON:

The emphasis of the prepay tuition is lost.

MS. WRIGHT:

We have about 12,300 families that have saved in the Prepaid Tuition Program. The first thing they would do if they discovered that the prepaid tuition prevented their children from accessing the millennium scholarship is withdraw their funds. Currently, they can use the Prepaid Tuition Program to get the bargain on tuition, but millennium scholarship funds are also available to them up to the \$40, \$60 or \$80 credit and those can be used for books, room and board or other fees.

CHAIR CEGAVSKE:

Can the millennium scholarship be used for room and board?

MS. WRIGHT:

If the student has a scholarship or prepaid tuition, the millennium scholarship can be used for any higher educational expenses. The families that are saving for prepaid tuition are hoping to use the millennium funds to help with the other fees. The millennium pays \$80 and the current tuition is \$105.25 for a credit hour.

CHAIR CEGAVSKE:

I do not agree.

MS. PARTIDA:

Do you want the needs-based but not the prepaid tuition or all out of the bill?

CHAIR CEGAVSKE:

We decided against the needs-based and the prepaid tuition. Just include federal and other grants to be used.

MS. ABBA:

Could the language say "to the extent possible?" Occasionally, there are accounting problems as to when the various monies comes in. To the extent it is possible, those funds are used first because otherwise they get commingled in the same student account which presents a problem.

CHAIR CEGAUSKE:

The wording you have suggested is an issue. Work with staff on the language and the committee will review it.

MARIA URBINA:

I am a junior at the UNLV and major in political science and journalism. Even if the other grants and scholarships were used first, whatever money is left over they give you a check.

CHAIR CEGAUSKE:

The practice has been stopped. Any unused funds are returned. I agree with using alternatives and not just GPA or standardized test scores because they are not the biggest indicators. I commend you in trying to address the issues of all students.

The only concern is being able to apply for the FAFSA does not secure that you are a citizen. It secures that you have legal status in this country. Based on the immigration policy and naturalization policy, if you are a minor and your parents do not have legal status then you have no legal recourse in applying for legal status. If the student made the grades or had high test scores, that person would be out of luck. I would urge the Committee to consider this issue.

SENATOR WASHINGTON:

Mr. Peter Goatz has an e-mail concerning his recommendation for the SAT scores ([Exhibit F](#)) which we will enter into the record.

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CHAIR CEGAVSKE:

There being no further issues before us today, I will adjourn the subcommittee meeting of the Senate Committee on Human Resources and Education at 5:33 p.m.

RESPECTFULLY SUBMITTED:

Patricia Vardakis,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE: _____