

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

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

The Senate Committee on Human Resources and Education was called to order by Chair Maurice E. Washington at 1:08 p.m. on Friday, April 13, 2007, in Room 2135 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 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

STAFF MEMBERS PRESENT:

Joe McCoy, Committee Policy Analyst
Sara Partida, Committee Counsel
H. Pepper Sturm, Chief Deputy Research Director, Research Division, Legislative Counsel Bureau
Betty Ihfe, Committee Secretary

OTHERS PRESENT:

John A. Liveratti, Social Welfare Program Chief, Compliance Unit, Division of Health Care Financing and Policy, Department of Health and Human Services
Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services
Jack Mayes, Nevada Disability Advocacy and Law Center
Joyce Haldeman, Clark County School District

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Jane A. Nichols, Ed.D., Vice Chancellor, Academic and Student Affairs, System
Administration Office, Nevada System of Higher Education
Ray Bacon, Nevada Manufacturers Association
Jodi Stephens, Executive Assistant to Senior Staff, Office of the Governor
Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of
Education

CHAIR WASHINGTON:

During the work session today, we will consider eight bills. They have been divided into three groups. First, we will consider those entitled "Additional Measures for Consideration" which are Senate Bill (S.B.) 110, S.B. 531 and S.B. 552. After those, we will consider the "Millennium Scholarship" bills, S.B. 52 and S.B. 109. Finally we will consider the "Empowerment Public School Program" bills, S.B. 238, S.B. 304 and S.B. 305.

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

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

SENATE BILL 110: Revises provisions governing the administration of examinations to pupils enrolled in the public schools. (BDR 34-474)

SENATE BILL 238: Provides for a program of empowerment schools. (BDR 34-112)

SENATE BILL 304: Establishes a program of local empowerment and accountability for public schools. (BDR 34-249)

SENATE BILL 305: Revises provisions governing education. (BDR 34-97)

SENATE BILL 531: Requires the Division of Mental Health and Developmental Services of the Department of Health and Human Services to provide copies of serious incident reports involving clients to certain agencies. (BDR 39-298)

SENATE BILL 552: Requires the disclosure of certain information relating to health care and revises provisions governing health maintenance organizations. (BDR 38-1365)

JOE MCCOY (Committee Policy Analyst):

Senate Bill 552 is summarized in the work session document ([Exhibit C](#), the original is on file in the Research Library) on page 53. This bill requires the disclosure of certain information relating to health care. There are two proposed amendments. The first is by Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services. The second is by Bill Welch, Nevada Hospital Association. The proposed amendments are on pages 53-65.

SENATE BILL 552: Requires the disclosure of certain information relating to health care and revises provisions governing health maintenance organizations. (BDR 38-1365)

MR. MCCOY:

The proposed amendment on page 53, [Exhibit C](#), proposes to delete sections 1 and 2, replacing them with the following language:

Each health maintenance organization that has entered into a contract with the Department of Health and Human Services pursuant to the *Nevada Revised Statute* (NRS) 422.273 shall report the number of times and the reasons that a person under the age of 18 is sent out of state to receive services that are not available in this State.

JOHN A. LIVERATTI (Social Welfare Program Chief, Compliance Unit, Division of Health Care Financing and Policy, Department of Health and Human Services):

It was our understanding, too, that sections 1 and 2 were to be deleted, and a reporting phrase added. We agree with the proposed amendment that was just read by the Committee Policy Analyst, Mr. McCoy.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED S.B. 552.

SENATOR WIENER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. MCCOY:

The summary of the next measure, Senate Bill 531, is located on page 49, [Exhibit C](#). It relates to providing copies of incident reports to certain agencies. The proposed amendment on pages 50-52 is submitted by the Nevada Disability Advocacy and Law Center.

SENATE BILL 531: Requires the Division of Mental Health and Developmental Services of the Department of Health and Human Services to provide copies of serious incident reports involving clients to certain agencies. (BDR 39-298)

CHAIR WASHINGTON:

I understand an agreement on this bill has not been reached between the Division of Mental Health and Developmental Services and the Nevada Disability Advocacy and Law Center. I would like to refer bill this to the interim Legislative Committee on Health Care to examine what is in federal and State statutes to be sure we are in alignment with all parties. Is that agreeable to each of you?

CARLOS BRANDENBERG, PH.D. (Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services):
That will work for us.

JACK MAYES (Nevada Disability Advocacy and Law Center):
That will work for us, too.

CHAIR WASHINGTON:

Senate Bill 531 is referred to the interim Legislative Committee on Health Care.

MR. MCCOY:

A summary of S.B. 110 is on page 44, [Exhibit C](#). It addresses the governing of examinations in public schools. The three proposed amendments are on pages 45-48. The first is offered by Chair Maurice E. Washington. The second is by Senator Bob Beers and the third by Senator Steven A. Horsford.

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SENATE BILL 110: Revises provisions governing the administration of examinations to pupils enrolled in the public schools. (BDR 34-474)

SENATOR HORSFORD:

Mr. Chair, I would like to withdraw my amendment to S.B. 110 on page 48, Exhibit C.

CHAIR WASHINGTON:

I spoke with Senator Beers, and he is withdrawing his amendment on pages 46 and 47, Exhibit C. We can adopt the remaining proposed amendment with the caveat that school districts in the counties of over 100,000 population will provide a report to the interim Legislative Committee on Education. The report will determine the effectiveness, number of hours and best practices of the examinations (exams) being used in those school districts.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 110.

SENATOR NOLAN SECONDED THE MOTION.

JOYCE HALDEMAN (Clark County School District):

In the Clark County School District (CCSD), we will be adding some high school end-of-the-year exams and some science exams as an extension of what we are already doing. Will this bill prohibit us from administering those exams?

CHAIR WASHINGTON:

No, it should not. The amendment is not intended to prohibit that.

THE MOTION CARRIED UNANIMOUSLY.

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MR. MCCOY:

A summary of S.B. 52 creating a Millennium Teaching Scholarship Program is on page 2, Exhibit C. Upon the recommendation of the subcommittee to study S.B. 52 and S.B. 109, a number of amendments were adopted by this Committee on March 30, 2007. The amendments included structural changes, supplementary provisions and additional eligibility requirements through the

adoption of the provisions in S.B. 370. The proposed amendments are on pages 2-15.

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

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

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)

JANE A. NICHOLS, ED.D. (Vice Chancellor, Academic and Student Affairs, System Administration Office, Nevada System of Higher Education):

This may be the first time this data on the impact of the various provisions has been available. Previously, you have received data to indicate that our capture rate of high school students eligible for the Governor Guinn Millennium Scholarship Program is currently 56 percent. Of those eligible now, 56 percent are coming into the Nevada System of Higher Education; however, that has fallen from a 76-percent capture rate when the program first started. The number of eligible students is also dropping. This fall, the grade point average (GPA) requirement will be raised to 3.25. We know that will bring a minimum of a 7-percent drop in eligibility. It is impossible for us to know exactly because we do not have data on the high school students who go to our community colleges.

We were surprised at this semester's continuation figure of an overall 2.75 GPA required after 30 credits. Since January, when the continuing GPA of 2.75 percent went into effect, 58.7 percent of the Millennium scholars lost their eligibility. We do not know what impact the Millennium core curriculum will have when it goes into effect in the fall of 2009. If you take no action today, there will be at least a 7-percent drop in the number of eligible Millennium Scholarship scholars this fall. We project a continuing drop of about 50 percent each year, if our current numbers hold.

Considering the changes in the proposed amendments to the bill on page 3 ([Exhibit D](#)), we looked at the potential SAT and ACT scores that could be set by the Board of Regents. Assuming they do not set the same score for

university admission, we determined the SAT score to be 950 and the ACT score to be 20. If the SAT/ACT scores and the GPA are both required, we would lose about 40 percent of eligible students. This is in addition to the impact of the increase in GPA. It is difficult to know exactly since our community college and the Nevada State College students do not take the ACT or SAT. The \$42 to \$60 cost of the exams may be a factor in preventing some students from taking them.

DR. NICHOLS:

The fields of study or the college GPA of 3.70 which we began requiring in the fall of 2005, we project would lose 48 percent of the students without considering the GPA continuation of 30 credits. We would lose a significant number of students as about half our students are in those fields. We do not have sufficient information to predict what the impact of the high school GPA of 3.25 based on the Millennium core curriculum will be. This does not take effect until the fall of 2009.

The Free Application for Federal Student Aid (FAFSA) form is complex. It is difficult for many students to complete as it is dependent on the parents providing income information. Requiring the FAFSA may deny the Millennium to many disadvantaged students. If requiring the FAFSA form is a marker for verifying U.S. citizenship, we prefer proof of U.S. citizenship rather than using the FAFSA form.

Since the numbers I have given you are quite large, and since we do not have access to the data on the Millennium Scholarship eligible students, we would like to persuade you to put off making the proposed changes for this biennium. We would like to give you better projections on the impact the changes will make, but only the Office of the State Treasurer (Treasurer's Office) has that data. If we had the data from the Treasurer's Office, we would be able to provide the information to you.

CHAIR WASHINGTON:

If we do nothing, what will the drop-off rate be?

DR. NICHOLS:

It will be an immediate 7-percent drop this fall and about a 50-percent drop-off rate each year thereafter in the continuing students. About 50 percent of those who begin do not retain their eligibility. Another factor to consider is the

declining number of Millennium scholars due to the scholarship being worth less and less each year. That trend line is steadily going down. If you want to pass this today, we ask you stipulate that it will not take effect until the fall of 2009. If you do nothing today, with all these declining numbers, you may not need to take any further action to limit access to the Millennium Scholarships as it will be self-limiting.

CHAIR WASHINGTON:

In the first proposed amendment to S.B. 52, we would set the GPA at 3.25 and require an SAT and/or ACT score. In the second proposed amendment, we would require the recipients to declare a discipline after 1 year or 30 credits within the 3 disciplines listed. In the third proposed amendment, the gifted and talented who maintain the required GPA and who declare a discipline could continue to receive the scholarship. Those three policy changes will have drastic reductions in the number of students who could actually receive the Millennium.

Is it our intention to make the scholarship a premium, something worth receiving, or is our intention to make the scholarship available to as many students as possible who might not otherwise go on to higher education? Do we want to continue doing, what we are doing seeing the numbers and the money decline, or do we want to constrain the numbers now and save the integrity of the scholarship? It is both a balancing act and a policy decision.

DR. NICHOLS:

We have to save the integrity of the scholarship by cutting the numbers, and we want to partner with you in doing that. We are concerned about enacting more requirements now without reliable data. We want to make sure the numbers are in line with what the State can afford to pay. The timing may not be right to put changes in effect now that may not be necessary or wise.

RAY BACON (Nevada Manufacturers Association):

The GPA "and" the SAT/ACT requirement is one I would urge this body to consider changing to an "or." I understand having both criteria might discourage grade inflation; however, if top students cannot take the SAT and/or ACT exam because of financial reasons, these motivated students should not be penalized.

SENATOR HECK:

Perhaps an incremental approach as opposed to an all-or-nothing-at-all approach is preferable. After the testimony when we first heard the bill, I have concerns

about using the standardized tests as an indicator of future success. Perhaps class rank is a better indicator. If we left the GPA requirement as is and asked the interim Legislative Committee on Education to look at whether the class rank or the GPA is the better assessment tool, we could then make any necessary incremental changes during the 2009 Legislature.

I support the scholarship money for the teachers, and I support students having to declare a major in one of the three most-needed disciplines. That might be one incremental approach for us to consider now. When some Nevada colleges do not require students to take the SAT/ACT exam for admission, but can then make them take a test to get the scholarship, I do not see the utility of that.

DR. NICHOLS:

I did not address the additional monies for the students in teacher education. That was the original bill, and we certainly support that program.

CHAIR WASHINGTON:

If we keep the 3.25 GPA on the core academic subjects, keep the amended version with the SAT/ACT score requirement, but change the "and" to "or" or delete it, Mr. Bacon, will that meet with your approval?

MR. BACON:

From a policy standpoint, we are moving in the right direction. It does not fix the grade inflation issue which can occur whether you say "and" or "or" or delete it. If you make it an "or," it also gives homeschooled students easier access, because it opens the spectrum. Homeschoolers cannot make the GPA requirement, because they do not have one.

CHAIR WASHINGTON:

Dr. Nichols, in the second proposed amendment, I understand you prefer what is in S.B. 52 dealing with the disciplines listed with additional funds to pay tuition, books and lab fees for the three disciplines: mathematics (math), science and special education. Is that correct?

DR. NICHOLS:

We support that. It is very much in line with a bill the Board of Regents has proposed.

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CHAIR WASHINGTON:

Senator Heck, if I hear your comments correctly, you are saying the disciplines that are listed in S.B. 370, page 2, section 1, lines 1-29 should be left in. Is that correct?

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)

SENATOR HECK:

It is open for discussion, but I would probably say yes.

MR. BACON:

Changing the rules every couple of years creates uncertainty with the student population. Narrowing the disciplines drives us toward benefiting the State by filling some workforce needs. If you make that amendment effective in the fall of 2009, you are giving students lots of notice.

CHAIR WASHINGTON:

Senator Heck, does that work for you?

SENATOR HECK:

Yes. That is fine with me.

SENATOR HORSFORD:

The language in S.B. 370, page 2, section 1 lines 1-29 includes engineering, math, physical science, health science, computer science, education, business, construction science and mental health. If a person is a liberal arts English major and becomes a teacher, we have prevented him or her from obtaining the Millennium.

CHAIR WASHINGTON:

If we inserted the academic track which encompasses most of the liberal arts, would that answer your concern?

SENATOR HORSFORD:

What do you mean by academic track?

CHAIR WASHINGTON:
Primarily teachers.

DR. NICHOLS:
Certainly teaching is in this list. We signed off on the three disciplines because they had been identified by the work force. We still encourage you to put off stipulating disciplines as long as possible; it is probably the last thing you would want to do.

CHAIR WASHINGTON:
Beginning all this in the year 2009 has merit. How do we identify the workforce needs in the State? Is it a matter of business, science and technology versus the liberal arts?

SENATOR HORSFORD:
Because our State is growing so fast, virtually every position in Nevada is a demand occupation. I do not know what we are using to determine these three disciplines as more in demand than others. To disqualify an English major or a history major who could ultimately become a teacher from getting a Millennium, sounds counterproductive to what we are trying to achieve.

SENATOR WIENER:
I was journalism major and because of that major, I was employed before I graduated. If subject to this list, I would have been excluded from financial assistance. By excluding liberal arts, what kind of an impact would that have on the student drop-off rate? What percentage of the students would be liberal arts majors?

DR. NICHOLS:
We would lose about half our college graduates who are eligible for the Millennium if you do this. Half of our college students and half our college graduates are enrolled in English, history, philosophy, journalism and the other liberal arts fields. We did not develop this list, and, I repeat, it should be the last thing you should do. You do not want to have half our students ineligible for the Millennium.

SENATOR HECK:
The list of disciplines was based on an assessment of the current work force. Senator Horsford is correct. We are in short supply in just about every area.

Those liberal arts students may become teachers or become excellent employees in a field other than their major one. This should be the last cut if we find ourselves in dire financial straits. I leave it to the discretion of the Committee.

SENATOR WIENER:

We are hearing drop-off by attrition which is an additional 50 percent. If we make too many requirements, we are going to have a very elite group. We will never have to worry about funding, because we will not have anyone who can qualify for the Millennium. Not making changes at this point is valid. If we would lose 50 percent of our student pool, I am reluctant to support anything that would exclude that viable, important part of our student population.

SENATOR CEGAVSKE:

In the Senate Committee on Finance meeting about this issue, Senator Dina Titus was adamant about not losing the liberal arts. She could not have been more emphatic and that was the consensus from Finance. We do need all the disciplines, but we need these three now. I would appreciate keeping them in S.B. 52.

SENATOR HECK:

These several bills addressing the Millennium Scholarship were created in a vacuum. No one realized until we brought them together that we were basically eliminating the pool of the potential applicants. Based on the testimony today and on the fact we have other incremental changes, I have no concerns about removing the provisions from S.B. 370.

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 WASHINGTON:

We can direct the workforce policy-wise and scholarship-wise. Let us leave the list open. Working in conjunction with the university, we can have the Nevada Department of Employment, Training and Rehabilitation (DETR) prepare a report, prioritize the workforce issues in the State and bring it to the interim Legislative Committee on Education.

SENATOR HECK:

If we amend to say DETR is to conduct a study and bring it to the 2009 Session, we will have a documented study to use in prioritizing our list.

CHAIR WASHINGTON:

Let us also put in the bill we want the Treasurer's Office to work with the university to provide the data we need.

SENATOR WIENER:

I had developed a bill in line with this in which I worked with higher education and DETR to determine the workforce needs. There are immediate needs, short-term needs to five years and long-term needs to ten years. The community colleges can meet immediate needs as they did for the emergency medical professionals. If we can put language in the bill to have community colleges respond to the State's workforce crisis needs, we could establish an educational priority system.

CHAIR WASHINGTON:

Ms. Partida, can you craft the language, so we can get the information we need?

Ms. PARTIDA:

Yes, we can.

DR. NICHOLS:

Could we remove the FAFSA form or substitute the language in S.B. 415?

SENATE BILL 415: Provides that certain alien students are not eligible to receive certain types of financial assistance through the Nevada System of Higher Education. (BDR 34-222)

CHAIR WASHINGTON:

We can do that.

SENATOR HORSFORD:

If we are going to include the language from S.B. 415, will the Committee consider language that would allow the Board of Regents to have an affidavit and a penalty for the scholarship money to be returned if the student does not

begin the process? If we can get that provision in this bill, I suggest we will have full support of these bills and be able to move them forward.

CHAIR WASHINGTON:
Dr. Nichols, will that work?

DR. NICHOLS:
This is common practice in other colleges and universities. Yes, that would be exactly what we would like to see in place.

CHAIR WASHINGTON:
I will entertain a motion on S.B. 52 with the first proposed amendment to include the GPA of 3.25 based on the core subjects or the SAT/ACT for homeschooled and private schoolers that do not have a GPA. Proposed amendment 2 will include the S.B. 52 provisions for math, science and special education and include funding for books, labs and other related items. The third proposed amendment will have DETR take a look at the immediate, short-term and long-term workforce needs and report to the interim Legislative Committee on Education and to the 2009 Legislature. That would include the Treasurer's Office working with the university to provide the Millennium Scholarship data. Proposed amendment 4 will remove the FAFSA. In addition, if students fail to go through the process, they will be required to repay the money which will revert to the scholarship fund.

SENATOR WIENER MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 52.

SENATOR HORSFORD SECONDED THE MOTION.

SARA PARTIDA (Committee Counsel):
We do not need to include the language making provisions for homeschooled students. The NRS 396.930 currently has special provisions for homeschooled children who are already eligible to receive the Millennium Scholarship.

SENATOR HECK:
I intend to pursue S.B. 415 on the floor as written, so if this bill passes and that bill passes, how do they reconcile?

MS. PARTIDA:

It can certainly be taken care of in a future amendment to either of the bills or generally in statute. When there is a specific provision and a general provision, the specific provision would prevail.

SENATOR CEGAVSKE:

Are we adopting Senator Horsford's proposed amendment in its entirety? Who is going to follow through? Who is going to know if the students have done what we have stated here? Does the university currently ask for social security identification to show the students are legal citizens?

DR. NICHOLS:

We do not currently ask the Nevada high school students if they are U.S. citizens. Nor do we determine the student's initial eligibility for the Millennium. The Treasurer's Office determines the initial eligibility, so it would be their responsibility to ask the question related to citizenship.

SENATOR CEGAVSKE:

Do they ask?

DR. NICHOLS:

They would now. If S.B. 52 is passed with the amendment Senator Horsford has proposed, we would flag those students who are not U.S. citizens. Then, our financial aid officers would track them and make sure they apply for citizenship.

SENATOR CEGAVSKE:

Can you do that?

DR. NICHOLS:

Yes, we can.

SENATOR CEGAVSKE:

What would be the time line for recovering the money? Would students get the full \$10,000, and then say they are unable to pay it back?

DR. NICHOLS:

I am assuming you would give us the responsibility of tracking this. The Board of Regents would have to write policies and regulations including setting

time limits. I do not know how long it takes between filing citizenship paperwork and receiving citizenship, so I am unable to give you an informed answer. We will find out though. Citizenship may be the first cut and they would have to file for citizenship within a year, or they would become ineligible.

SENATOR CEGAVSKE:

Once the student has graduated, how would you ever get the money back?

CHAIR WASHINGTON:

The university can develop the regulations and tell us how they propose to implement them.

SENATOR HORSFORD:

I had the language drafted saying the Board of Regents would create a policy within a "reasonable" time. The reasonable time needs to be as soon as the students are eligible, either because of their age or because Congress has determined the process. Our intent gives clear direction to the Board of Regents and the Nevada System of Higher Education.

SENATOR CEGAVSKE:

I will go along with all the proposed amendments, but I have some real concerns about the bureaucracy being able to do the follow-through or even wanting to do it.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR HORSFORD:

If it is agreeable to Senator Cegavske, the sponsor of S.B. 52, can we add the other members of this Committee on as sponsors of the bill?

SENATOR CEGAVSKE:

I would be honored to have you all on one of my bills.

SENATOR HECK:

Since I am pursuing S.B. 415, I would prefer my name not be on S.B. 52.

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CHAIR WASHINGTON:

Ms. Partida, please add the members of this Committee with the exception of Senator Heck as sponsors of S.B. 52.

MS. PARTIDA:

When joint sponsors are added to a Senate bill, that action is to take place on the Senate Floor.

CHAIR WASHINGTON:

There is no action on S.B. 109.

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

CHAIR WASHINGTON:

The sponsors of Senate Bill 238, which was the Governor's Empowerment bill, and S.B. 304, which was Senator Horsford's bill, have reached a consensus. The policy provisions will be housed in S.B. 238, and the funding mechanism will be housed in S.B. 305. There is a companion bill, S.B. 545 which is already in Finance. We will put the provisions of S.B. 545 in S.B. 305 which will include the \$60 million from S.B. 238 and the \$15 million from S.B. 545. Senate Bill 305 will go to Finance and S.B. 238, if it passes out of this Committee, will go to the Senate Floor and make its way to the Nevada State Assembly (Assembly).

SENATE BILL 238: provides for a program of empowerment schools. (BDR 34-112)

SENATE BILL 304: Establishes a program of local empowerment and accountability for public schools. (BDR 34-249)

SENATE BILL 305: Revises provisions governing education. (BDR 34-97)

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)

MR. MCCOY:

The brief summary of S.B. 238 is on page 17, [Exhibit C](#). The proposed amendment 3619 to S.B. 238 is on pages 18-35. The summary of S.B. 304 is on page 36. The proposed amendment 3657 to S.B. 305 is on pages 38-43a.

The amended version of S.B. 238 retains essential features of empowerment schools and incorporates many of the key provisions in S.B. 304. It includes site-based management, greater budgetary control at the school level, the option for incentive pay structure for all school personnel and provisions that allow non-zone students to transfer into empowerment schools as space is available. Like S.B. 304, the amended version of S.B. 238 allows the same appropriations from federal, State and local sources that Nevada schools already receive; however, it gives empowerment schools discretion over the funds appropriated to them by the district up to a maximum of 90 percent.

MR. MCCOY:

Empowerment schools are required to provide quarterly fiscal reports to, and be audited by, the school district. In the amended version of S.B. 238, charter schools are allowed to participate in the empowerment plan. Furthermore, a minimum of 5 percent of the total number of schools in the CCSD and the Washoe County School District (WCSD) are required to convert to empowerment schools. In the rural school districts, conversion to empowerment schools is optional; however, the amended version of S.B. 238 will guarantee that the selection of empowerment schools will reflect the economic and geographical diversity of the State. In the amended version of S.B. 238, the school design team still bears the primary responsibility for developing a school empowerment plan and submitting the application to convert to the school district board of trustees for approval; however, the school district may chose to develop a district level design team in order to provide general guidelines for the school team to consult and criteria of evaluation of the school plan.

CHAIR WASHINGTON:

The minimum of 5 percent and the maximum of 100 schools are in the bill, are they not?

MR. MCCOY:

They are in the bill.

JODI STEPHENS (Executive Assistant to Senior Staff, Office of the Governor):

The Governor asked that I thank Chair Washington and Senator Horsford for the leadership on this compromise. We look forward to getting this legislation passed.

MR. MCCOY:

At your request, Chair Washington, the reporting requirements have been added to the amended version of S.B. 305. From the original S.B. 238 draft, page 7, section 9, lines 22-42 and page 12, section 18, lines 40-45 and page 13, lines 1-30, it will require reporting of the empowerment plan's implementation and evaluation of those plans as they go into effect.

CHAIR WASHINGTON:

The purpose of doing this is to remove the fiscal notes from S.B. 238 and put them in S.B. 305, so the policy piece can continue on to the Assembly.

MRS. STEPHENS:

The Governor has agreed the financial portion should be separate.

SENATOR HECK:

I see that the language concerning the district design team has changed from a "shall" to a "may." What is the reason for having a district level team, and if we say it is a may, will the larger districts decide not to have one?

MRS. STEPHENS:

The reason the Governor wanted a district design team, in addition to the school design team, is to ensure each superintendent would be involved with what is going on in the district.

SENATOR HECK:

If everything is to be site-based management, my concern is that the district design team would influence the school design team and render them less effective.

MRS. STEPHENS:

We wanted to ensure that the superintendents would still have the authority and the funding to provide the necessary district services such as transportation, which is not the purview of the school design team. We agree

when the instructional and program monies reaches each school, it would be controlled by the design team in each school.

MR. MCCOY:

There was concern that without a district design team, when the individual schools converted to empowerment schools, they would not have any criteria to guide them. A district design team would provide the schools with a broad framework to refer to in the course of developing their plans.

SENATOR HORSFORD:

On page 19, lines 32-37, [Exhibit C](#), of the proposed amendment for S.B. 238, it explains that the district level design team is to be focused around the policies and procedures relating to empowerment schools and to help advise the board of trustees relating to the empowerment schools. Particularly in the CCSD and in the WCSD, with the number of empowerment schools they will have, they would need some direction and technical team assistance. By not having the additional layer of bureaucracy with the State Department of Education (Department) reviewing the plans, the local empowerment we were all seeking is being maintained.

MR. MCCOY:

I will restate the major provisions that are now in the amended version of S.B. 238. In this version, empowerment schools are envisioned as receiving the normal appropriation from federal, State and local sources. Essentially, what the language of the amended version does, it gives, ensures, or promises the schools up to 90 percent of the budget or less if that control is not needed in order to implement their plan. That is the primary budgetary change. Therefore, all the other appropriations and the funding formulas that were contemplated in the original version of S.B. 238 are no longer in the bill.

There are some changes in the amended S.B. 238 in regard to eligibility. Charter schools are allowed to participate in the empowerment program, and at least 5 percent of the schools in the WCSD and the CCSD will be required to convert to empowerment schools. There is a statewide limit of 100 empowerment schools. The amended version of S.B. 238 retains language from the original that guarantees in the selection of empowerment schools across the State that they will reflect the economic and geographic diversity of the State; however, in the original version of S.B. 238, there was a guarantee

of one empowerment school in each district should one chose to apply. That is not in the present version.

In the amended version of S.B. 238, provisions that the school principal will be the final authority of budgetary decisions are retained. Language is added emphasizing the school design team's role in guiding the process, in formulating the school budget and in granting the school design team an ongoing management or oversight role with regard to the budget.

MR. MCCOY:

The final bill would allow, but does not require, an incentive pay structure in the school's empowerment plan. Such an incentive pay structure would not affect the collective bargaining agreements under which the teacher's salaries were negotiated. This incentive pay structure would apply to all certified and noncertified school personnel.

Further provisions in the amended version of S.B. 238 allow parents of students enrolled in a school that converts to an empowerment school to enroll their child at another public school. It allows them to transfer. It allows parents of non-zoned students to enroll in an empowerment school if space is available and that enrollment procedure would be based on a prioritized list established by lottery. The amended version of S.B. 238 includes provisions that release the school district from responsibility for the transportation costs of students transferring out of an empowerment school into a new school or of non-zoned students transferring into an empowerment school.

There are some other details that relate to the structure of the school design team. In the original versions of these bills, the composition of the design team and the goals or the tasks were set for them in establishing the empowerment plan. Essentially, S.B. 238 and S.B. 304 were the same. However, S.B. 304 added more specific numbers of types of persons who would be qualified, so the amended version of S.B. 238 incorporates those. For example, in the amended version of S.B. 238, one person with experience in school administration would be required to be on the school design team; one person who has experience in accountability, data collection and analysis would also be required to be on there and so forth.

Those are the main points of the combined empowerment bills.

MRS. STEPHENS:

The only provision the Governor would like to see reinserted, although not mandated, is ensuring at least 1 school in each of the 15 school districts outside the CCSD and the WCSD can apply to become an empowerment school.

CHAIR WASHINGTON:

Those schools would be included in the maximum number of 100 schools statewide, correct?

MRS. STEPHENS:

Yes, that is correct.

CHAIR WASHINGTON:

I will entertain a motion on S.B. 238.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 238.

SENATOR HECK SECONDED THE MOTION.

MS. PARTIDA:

With regard to Mrs. Stephens' last comment, since there is no funding in S.B. 238, that provision might be better placed in S.B. 305.

SENATOR HORSFORD:

Just to clarify, does this motion include moving section 9 and section 18 to S.B. 305?

CHAIR WASHINGTON:

That is correct.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WASHINGTON:

There will be no action on S.B. 304.

MR. MCCOY:

These are the provisions in the original version of S.B. 305. The proposed amendment 3657 to S.B. 305 concerns the creation of a full-day kindergarten. It makes provision for an appropriation totaling approximately \$200 million in the biennium for the establishment of various educational programs including the at-risk, full-day kindergarten, education technology, empowerment schools legislation, support team for non-Title I schools and some others.

CHAIR WASHINGTON:

At this time, there is a proposed amendment from Senator Horsford.

SENATOR HORSFORD:

I ask the Committee to consider the proposed amendment to S.B. 305 from Senator Wiener, Senator Woodhouse and me ([Exhibit E](#)). This amendment would clarify the proposal to delete the Commission on Educational Excellence and the accounts for those funds. We propose to maintain the Commission and allow it to continue to oversee the funds allocated for S.B. No. 404 of the 73rd Session as it currently does. The rationale is this program just began. We have seen success. We have the new best practices form, and we have received a lot of positive feedback from parents, teachers and students. Many of the programs are being funded. While there have been challenges, we know what they are, and they are being addressed. We ask that the Commission be maintained.

To amend section 4, lines 22-26, on page 40, [Exhibit C](#), where you have the allocation of the total fund, we would create three separate accounts within that fund to be administered by the Department. The first would be the account for Innovative Programs; the second would maintain the account for full-day kindergarten and the third would be an account for incentives offered in accordance with section 6 of the bill on page 43, lines 1-42. Under the proposed amendment, the money in these accounts would be available for reallocation after the initial grant cycle. We ask for a technical amendment that would allow anyone who applies for a grant that is not considered in the first year be able to be considered in the second year cycle. We ask the Committee's support of this amendment.

While we support the Chair's approach to the amendment concerning the funding, we want to continue to support full-day kindergarten this session as well as maintaining the one-fifth benefit credit for teachers.

SENATOR CEGAVSKE:

I am not objecting to the amendment, but it should go to Finance to find out if we can do this. Any time you ask the school districts to do different accounting from different accounts, there is an issue. To adopt this before we talk to Fiscal to find out if it is even feasible may not be the best course.

MRS. STEPHENS:

This is the first time we have seen the language, so the Governor has not seen this.

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

As I read the amendment, it looks as though it simply separates the account into three funding streams. I have seen this in bills before. I do not know if all the funding is still in the Innovation and Remediation Trust. Would this funding be placed in S.B. No. 404 of the 73rd Session?

SENATOR CEGAVSKE:

That is the concern I have. When you separate money, Finance has to do something additional which is fencing it off. Would it be agreeable to bring this up in Finance instead of trying to do it here?

SENATOR HORSFORD:

The point you are making is the same as the proposal which is putting the existing three funds into one big fund without it going to Finance. I can see both sides. My emphasis is the policy point. To the degree we can, I want to maintain the intent for S.B. No. 404 of the 73rd Session for full-day kindergarten, for incentives and to provide the discretion to the Department to move the funds. If Finance decides to do further negotiations, they have the purview to change the bill. From a policy standpoint, I cannot support S.B. 305 as written because it leaves too much discretion to the Department to spend more than \$200 million over the biennium. I am not comfortable with that.

SENATOR CEGAVSKE:

In the proposed amendment, does it mean the current at-risk kindergartens? Has this proposed amendment been taken to Finance?

SENATOR HORSFORD:

We got the amendment for S.B. 305 just before Floor Session. As you know, we are all working on deadlines. Had I received this sooner, I would have taken it to Finance for review. I have a problem with allocating \$200 million with no parameters.

SENATOR WIENER:

To amend my colleague's statement, we received this just before this Committee meeting, not just before the Floor Session. This is a policy companion piece we have been discussing during these past several weeks. It is the best because it shows the intent of this Committee to establish those specific funds while still allowing the latitude to move the funds. It also states our intent that if the money is not spent specifically in a certain period of time, it could still be moved. That is clearly a policy statement which this policy Committee has the opportunity to address and to include as an amendment in this measure.

CHAIR WASHINGTON:

Ms. Partida, can you walk through the proposed amendment from Senator Horsford, and what effect it would have versus the current amendment in S.B. 305?

MS. PARTIDA:

I can state that the difference between the proposed amendment and the amended version of S.B. 305 you have in front of you is in the proposed amendment from Senators Horsford, Wiener and Woodhouse, the money would be given priority. One of the accounts, Innovative Programs, would get the first chance at that money. The full-day kindergartens, including the current at-risk schools plus the nine schools that were not funded would get the first chance at that full-day kindergarten money. The incentive programs would be prioritized and have the first chance at that money. Any left-over monies would be available for any of those programs to cross boundaries.

CHAIR WASHINGTON:

I think we understand. Mrs. Stephens, have we clarified the amendments?

MS. STEPHENS:

Yes, sir, thank you.

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MR. MCCOY:

To reiterate, you have asked that in the original version of S.B. 238, page 7, section 9, lines 22-42 and page 12, section 18, lines 40-45 and page 13, lines 1-30, which requires reporting of various kinds and evaluations to be conducted in the empowerment schools, be amended into S.B. 305.

CHAIR WASHINGTON:

I will entertain a motion to adopt the amended version of S.B. 305, the proposed amendment with the new language at the bottom of the proposed amendment plus the two sections from S.B. 238 to be amended into S.B. 305.

SENATOR WIENER MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 305.

SENATOR WOODHOUSE SECONDED THE MOTION.

MS. PARTIDA:

Just to clarify the motion, it would also include at least one school from each of the 15 other school districts can apply to be an empowerment school.

CHAIR WASHINGTON:

Yes, it includes that, and it includes the current at-risk, full-day kindergarten.

MS. PARTIDA:

When we drafted the original version of S.B. 545, it included not only the at-risk and the full-day kindergarten, but also the nine schools that qualified although they had not received the money.

CHAIR WASHINGTON:

That is fine and we will leave it in the bill.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WASHINGTON:

With no further business to come before the Senate Committee on Human Resources and Education, it is recessed at 2:36 p.m.

The meeting was not reconvened.

RESPECTFULLY SUBMITTED:

Betty Ihfe,
Committee Secretary

APPROVED BY:

Senator Maurice E. Washington, Chair

DATE: _____