

**MINUTES OF THE  
SENATE COMMITTEE ON HEALTH AND EDUCATION**

**Seventy-fifth Session  
April 8, 2009**

The Senate Committee on Health and Education was called to order by Chair Valerie Wiener at 2:54 p.m. on Wednesday, April 8, 2009, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 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 Valerie Wiener, Chair  
Senator Joyce Woodhouse, Vice Chair  
Senator Steven A. Horsford  
Senator Shirley A. Breeden  
Senator Maurice E. Washington  
Senator Barbara K. Cegavske  
Senator Dennis Nolan

**STAFF MEMBERS PRESENT:**

Marsheilah D. Lyons, Committee Policy Analyst  
Mindy Martini, Committee Policy Analyst  
Sara Partida, Committee Counsel  
Betty Ihfe, Committee Secretary

**OTHERS PRESENT:**

Lawrence Weekly, Chairman, Board of Trustees, University Medical Center;  
Member, Board of Commissioners, Clark County  
Keith W. Rheault, Ph.D., Superintendent of Public Instruction, Department  
of Education  
James R. Wells, CPA, Deputy Superintendent, Administrative and Fiscal  
Services, Department of Education  
Kathleen A. Conaboy, K 12, Inc.  
Laura K. Granier, Nevada Connections Academy; Connections Academy  
Carol Andrew, High Desert Montessori School

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William "Rob" Roberts, Ed.D., Superintendent of Schools, Nye County School District  
Anne Loring, Washoe County School District  
Michele Robinson, Ed.D., President, Board of Trustees, Charter School Association of Nevada  
Anthony Ruggiero, President, District 2, State Board of Education and State Board for Career and Technical Education  
Bart Mangino, Legislative Representative, Community and Government Relations, Clark County School District  
Dotty Merrill, Ed.D., Executive Director, Nevada Association of School Boards  
Eugene T. Paslov, Ed.D., Former Superintendent of Public Instruction, Department of Education; Member, Board of Trustees, Davidson Academy; Vice President, Board of Trustees, Silver State Charter School  
John Vettel  
Sharon Kientz, Nevada Director, National Right to Read Foundation; Member, Board of Trustees, Nevada Virtual Academy  
Craig Stevens, Nevada State Education Association  
Ben Sayeski, Chief Education Officer, The Andre Agassi Charitable Foundation  
Jan Biggerstaff, Member, State Board of Education and State Board for Career and Technical Education  
Mary Jo Parise Molloy, Nevadans for Quality Education  
Michael J. Willden, Director, Department of Health and Human Services  
John Kasnick, Chief, Rates and Cost Containment Unit, Division of Health Care Financing and Policy, Department of Health and Human Services  
Misty Grimmer, North Vista Hospital  
Andy North, St. Rose Dominican Hospitals and Saint Mary's Hospital  
Deborah Kuhls, M.D., Trauma and General Surgeon, University Medical Center; University of Nevada School of Medicine  
George Ross, Sunrise Hospital and Medical Center; Hospital Corporation of America Healthcare  
Tim Tetz, Executive Director, Office of Veterans' Services  
Maria D. Canfield, M.S., Chief, Bureau of Child, Family, and Community Wellness, Department of Health and Human Services  
Constance Brooks, Senior Management Analyst, Administrative Services, Clark County

CHAIR WIENER:

I open the hearing on Senate Bill (S.B.) 382.

**SENATE BILL 382**: Revises provisions relating to disproportionate share payments to certain hospitals. (BDR 38-1105)

LAWRENCE WEEKLY (Chairman, Board of Trustees, University Medical Center; Member, Board of Commissioners, Clark County):

Referring to the handout from the Department of Health and Human Services (DHHS), titled "DSH Distribution – SFY 2009," I am extremely pleased at how those funding pool dollars have been distributed ([Exhibit C](#)). On behalf of the citizens in southern Nevada, I cannot express what this means to the residents of Clark County and the patients and staff at the University Medical Center (UMC). If the decision had gone the other way, it would have had a huge detrimental impact on our county hospital. It would have necessitated us, the Clark County Board of Commissioners, to come to talk with you about possibly closing our doors. We appreciate any consideration given to us in helping support our hospital and in helping support those men and women who every single day save the lives of those who cannot afford to care for themselves.

CHAIR WIENER:

At this time, I close the hearing on S.B. 382, but I will reopen it later. I open the hearing on S.B. 384.

**SENATE BILL 384**: Revises provisions governing apportionments from the State Distributive School Account to certain charter schools. (BDR 34-805)

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

The Department of Education (NDE) brought up the issue identified in S.B. 384 at the interim Legislative Committee on Education (LCE). It is an attempt to address the equitable distribution of the Distributive School Account (DSA) funding. When the Nevada Plan was first developed many years ago, it was not envisioned that we would be funding individual schools as part of that plan. It certainly was not envisioned that individual schools would be funded with students enrolled in it from 16 different school districts. This is the case now with one of the distance-education charter schools operating.

On page 10 of S.B. 384, subsection 4, lines 3 through 27, that provision would provide a uniform apportionment to charter schools providing they offer 100 percent of their instruction through virtual courses regardless of the school district in which the student lives. It addresses the question,

Is it reasonable to pay for one student—and I use the example in the Esmeralda County School District (Esmeralda CSD)—where we pay \$22,099 for that student as opposed to one in the Clark County School District (Clark CSD) where we pay \$6,519 for the same program and services? That is the funding question this bill raises.

JAMES R. WELLS, CPA (Deputy Superintendent, Administrative and Fiscal Services, Department of Education):

On the handout you have received, we looked at how, in general, the school districts are funded ([Exhibit D](#)). Page 1 has the flowchart of the DSA equity allocation model. Through legislation, a basic support number for the State is determined at the end of the Session. That number gets amended within the NDE. We amend each district based on three basic criteria. First, we look at the relative costs specific to that district. With this, we are trying to provide purchasing-power parity to each of the school districts recognizing that it costs more both size-wise and economics-wise in the Esmeralda CSD than it does in the Clark CSD. Second, we look at the local wealth. Local wealth is the two-thirds part of the property taxes not included in the guarantee and the government services tax (GST)—which is vehicle registration taxes—and the franchise fees on utilities. Third, we look at the transportation costs of the district recognizing that in a district like the Elko County School District (Elko CSD), where kids live in faraway places, it costs more to transport them than it does in the Carson City School District (Carson City SD) where everything is relatively condensed and compact.

Using those three numbers is how we come up with the various district-wide, basic support numbers. Those numbers are shown numerically at the top half of page 2 of [Exhibit D](#). Table 3, titled “FY2010 Component Parts of Basic Support per Pupil—PRELIMINARY,” shows the projected figures for fiscal year (FY) 2010 based on the Governor’s DSA recommended budget. Everybody starts out with \$4,969 which is shown in column [15]. Column [16] adjusts for relative cost differentials. For example, it is more expensive in the Carson City SD than it is in the Clark CSD; so you see an added number for the Carson City SD, whereas in the Clark CSD, you see a reduced number. This recognizes some of that purchasing-power parity. One of the ways to explain this is to use an example of a superintendent’s salary of \$100,000. In the Clark CSD, there are 300,000 students, so that costs about 33 cents for each student. In the Esmeralda CSD with 67 students, it would be \$1,420 for each student to pay for that same salary. In column [17] is the adjustment for local relative wealth.

In the Clark CSD, that is a small negative number, but in Eureka County School District (Eureka CSD) that is a large negative number. That recognizes all the net proceeds in the mining industry in the county of Eureka. In column [18], there is an adjustment for the relative transportation differentials. For example, the Carson City SD is a compact district and you see a negative, whereas, in the Esmeralda CSD where they have long distances between schools and students, there is a large increase. In column [19] is the final basic support number after these adjustments. You see the statewide average ranges from \$4,969 in the Clark CSD to \$21,259 in the Esmeralda CSD. That is how we build the DSA balances.

On page 3 of [Exhibit D](#), it shows numerically what S.B. 384 will do. This page is based on the FY 2009 actual numbers, so these numbers are different from those on page 2. The same numerical computations were used in building Table 1 titled "FY2009 SB384 Impact on DSA Basic Support and 'Outside' Revenues Payments." In column [1], is the total basic support level for each student. It ranges from \$4,958 for the Clark CSD to \$15,332 for the Esmeralda CSD with a statewide average of \$5,213. That is the number you will see in the legislation that was passed in July. In column [2], you see the school district's "outside" revenues. That is the numeric value for each pupil of the two-thirds property tax, the GST and franchise fees. It ranges from \$921 in the Elko CSD to \$24,141 in the Eureka CSD and averages—and this is a weighted average column—\$1,533 for each student statewide.

At the bottom of page 3, columns [3A], [4A] and [5A] show the enrollment for the three distant-education charter schools—Connections Academy, Nevada Virtual Academy (Nevada Virtual) and Insight Charter School. Column [3A] for Connections Academy indicates they have students in 16 of Nevada's 17 school districts. The numbers directly below columns [3A], [4A] and [5A] are the actual numbers of the DSA support for the current fiscal year. We take the 24.6 students in the Carson City SD and multiply them by \$6,220 which totals \$153,012. Those same 24.6 students multiplied by the \$1,137 for outside revenue in the Carson City SD totals another \$27,970. Under current legislation, that is the number the Connections Academy would receive for those students.

Senate Bill 384 would change that. On the bottom half of page 3, Table 1 of [Exhibit D](#), the amount would go to the lowest school district basic support level. For example, in column [1A], titled "FY2009 SB384 Adjusted Basic Support

per Pupil," the Clark CSD amount is \$4,958, so it would go to the lower of the statewide average or the district's outside revenues. Using the Carson City SD, you see there is \$4,958 for basic support times the 24.6 which totals \$121,967 in the column labeled "SB384 DSA Support Payment [1A] x [3A]." Because the Carson City SD's outside revenues of \$1,137 in column [2A], titled "FY2009 SB384 Adjusted Outside Revenue per Pupil," are less than the statewide average of \$1,533, that \$1,137 is used to come up with outside revenues of \$27,970 or the same number they get currently. All that does is take the students and multiplies them. The difference at the bottom of the column, titled "SB 384 DSA Support Payment [1A] x [3A]," shows that the State would spend \$461,988 less for the basic support number if it paid based on this particular piece of legislation. The school districts would be required to spend \$126,763 less in their outside revenues which is shown in the column titled "SB 384 'Outside' Revenues [2A] x [3B]. What we do is take those monies away from those school districts and give them to the charter schools.

That is how S.B. 384 would make changes to how we currently fund charter schools that are virtual distance-education schools. In the bill on page 10, lines 3 through 27, it defines that charter schools must offer 75 percent or more of their classes in distance courses.

The NDE has a handle on how much it costs to operate a school district. We know the costs of maintenance, facilities, buildings and grounds; we know the costs of teacher allocations, and we have attendance numbers. What we do not have is a handle on the cost structure of the virtual schools. We have done some research on the costs of virtual education compared to classic brick and mortar education. A national publication, *Education Week*, published a report addressing this subject. Another report from Augenblick, Palaich and Associates has been released. Both of these reports stated that in some places distance education was less expensive, and in some places it was the same as traditional education with the exception that transportation and facilities were clearly different between a virtual school and a brick and mortar school.

One of the difficult issues for the NDE is how students are counted. The NDE has a definition for counting students which is the attendance book showing "present," "absent" or "withdrawn." Counting is more difficult with virtual schools, because some students attend sequentially which is one class at a time, while other students attend simultaneously, taking as many as

six classes. With certain class requirements to be classified as a high school freshman, those attendance numbers are not clear, and, therefore, complicate the counting process. In one survey, two school districts in Minnesota and Florida were used. They required students to complete the course before they are given credit for it. They do their count kind of at the end of the school year as opposed to the way we count which is at the beginning of the school year. The question is, "Do we change the way we count our students in the future because of the virtual schools? This needs to be studied because it has become very difficult for the NDE to audit virtual school enrollment.

CHAIR WIENER:

Initially, S.B. 384 went to the Senate Committee on Finance (Finance) because of the fiscal impact on our education dollars. It was rereferred to this Committee, so we could make the policy considerations. Our decisions may substantially shift how we will fund education in the future.

In 1997, two of us on this Committee spent an entire session crafting the original charter school legislation. It has evolved during the past several sessions, and this proposed legislation takes us in another direction. We do need to evaluate this carefully.

SENATOR WASHINGTON:

This issue was brought before the interim LCE. There was no action taken on this particular measure during that time, although the minutes might reflect that the measure had value and should be considered. There was not enough time then to delve into its impact and consequences, and we suggested it come back during the interim.

We may be ahead of ourselves right now as we digest the proposed Nevada Charter School Institute (NCSI), digest the proposed World-Class Education S.B. 330 plus all the other educational issues we are trying to address in the few days before Friday's deadline. I recommend we look at this during the 2009-2010 interim.

**SENATE BILL 330**: Enacts the Initiative for a World-Class Education in Nevada.  
(BDR 34-171)

KATHLEEN A. CONABOY (K 12, Inc.):

I am representing K 12, Inc. (K 12) which is the developer of a world-class, distance-education curriculum currently being used by charter schools and public school districts in 21 states and the District of Columbia. In Nevada, the K 12 curriculum is used by Nevada Virtual. Nevada Virtual is a statewide distance-education charter school authorized by the State Board of Education and State Board for Career and Technical Education (State Board). In just 2 years of operation, Nevada Virtual has enrolled nearly 1,000 students in kindergarten to ninth grade. We are pleased we were recently authorized to offer a high school program next year.

I presented this prepared testimony in Finance the other day and followed Dr. Rheault and Mr. Wells ([Exhibit E](#)). I am happy to hear today that they are thinking we need to look at some of the national data. That is what I asked for when we were in Finance. We believe S.B. 384, as written, drastically changes the existing and long-standing approach to "per pupil" funding. That means funding for each child within a district is uniform and that allotted funding follows the public school child no matter where their parents send them within the public school system. This bill proposes to cut the DSA for a subset of charter school students, namely those students who attend a distance-education program fulltime if that program does not require a weekly face-to-face meeting between the student and his or her teacher. That is for 100-percent distance-education programs.

The reason we object, aside from the fact that it is discriminatory, is because distance education is provided for in the *Nevada Revised Statutes* (NRS), and it has been since the late 1990s. Part of the definition of distance education requires the schools to ensure teachers meet with or otherwise communicate with their pupils at least once a week. In our model, the teachers and students are in frequent communication. They have interactive lessons on a system we call Elluminate. Our students have study halls and field trips. We have club activities such as a chess club, a spelling bee club and a national geographic club. Of course, there is lots of e-mail and phone interaction.

We do have full oversight of a student's daily academic activity to address some of the issues that Mr. Wells just raised. There is a daily reporting system; the students have to log in. The parents can access that on a parent reporting system, and the teachers see it on the teacher reporting system. We track



student progress on a daily basis. Each one of our units has a formative assessment associated with it, and the children have to demonstrate that they have mastered the lesson in that unit before they can move on to the next one. We also have interaction between parents and teachers. There is a whole separate electronic infrastructure where parents and teachers can talk about a student's progress. There are shared bulletin boards for parents to talk about curricular issues or concerns.

What I am attempting to point out is even though we do not have a brick and mortar facility or brick or mortar overhead, as the world changes technologically, perhaps the definition of "infrastructure" is changing. Certainly there is a cost associated with our electronic infrastructure. The definitions of communication and meeting are evolving. You do legislative meetings by distance. Those people far away are definitely at your meeting. They just are not here with you face-to-face.

My second objection last week was that we had not had any policy discussion about this; but, since Dr. Rheault and Mr. Wells just offered to take the time to do that, we are entirely supportive in participating over the interim by providing information and being at the table.

CHAIR WIENER:

During my 13 years in the Senate—which is 7 sessions—I cannot remember as many bills that include some major policy shift concept in education. We are no longer making legislation happen for only the now. Even though we have had distance learning in policy, we did not have it in the direction it is going now. I suggest we take this to the interim for serious consideration. Even though there are statutory references, the proposed legislation probably was not drafted with this in mind.

MS. CONABOY:

To reiterate, Nevada Virtual and K 12 would be delighted to be part of an official interim study or whatever the NDE sponsors.

LAURA K. GRANIER (Nevada Connections Academy; Connections Academy):

I state that Nevada Connections Academy and Connections Academy would also be supportive and would be enthusiastic to participate in any interim study and discussions. Our concern with S.B. 384 is that it would have a chilling effect on distance education. It does discriminate between funding of

students in the same school district. In 2001, California passed a bill to change funding requirements for what they call "nonclassroom-based schools." As far as I can tell, that is their term for the equivalent of our distance education. Their concerns involved how it had affected schools and how it had adversely affected student choice. In their conclusions, they reexamined two questionable assumptions. The first was schools delivering substantial amounts of distance education have a lower cost structure. The second was the resources needed to deliver this type of instruction can successfully be gauged by a fixed percentage of revenues.

We recently obtained authorization to add kindergarten through third grade for the Nevada Connections Academy. A mother traveled five and a half hours to attend the hearing at the State Board to plead for approval of the program. She said she lives in a remote area and had been waiting—literally years—for distance education to come to our State. Finally here, it would save her children from being on a bus four hours a day to the nearest brick and mortar school.

Besides technology, there are additional costs associated with distance education to be considered. These individualized approaches to education serve students at the extreme ends of the spectrum, so there are costs associated with shipping materials, testing and special education in the rural counties. All this needs to be considered in relation to S.B. 384.

CAROL ANDREW (High Desert Montessori School):

I am speaking for myself as a Nevadan and for my own High Desert Montessori School. As an operator of a brick and mortar charter school, it is a challenging daily task to make sure the snow is plowed, the parking lot is available and the roof does not leak. Under these economic times, it is up to all of us to make sure that every educational dollar is used optimally for every Nevada child. I feel there is an inequity in the current DSA, and I concur completely with the NDE. I urge you to address this inequity. These are dollars that are needed by children.

There is an important role for online schools. I sympathize with those rural families who are offered an alternative for the first time. I do not want to take away from the online charter schools as they do an excellent job; however, it is not the same as a brick and mortar formula. Nevadans deserve that you look at this closely. Charter schools are asked to compete with

traditional schools. We look to you, our Legislators, to create a level playing field so that our educational performance can be judged fairly.

CHAIR WIENER:

I am hearing a consensus to have more dialogue and give this consideration during the interim. We will put S.B. 384 on our work session.

WILLIAM "ROB" ROBERTS, Ed.D. (Superintendent of Schools, Nye County School District):

I am in support of the NDE's S.B. 384. Using the same logic as the virtual schools, as soon as the Esmeralda CSD students pass out of the elementary level, all those students are transported about 60 miles each way to schools in Nye County School District (Nye CSD). The DSA that the Esmeralda CSD would receive, which is somewhere between \$15,000 and \$22,000, is not given to the Nye CSD. When students attend school with us, they receive the same DSA as the other schools which would be about \$6,500. If we were a virtual school, we would receive the \$15,000 to \$22,000. The same occurs when our students in Duckwater have to travel to high school in the Eureka CSD. The Nye CSD receives no DSA for those students and when they get to the Eureka CSD schools, the Eureka CSD also receives no DSA funding. I think this information is important for you to have as you come to a consensus for fair funding in the future.

CHAIR WIENER:

Thank you for coming forward as we look to the needs of the rural counties.

MR. ROBERTS:

I leave you with a point of geographical information. The county of Nye is 18,400 square miles, which is larger than the state of New Jersey.

SENATOR WASHINGTON:

During our work session when we get to S.B. 275 which would create a commission on spending, government efficiency and educational equity, we might want to have that commission look at the equity of distance education.

**SENATE BILL 275**: Creates the Commission on Spending, Government Efficiency and Educational Equality. (BDR 31-170)

CHAIR WIENER:

I close the hearing on S.B. 384. I open the hearing on S.B. 385. We first heard this bill in a joint hearing with the Assembly Committee on Education on April 1, 2009.

[SENATE BILL 385](#): Revises provisions governing charter schools. (BDR 34-279)

SENATOR MAURICE E. WASHINGTON (Washoe County Senatorial District No. 2):  
The intent of this bill is to ensure that charter schools will be viable within our State. One historical note is when we were setting up the "eighteenth school district" last Session, we thought we had completed that task which would ensure that the State was able to sponsor charter schools and meet the requirements of the federal government, especially as far as grant processing was concerned. We found out we were missing one piece which was recently illuminated for us.

We need to create an institute, an authorizing board or a commission that would actually not only sponsor, but also authorize charter schools in conjunction with the NDE to make sure those applications are in compliance. With S.B. 385 and with Assembly Bill (A.B.) 489, we believe that task will be completed. That will create an eighteenth school district which will be comprised of charter schools in Nevada. This legislation is a credit to all who have participated in presenting meaningful policies and statutes that will be beneficial to our students, their children and their grandchildren.

[ASSEMBLY BILL 489](#): Revises provisions governing charter schools. (BDR 34-297)

Several amendments have been proposed by various stakeholders. Those sponsors are the NDE, the Washoe County School Board and the State Board.

CHAIR WIENER:

During the April 1, 2009, hearing on this proposal, in referring to the concept of having an institute, it became rather accepted that it would be "like" having an eighteenth school district. I am sensing though that is not what the institute would be. It is my understanding that setting up another school district would be more complicated than we would want. In essence, each charter school is its own school district with its own board of trustees. An institute would actually be an umbrella agency but not another school district.

SENATOR WASHINGTON:

For lack of better terminology, we used the eighteenth school district because, at the time, it distinguished the borders we were defining. We simply became accustomed to it.

CHAIR WIENER:

I can appreciate that was for an easy reference, but for legal purposes that reference may have a legal standing we may not be prepared to address in this legislation.

SENATOR WASHINGTON:

I like the new name, the NCSI; it has a nice ring to it.

CHAIR WIENER:

As we reference this in the future, we can talk about it as the NCSI or the Institute.

SENATOR WASHINGTON:

With his experience in Colorado's successful charter school institute, Colorado State Senator Keith King was instrumental in assisting us in crafting this legislation. During the last interim and this Session, he has worked with us to ensure we have the necessary provisions in the bill. He also assisted us in sorting out the funding issues. We would be remiss in not acknowledging his contribution to this effort.

MINDY MARTINI (Committee Policy Analyst):

To review S.B. 385, please refer to the handout with the section-by-section summary which has a yellow strip across the top of the page ([Exhibit F](#)). Page 1, sections 1 through 20 are the technical changes. The substantive changes begin with section 21. Sections 21 through 26 relate to the organization and operation of the NCSI. Section 21 establishes the membership of the NCSI. Section 23 states the NCSI shall appoint a director, and section 26 says the NCSI may employ staff. Section 27 establishes the account for the NCSI, and declares the account may retain any interest or earned income and any money remaining at the end of the year does not revert to the General Fund. The director may accept gifts, grants and bequests.

By deleting the State Board throughout the NRS Chapter 386, "Local Administrative Organization," and inserting the NCSI, the authority

granted to the State Board to sponsor charter schools is repealed. The NCSI is granted the authority.

On page 2 of [Exhibit F](#), section 30 provides that if the NCSI approves an application, it shall sponsor the charter school. Section 35 grants to the NCSI the authority to adopt regulations and prescribe the application process. Note that the new language provides that the NDE maintains the authority to adopt regulations relating to finances and budgets. The State Board is granted the authority to disapprove any regulation adopted by the NCSI only if that regulation threatens the official operation of schools or creates an undue financial hardship. This is similar language used for the Commission on Professional Standards in Education (Professional Standards).

SENATOR WASHINGTON:

The comments are shown on a matrix that will be presented by the Washoe County School District (Washoe CSD) ([Exhibit G](#)). We are in agreement with their proposed amendment. The Washoe CSD is proposing an amendment to section 35, page 2 of ([Exhibit H](#)). It will clarify the regulation process to make sure that those regulations do not impact the school district. Within the amendment, it will also clarify that the charter school sponsored by a school district or by the NSHE must abide by the regulations of the State Board and not those of NCSI.

MS. MARTINI:

The reason the NCSI was placed under the rule of the State Board is because the State Board has oversight of all public schools in the State. The NDE's role under this bill continues for the review of applications, for completion and technical expertise for curriculum measures. This removes the need for NCSI to duplicate services that the NDE can provide.

Page 2 of [Exhibit F](#), section 38, stipulates that the NCSI may receive up to 2 percent of a charter school's apportionment annually. That is a change from the State Board regulation which is 2 percent in the first year and 1.5 percent in the years thereafter.

The chart to which Senator Washington just referred is on page 1 of [Exhibit G](#), and the NCSI proposed organizational chart is on page 2 of [Exhibit G](#).

SENATOR WASHINGTON:

On pages 3 and 4, section 38 of [Exhibit H](#), the Washoe CSD is offering an amendment which specifies that the 2 percent should be implemented across the board for all charter schools sponsored either by their sponsoring agent or NCSI. On page 3, section 33, lines 4 through 8 of [Exhibit H](#), it specifies that a charter school sponsored by the school district or by NSHE may change its sponsorship to NCSI without applying or having to go through the application process again.

MS. MARTINI:

Pages 2 and 3 of [Exhibit F](#), sections 48 and 49 pertain to the funding of the NCSI. We have just received updated fiscal note information from the NDE.

SENATOR WASHINGTON:

The amendment offered by the NDE is before you, and it has an attachment ([Exhibit I](#)). It has an effective date of October 1, 2009. They proposed making the payments quarterly rather than annually, which helps with their cash flow.

The fiscal note information is on the attachment, pages 4 through 8 of [Exhibit I](#). The breakdown of the incoming funds is based on 2 percent, and the estimated revenues for the school year of 2008-2009 are listed. It also shows the expenditures regarding the director and the full-time equivalents needed to sustain the operation. We are in agreement with this amendment and attachment.

MS. MARTINI:

The funding sections 48 and 49 in [Exhibit F](#) would be replaced by the amendment from the NDE.

SENATOR WASHINGTON:

Those proposed sections dealing with funding would still allow the bill to be passed out of this policy Committee. Once the funds are available, it would have to go before the Interim Finance Committee to ensure that the funds are still available. After that, the policy would kick in, and the NCSI can start at that time.

CHAIR WIENER:

You have referred to amendments from the Washoe CSD, and we do not seem to have a copy.

MS. MARTINI:

That particular amendment was passed out at the April 1 meeting. You will have it in your work session binders for that meeting.

SENATOR WASHINGTON:

We just received a proposed amendment from the State Board ([Exhibit J](#)). It concerns retaining the authority of the State Board to sponsor charter schools in addition to authorizing the NCSI to sponsor charter schools. The State Board proposes to amend specifically section 30 in both S.B. 385 and in A.B. 489. They would also amend all other pertinent sections wherein the State Board has been removed. These two amendments being offered by the State Board are not acceptable. This is why we created the NCSI.

**ASSEMBLY BILL 489**: Revises provisions governing charter schools. (BDR 34-297)

MS. GRANIER:

I am speaking in favor of S.B. 385. Charter school law is one of the fastest growing areas of the law. To help these innovative schools flourish, it is important to have this specialized entity, the NCSI, to oversee charter schools in Nevada and develop uniform policies for our charter schools. Last year, the State Board imposed a moratorium on any new charter schools because they could not keep up with the technical assistance, applications or the operational oversight of so many charter schools. That is not a criticism; they were simply overburdened and understaffed. I understand moratoria had been imposed in the Washoe CSD and the Clark CSD at various times, so the NCSI would also relieve the school districts and the State Board of a significant burden on their staff. In these difficult and challenging times, innovative schools are important choices for our students. We want to do everything we can to support them and not impose any delay in their formations.

ANNE LORING (Washoe County School District):

Although the amendment before you is nicknamed "from the Washoe CSD," it has an important effort. There are many groups who worked collaboratively on this amendment. For the record, they are the Washoe CSD, the Clark CSD, Nevada Association of School Superintendents, Nevada Association of School Administrators, Nevada Association of School Boards, K 12, Nevada Virtual Academy, Connections Academy, the Charter School Association of Nevada, Imagine Schools, the Andre Agassi College Preparatory School,



Odyssey Charter School and the Academy for Career Education (ACE). This is very much a group effort and amendment.

SENATOR WASHINGTON:

I omitted a comment on page 2 of [Exhibit H](#), section 35, line 27 extended. It clarifies the regulations that the charter schools sponsored by the school district or by NSHE must abide by the regulations of the State Board and not those of NCSI. We want to make sure there are not two rule-making bodies for charter schools. Ms. Loring, will you further explain the intent of this portion of the amendment?

MS. LORING:

On page 1 of [Exhibit H](#), under "Explanation" 1), it states the NCSI would not develop regulations that would impact the school districts. We identified three specific NRS statutes in the list of statutes that they will be regulating. We would recommend them for exclusion because they do impact the school districts. Those statutes are the NRS 386.560, 386.582 and 386.584.

What Senator Washington is referencing is on page 2 of [Exhibit H](#), line 27 extended. It stipulates the school district charter schools would follow the regulations of the State Board, and the NCSI charter schools would follow the regulations of the NCSI. There was considerable discussion among our group, and we are facing a quandary. For instance, in the Washoe CSD, we have 8 charter schools; the oldest is 11 years old. We and our charter schools have developed a fine relationship with the NDE in terms of regulations, and we have been operating under those for some time. There is concern though that in some areas of statute, such as regulations about maintaining insurance coverage and the reporting of data for the automated systems, these are the "big ticket" items over which the school district-sponsored charter schools would have authority. While they have been operating under those regulations for some time, there was concern about changing now en masse to a whole new set of regulations. We did have considerable discussion with our group about possible ways to deal with this. One solution includes a sunset by which time all of the charter schools would migrate to sponsorship of the NCSI. By then, it would be a moot point; however, we have not yet come to agreement on this point.

SENATOR WASHINGTON:

Did you say the sunset was not agreed upon?

MS. LORING:

It was not agreed upon. There were a number of charter schools concerned about whether or not they wanted to move or liked the idea of being given the choice of moving. In many respects, their reasoning on the regulation issue is the same reasoning that applies to the school districts that currently have district-sponsored schools.

SENATOR WASHINGTON:

The NCSI is not interested in superseding those regulations. We should look at that language as we want to comport to the intent. We want to be sure it does not allow dual or competing regulations.

MS. LORING:

We would be pleased to work with anyone who would like to grapple with this.

On page 31 of S.B. 385, section 29, lines 21 through 23, it creates an eighteenth school district for the sole purpose of providing Local Educational Agency authority status to the school district for purposes of the federal law governing charter schools. We are positive about the NCSI, as it will be great for the charter schools and the charter school movement in Nevada. As we looked at all this authority given to the NCSI, we thought we should tweak the language to give them other responsibilities too. However, there are some legal ramifications we were not aware of at the time, which we understand could be a legal quagmire, so we do not recommend pursuing that.

CHAIR WIENER:

That is the evolution or the devolution of the eighteenth school district reference in the other committee that made me concerned about this.

MICHELE ROBINSON, ED.D. (President, Board of Trustees, Charter School Association of Nevada):

I am the president of the board of trustees of the Charter School Association of Nevada (CSAN) representing 21 of the 25 charter schools throughout our State. For the record in accordance with our board vote today, the CSAN supports the concept of the proposed NCSI and supports the amendments that allow for State-sponsored charter schools to migrate immediately ([Exhibit K](#)). We support language for local-sponsored charters, so they may migrate if they choose to do so. We support reporting charter school finance and accountability information directly to the NCSI with final reporting

submitted by the NCSI to the NDE. We support creating a new timeline with automatic renewal for newly converted charter schools to NCSI under the NRS 386.527.

ANTHONY RUGGIERO (President, District 2, Nevada State Board of Education and State Board for Career and Technical Education):

The State Board supports S.B. 385 because the NCSI will alleviate some of the responsibilities on the NDE, especially in light of the budget and staffing constraints. While the State Board has always been a strong proponent of charter schools, the State Board is in opposition to the bill because it removes the sponsorship authority from the State Board. This bill is "subtraction by addition" which is removing an additional sponsor from the equation. Although the institute is thriving in Colorado, their State Senator King indicated that additional sponsorship authorities are still needed. The amendment from the State Board proposes that the State Board's sponsorship authority be retained, [Exhibit J](#). We think there should be more sponsors, not fewer sponsors.

CHAIR WIENER:

I close the hearing on S.B. 385 and open the hearing on S.B. 330.

[SENATE BILL 330](#): Enacts the Initiative for a World-Class Education in Nevada.  
(BDR 34-171)

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

This is a follow-up to the first hearing on S.B. 330. This bill has evoked a lot of dialogue. If nothing else, that is great. If we do not talk about any other issue, we need to talk about the state of our school system.

Based on the proposed amendment 4056 you have before you, some provisions have been removed ([Exhibit L](#), original is on file in the Research Library). On page 50, section 58, the \$40,000 increase for the starting wage for new teachers was removed due to the State's precarious financial condition. On pages 34 to 39, sections 36 through 42, the provision on the alternative pathway to demonstrate proficiency on the required standardized test was removed. This concept was brought in S.B. No. 312 of the 74th Session of the Legislature, and we made certain compromises on it. I am still focused on high standards and believe they should be part of everything we do. To me, standards mean more than tests, so I will revisit this another time.

Let me review S.B. 330. In [Exhibit L](#), page 1, section 1 deals with the technical items set forth in sections 2 to 5.5. In section 2, we do not create the four divisions specifically. Later in the bill, it speaks to the governance and staff structure and their responsibilities under the deputy superintendents and the directors over certain areas. Section 3 relates to the newly created Division of Assessment and Accountability and authorizes and requires the division to perform any work that is directed by the State Superintendent for Education (State Superintendent). It specifically lays out what we are expecting within that division. Page 2, section 4 requires the State Superintendent to direct the business of the newly created Division of Innovation, Research and Professional Development, and it calls out the qualifications and the functions of that division. Page 3, section 5 requires the NDE to adopt a model to measure and track the achievement and progress of students in this State, and it prescribes the requirements for that system. Included are the governance structures of our State Board, the appointment process for the State Superintendent and some of the provisions that pertain to those.

Pages 3 and 4 of [Exhibit L](#), subsection 5.5 deals with the fund accounts that are established. Those are the remediation, innovation, full-day kindergarten, empowerment, career and technical funds—often referred to as the “bucket bill.” Later in the bill, there were some deletions of those provisions; however, this keeps them and makes them all one fund except for full-day kindergarten and empowerment.

Page 5, section 6 of S.B. 330 renames the Superintendent of Public Instruction position as the State Superintendent for Education. I have provided a document from the federal Education Commission of the States, Governance State Boards/Chiefs/Agencies from their publication, *StateNotes*, titled “State Education Governance Models” ([Exhibit M](#), original is on file in the Research Library). This document is what we used in our justification for making the thoughtful recommendations in S.B. 330. I have provided a two-page summary of the four governance models and the other related models for your reference ([Exhibit N](#)).

Page 5, section 7 of [Exhibit L](#) repeals the provision to the Professional Standards. Many of the different commissions and boards that have been created over the years were for some specific purposes. Others were created to go around the State Board because of a lack of confidence in their ability to carry out some of their functions. With the reforms we are proposing,

we need to give the authority back to the State Board so they can do the job they are elected or appointed to do. Pages 5 and 6, section 8 revise the membership of the State Board to eliminate the current 10 congressional districts from which members are elected. It provides for the election of one member from each of the congressional districts which is three—and based on the next census will likely go to four. It also provides for the appointment of one member by the Governor and two members by the Legislative Commission. Section 8 also allows for a nonvoting member to be appointed by the Board of Regents (Regents) of NSHE in order to better align the goals with NSHE and the kindergarten through twelfth-grade system (K-12). The section prescribes the requirement for the members, particularly the qualifications for those who are appointed.

Pages 6 and 7 of [Exhibit L](#), section 9 require the State Board to establish clear and well-defined goals for the education of pupils, the improvement of the system of public education and meet other specific objectives relating to education. Section 10 repeals the Council to Establish Academic Standards for Public Schools (Academic Standards) and puts it under the authority of the State Board. Page 8, section 11 requires the Governor to nominate and the State Senate to confirm each appointment for the office of the State Superintendent for Education. It also explains the vacancy process.

CHAIR WIENER:

On page 8, lines 8 through 10, it says the Governor would “appoint” the State Superintendent, is that correct?

SENATOR HORSFORD:

Thank you for that correction. The State Board would submit three names for consideration to the Governor who would then appoint upon confirmation by the State Senate.

Page 9, section 12 indicates the State Superintendent may not pursue employment out of his or her primary position as superintendent. Section 13 deals with the name change. Section 14 requires the State Superintendent to consult with the director of Innovation, Research and Development and to convene conferences of teachers and administrators.

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CHAIR WIENER:

In two references, I have noticed strikeout language which changes division to director of Innovation, Research and Development. Are we, literally, on the same page?

SENATOR HORSFORD:

Yes, we are, and I will be referring to that shortly.

SENATOR WASHINGTON:

For clarification, on page 8, section 11, where does it say that three names are submitted to the Governor?

SENATOR HORSFORD:

That may have been omitted in the drafting, so we will need to add that language.

Pages 9 and 10, sections 15 and 16 of [Exhibit L](#) define the duties of the deputy superintendents. We shifted from divisions to create two deputy superintendents. One is over specific areas dealing with curriculum and instruction, and the other is over operations, fiscal services and technology.

Pages 12 and 13, section 21 deals with the State Improvement Plan (STIP) to improve the achievement of schools. It outlines those representatives who are party to the development of the plan, and we do include a representative from the Nevada Youth Legislative Issues Forum. It allows the NDE to consult with representatives of the colleges of education in NSHE as well as with other outside consultants and their regional training programs for the professional development of teachers and administrators.

Pages 19 to 22, sections 24 through 26 are repealed because the Commission on Educational Excellence becomes advisory to the extent the State Board decides. In section 28, pages 22 through 25 have been left intact. We just clarified where the reports go. In section 35, pages 32 through 34 have been deleted. On the issue of alternative pathway to demonstrate proficiency, we will take that issue up some other time. Pages 34 through 39, sections 36 through 42, are portions which deal with the Academic Standards. They are repealed and go under the State Board.

Page 39 of [Exhibit L](#), section 43 was a provision dealing with the alternative pathway to demonstrate proficiency, and it was deleted. Pages 39 and 40, section 44 have repealed portions dealing with the Academic Standards. Page 40, section 45 and 45.5 allow a teacher who holds an endorsement in the fields of mathematics (math), science or special education to be able to negotiate his or her salary with the board of trustees of the local school district or the governing body of a charter school that employs the teacher, as long as the same terms and conditions are minimally met. This includes the protection from discrimination, the no-strike provisions and the other provisions that apply under the NRS Chapter 288, "Local Government Employee-Management Relations Act." This is something we had done under the charter school provision to allow some demand teachers who may want to work longer days or longer school years to negotiate that directly with the school districts.

SENATOR HORSFORD:

Page 40, section 46 of [Exhibit L](#) allows the State Board to appoint advisory committee members who would serve at the pleasure of the State Board and provides that they serve without compensation. Pages 40 to 42, section 47 deals with performance pay. This pertains to the quantitative and qualitative evaluations of teachers who voluntarily participate in the performance pay program. One of the issues that came out of the work group is the need to create a funding source to support the legislation that has already been adopted on performance pay. This provision proposes to create an endowment fund for a program for performance pay, and this needs to be discussed in Finance.

Pages 42 to 50 of [Exhibit L](#), sections 49 through 57, these portions dealing with the Professional Standards are repealed. They become advisory to the State Board. Page 50, section 58, lines 20 through 27 is where the \$40,000 annual salary threshold was deleted. On pages 53 and 54, sections 59 and 60 remain. This is something we corrected because the Regional Professional Development Program has a separate governance structure and is independent. It was not my intention to exclude them, so we corrected that in this amendment. Pages 54 through 58, sections 61 through 66 are repealed where it deals with the Academic Standards.

The establishment remains for the appointment of a Commission on Education Reform (Commission) to ensure that the provisions of this bill, if adopted, be carried out. The Commission is to report to the Legislature on the recommendations for implementation of the bill. The Commission would expire on the completion of its work in the year 2011. That concludes my presentation on S.B. 330, but before our discussion, I will make a few comments about this effort to improve education in our State.

There have been many attempts by other members of our Legislature and stakeholders who have brought forward ideas to change the way our schools operate in order to improve the result. I agree with those who say we need more resources, and the funding is important. When you review the information on what other states are doing, especially in the governance models and the way in which their legislature and governor are more directly involved in the education policy decisions, I can tell you that while money is important, we must put a structure in place that works. I will give you that some of those states do provide additional funding, but we are close to dead last in funding. When you compare some of the results in those states, in addition to the additional funding, they have a structure of accountability. The accountability is not just to one board, but to all of us who are elected to make decisions as it relates to public schools.

I request that the members of this Committee and the Legislature continue to debate this bill. Clearly, the public deserves an opportunity to have more input on this proposed legislation. I ask that S.B. 330 go to Finance and come back to this Committee. I think a consensus is building, and now is the time. The time to act on behalf of our children and the public schools is now.

CHAIR WIENER:

Senator Cegavske, please present your joint amendment. This is a big collaboration among Senators, and it is an important part of the process.

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

We have faced many obstacles to get to a meeting of the minds on this bill; however, it has been worthwhile. As you know, S.B. 326 was a bill of "like mind." Combining the two bills has been quite a task for everyone who has worked together so wonderfully to arrive at this point.



**SENATE BILL 326**: Revises provisions governing the system of public education in this State. (BDR 34-13)

SENATOR CEGAVSKE:

We decided to bring these last sticky points forward in the form of proposed amendment 4143 ([Exhibit O](#)). There are just two issues. The first is the renaming of the State Board of Education to the Education Commission of Nevada (Education Commission). Doing this adds a new and fresh approach to this new approach. That change would be made on page 1, section 6, lines 2 through 10; in section 8, lines 12 and 13 and on page 2, section 8, lines 8 and 9, lines 33 and 34 and lines 43 and 44.

For the selection process of the Education Commission and of the Governor, we are suggesting a compromise. We suggest that one member be elected by the registered voters within each congressional district, two members be appointed by the Governor, one member who must not be a Legislator be appointed by the Majority Leader of the Senate, one member who must not be a Legislator be appointed by the Speaker of the Assembly, one member be appointed by the Minority Leader of the Senate and one member be appointed by the Minority Leader of the Assembly. These changes are on page 1, section 8, lines 11 through 17 and on page 2, lines 1 through 7 of [Exhibit O](#). This is an alternative to respond to the suggestions of some of our colleagues. The Senate Majority Leader and sponsor of S.B. 330 is not opposed to this proposed governance structure.

SENATOR WASHINGTON:

I commend the majority and minority leaders, the staff and so many others for their efforts to put forth this major change in the way we would do education in Nevada. This has been a collaborative effort resulting in a consensus between two different ideologies, political philosophies and political parties in coming up with such a meaningful and beneficial policy for the citizens of this great State.

SENATOR WOODHOUSE:

On [Exhibit L](#), page 40, I have concerns about section 45.5. For so many years in education, we have worked to put together the NRS 288 which provides for the negotiations of teacher contracts. I am reluctant to identify certain subject fields for separate one-on-one negotiations. It does not fit the process we have worked so diligently for so many years to put in place.

SENATOR HORSFORD:

This is one of those provisions added during the discussions, and I am open to having more discussion. When we worked on the charter school law, we added this because as long as there are the minimum requirements met in the NRS 288, to the extent that the charter school wanted to negotiate something beyond that, it was not allowed. With empowerment schools and other innovative models in place along with the traditional public school, and all under the direction of the local school districts, we found school leaders and principals who would like the opportunity to negotiate with an individual teacher if that teacher wanted to do more than what he or she is currently allowed to do. My position is the negotiations have to at least meet the minimum requirements. We do not want this provision to be like the provision on the alternative pathway to demonstrate proficiency. Based on the request from my colleague, I thought it was worth bringing the provision to the Committee for discussion.

SENATOR CEGAVSKE:

We have been discussing this in education for many years. When I ask teachers, "How can we improve things for you?" or "What can we do to make things better?" a lot of the teachers say they want to work year-round. They want a 12-month contract. Two Sessions ago when we were looking at this as a provision, the teachers indicated they would like to have a multiple-year contract in their school. When we realized how short we are in special education, math and science teachers, we asked how we could provide another incentive to get more people involved in teaching and to stay in our Nevada schools. What would be better than having teachers make their own decisions about their teaching contracts?

The three specific areas of math, science and special education are critical to our State. When we look at the high number of long- and short-term substitute teachers we have in our schools, is it any wonder we have the high drop-out rate we do? We especially need teachers in those three specific fields. This is a new way of looking at our slow-to-change education system. We need to do some innovative things. The empowerment schools proved it. The charter schools are proving it. This type of innovation helps us move in that direction. The teachers want to be able to do something different, or at least have the opportunity to choose.

MR. RUGGIERO:

As president of the State Board, we are in favor of the portions of S.B. 330 that remove some of the commissions. Over the years, some of them had been created to circumvent or take away the authority of the State Board. Bringing those commissions and committees back under the auspices of the State Board is fully supported by us.

BART MANGINO (Legislative Representative, Community and Government Relations, Clark County School District):

The Clark CSD supports this bill; however, in my prepared testimony, I will ask a few questions ([Exhibit P](#)). On pages 6 and 7 of [Exhibit L](#), section 9, it expands the involvement and collaboration of NSHE. Although we support this collaboration, since this increases the scope and services provided by the NSHE, is the system able to perform the increased tasks? If they are not, this would be another fiscal impact in order to enable them to expand the services. If these services were to be provided from existing funds, what would be the source? Would that source be K-12, or would it be the NSHE?

The bill also outlines a comprehensive accountability structure which we support, but will the accountability structure also include accountability for NSHE? Their involvement has the potential to significantly impact student achievement from pre-kindergarten through twelfth grade.

On pages 40 to 42 of [Exhibit L](#), section 47, we are in full support of pay for performance programs. The 2000 Legislature passed legislation that required the school districts to develop a plan. The Clark CSD committee included representatives from the district, business community, teachers union, parents and state and local legislators. Although pay for performance was lost in the first round of those budget cuts, we are using the model that was established.

The Clark CSD also looks forward to being involved and having the opportunity to work on S.B. 330.

SENATOR CEGAVSKE:

The NSHE is its own entity, and unfortunately, as you can tell, we do not have any control over them.

MS. LORING:

In representing the Washoe CSD, our board of trustees discussed this bill at their meeting last week. Senator Horsford is one step ahead of them with this amendment. They do want us to comment that they are strongly in support of the growth model and the pay for performance plan. On pages 6 and 7 of [Exhibit L](#), they really liked section 9 which is the identification of specific, measureable goals for the STIP because they have done that with our district-improvement plan and have found it to be helpful. The one area where they had concern was the section about alternatives to the high school proficiency examination (exam). They will appreciate that has been delayed for discussion another day.

DOTTY MERRILL, ED.D. (Executive Director, Nevada Association of School Boards):

We appreciate the discussion that has been opened about statewide governance and the high school proficiency exam. I present my written testimony on behalf of the Nevada Association of School Boards ([Exhibit Q](#)). Even though the language about the high school proficiency exams has been amended out of the bill, we encourage this Committee through a letter of intent, to direct the NDE to conduct a statewide intensive study that focuses upon the shared characteristics of all seniors who continue to fail one or more sections of the exam. That kind of statewide study has never been conducted, and we think it is past time. Having such a study would provide to you some data-driven recommendations that would be responsive to the actual evidence through the study.

We have also provided a suggestion on page 8 of [Exhibit L](#), section 11 regarding the selection of a State Superintendent for Education. Our concern is that the process appears to be cumbersome and may discourage highly qualified candidates. We would like to be involved in the dialogue that follows to assist in the clarification of that process to ensure that the considerations focus on the most highly qualified people who could be attracted to that position.

EUGENE T. PASLOV, ED.D. (Former Superintendent of Public Instruction, Nevada State Department of Education; Member, Board of Trustees, Davidson Academy; Vice President, Board of Trustees, Silver State Charter School): Besides having been a state superintendent of public instruction in Michigan prior to holding that position here in Nevada from 1985 to 1994, I have a considerable interest in charter schools. I serve on the boards of

trustees for two charter schools: the Davidson Academy at the University of Nevada, Reno and on the Silver State Charter School in Carson City. I commend the leadership for the willingness to take on the complicated issue of educational reform in this State. It takes a lot of courageous and collegial work to make this come to fruition. I am particularly interested in school performance improvement, higher standards and testing. These are worthy goals, and I encourage you to continue to pursue them.

While I believe S.B. 330 should find its way into legislation this Session, in my prepared testimony I will address two concerns that I have ([Exhibit R](#)). The first is changing the governance structure of the State Board. I encourage you to think more broadly and consider expanding the governance review to include both the Regents and the local school boards' governance structures. While this may take some time, these things cannot be done separately. Without these changes, little will actually occur in the short term. Some recognition of creating a seamless system of prekindergarten to advanced college degree (PK-20) should be noted in the bill.

The second issue concerns the appointment of the State Superintendent. The name change is fine. What makes the difference is not the name, but the strength of the leadership. Without it, the most elegant policy plan will fail. State Superintendent Keith Rheault is excellent and well-experienced. He is highly respected and highly regarded among his peers in this State and nationally. He works well with them and with you. If you go with the proposal in S.B. 330, you may lose him, and it may be extremely difficult to find anyone who would apply or take the position under the conditions of the appointment. It may well be that you need to have more control with the State Superintendent, and I encourage you to look very carefully at the structure in this proposal.

SENATOR HORSFORD:

There is a resolution on the appointment of Regents that Senator Raggio is proposing. It is a resolution because it requires a constitutional change with a vote by the people. The governance structure of the Regents, as you know, is statutorily created, so we can legislate that at any point.

About your concern with the proposed appointment of the State Superintendent by the Governor, are you familiar with other states that have a similar model, and if so, can you comment on that?

DR. PASLOV:

Absolutely, I am. This model can work, but the appointment would need to be for overlapping terms of the Governor rather than linked to the gubernatorial election. A change at the same time would not be advantageous. The other thing is it is almost always done with the advice and consent of the State Senate. I am not sure I saw that in this proposed legislation. Submitting a list of three people to the Governor sometimes get acted on and sometimes it does not; however, having the advice and consent of the Senate is particularly important.

SENATOR WASHINGTON:

I agree with your comments about the excellence of Dr. Rheault. My question is how does Dr. Rheault work under this structure where he has seven bosses instead of one?

DR. PASLOV:

Besides my training him, Dr. Rheault is quite exceptional in his own right, and he knows how to do it.

SENATOR WASHINGTON:

We understand that.

SENATOR HORSFORD:

Nothing that we are doing here reflects on the present leadership of our NDE. I look at public policy for what works regardless of the person who is in the position at the time. I do respect and appreciate your comments, Dr. Paslov. Dr. Rheault has been exceptional in his role as our state superintendent. As we go forward in educational reform, we just need to make sure the system works well for everyone.

DR. PASLOV:

I do understand educational policy, and the need for it. I wanted to make those statements about Dr. Rheault as I am concerned about the leadership in this State. He is a good piece of the leadership right now.

SENATOR WASHINGTON:

I have worked with three state superintendents—Jack McLaughlin, Mary Peterson and Dr. Rheault. Of the three, Dr. Rheault has been the most pleasant to work with. He understands both sides of an issue. His comments

have been the least biased on one side or the other and have been straight down the middle. I appreciate his demeanor and his diligence.

JOHN VETTEL:

As a parent and grandparent, I am in favor of and opposed to parts of S.B. 330. Most of the changes you propose are beneficial. Most people would agree with them because something has to be done. You are taking some action that might work. My concern is you may not be going far enough. I would like you to recognize and remember that the primary teacher is not the teacher in the classroom. The primary teacher is the parent. We parents have a responsibility. The parent is better equipped to determine what a child's educational needs are than any other person. The parent should have more choice. My child goes to a private school and my granddaughter does not. I would like everybody to have the opportunity to send their child to whatever school they want regardless of their ability to pay the tab. That would be beneficial because that would improve the entire system. If this bill does not give you the results you hope for, perhaps this is the next thing on the horizon.

SHARON KIENTZ (Nevada Director, National Right to Read Foundation; Member, Board of Trustees, Nevada Virtual Academy):

From the National Assessment of Educational Progress (NAEP) 2007 State Report, you have a copy titled "NAEP 2007 Reading Report for Nevada" ([Exhibit S](#)). I will focus on the teaching of reading in the primary grades. The ability to read is the foundation of all education and the passport to a successful future. Too many Nevada students have been cheated of this ability by the ineffective beginning reading instruction in the primary grades which pays only lip service to intensive phonics instruction.

In an article in the *Reno Gazette-Journal* (RGJ) dated March 19, 2009, Senator Horsford commented that Nevada fourth graders were above the national average. I question the source of that statistic. The most reliable academic indicator is the NAEP. The results of this test, which has been given for decades, is totally at odds with the statement made by Senator Horsford in the RGJ. According to the NAEP, only 24 percent of Nevada fourth graders can read at or above proficient. Of that 24 percent, only 2 percent can read at an advanced level. If students are identified as basic or below basic, that essentially means they have limited literacy. I have served on three panels for the California Department of Education, and they use these same standards, so

I know what they mean. On page 4 of [Exhibit S](#), the average score of Nevada fourth grade students was higher than only one other jurisdiction. That means Nevada fourth graders reading at their grade level are in forty-ninth place in the Nation.

About [S.B. 330](#), I am essentially in favor of it with a few reservations. It needs to be more focused on teaching children how to read. If students reach the fourth grade and they cannot read, almost no amount of remediation ever brings them up to grade level. According to the NAEP, Nevada fourth graders cannot read which means they are not going to be able to read in any of their future grades. On page 1 of [Exhibit S](#) of the NAEP report, you will see that for eighth graders in Nevada the reading scores remain flat. There is no change; students have not learned to read. People have talked about the high school exit exam, but if the students have not learned to read by the fifth grade, it is too late. In the juvenile justice system, 75 percent of the young people and about an equal number of people in the prison population cannot read. They are essentially illiterate.

MS. KIENTZ:

On page 6, section 9, lines 37 through 40 of [Exhibit L](#), it says, "Establish clearly defined goals and benchmarks for improving the achievement of pupils in this State, including, without limitation, goals for: (a) Improving proficiency results in core academic subject areas;" It all starts with reading. If they have not learned how to read in the primary grades, they are not going to succeed the rest of the way through school. On page 7 in the same section, lines 24 through 33, it says "Collaborate with the Department and the Nevada System of Higher Education to: ... (b) Provide professional development and training through the Nevada System of Higher Education to assist the Department in ensuring that educational personnel are properly trained and that educational personnel are exposed to various classroom methodologies." To this point, the University of Nevada has failed in preparing primary teachers to teach reading in the public schools.

On page 55 of [Exhibit L](#), section 62, lines 8 through 17, I totally applaud where it says, "Through the Nevada Early Literacy Intervention Program established for the regional ... without limitation: (1) Phonemic awareness; (2) Phonics; (3) Vocabulary; (4) Fluency; (5) Comprehension; and (6) Motivation." The bottom line is teaching children how to read in the primary grades is essential. If that does not happen, nothing else matters.



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MS. KIENTZ:

I have four grandchildren in Nevada schools, so I have a personal interest as well.

CHAIR WIENER:

This is why we are here, as members of the Senate, to create substantial reform to turn education around. This is our step to move forward in that direction.

MS. KIENTZ:

Senator Horsford knows that ... I do not know where you got your statistics, but they are incorrect.

SENATOR HORSFORD:

The statistic is from the Iowa Test of Basic Skills, and I can get the source for you. Nevada scored 51st and the national average was 50th. I will get you the direct source.

MS. KIENTZ:

The NAEP report that you have in front of you is the most reliable, [Exhibit S](#).

SENATOR HORSFORD:

There are so many different sources of information. It is all about which one you choose to use, but that is the one I used in my particular ...

MS. KIENTZ:

Some are good and some are not.

SENATOR HORSFORD:

Thank you.

MR. RUGGIERO:

The State Board's concerns with S.B. 330 are threefold. We would like the governance structure to be what came out of the interim LCE. That resulted in Assembly Concurrent Resolution (A.C.R.) 2 which would direct the Legislative Commission to conduct an interim study concerning the governance structure for our State. Our State is unique. I understand there are many models as to whether it would be an all-appointed board, an all-elected board or a hybrid of the two. In addition to that, we would not be adverse to receiving recommendations from the Senate Majority Leader, the Speaker of the

Assembly or the Governor to enhance the board. We would like the State Board to be integrated, so we can work with both Houses and the other branches and departments of government. We would like the discussion to continue, and as Dr. Paslov said, not just focus on the State Board. We need to include the school districts and NSHE that are also elected bodies. Just focusing on the State Board may be a Band-Aid to the problem. The A.C.R. 2 should take place; the study should be done. We should get at all the stakeholders and get all the interested parties involved in the discussion.

**ASSEMBLY CONCURRENT RESOLUTION 2:** Directs the Legislative Commission to conduct an interim study concerning the governance and oversight of the system of public education. (BDR R-301)

With respect to the State Superintendent position, we endorse our superintendent. We appointed him; we are the ones who elected him. I agree with Dr. Paslov's comments about Dr. Rheault. Whoever would have the task of replacing him will be hard pressed to get somebody of his caliber. Because the State Superintendent works so closely with the State Board, we feel that the process should be one where recommendations are received from the Senate, whether it is the Senate Majority Leader or this Committee, recommendations should be received from the Speaker of the Assembly or the Assembly Committee on Education and from the Governor. Then, the State Board would select from the three recommendations.

We feel that some of this legislation in S.B. 330 might be creating partisanship, and we are concerned about that. The State Board is a nonpartisan board, and we think it should remain that way. The voice of the people should be kept with the people. Some of these processes should be reviewed, and are best done through a study.

SENATOR HORSFORD:

It sounds as though the State Board has discussed this matter. Did they take an official position?

MR. RUGGIERO:

Yes, they did, and I am here to present it. To summarize, first, we agree with A.C.R. 2. Second, the board should retain its structure as it is as an elected body of the ten congressional districts. However, we would not be adverse to enhancing the State Board by changing it from a 10- to a 13-member

board. Third, since the State Superintendent works so closely with the State Board, we believe that selection should be with the State Board. However, we would not be adverse to receiving recommendations from the Senate, the Assembly and the Governor. Four, the flowchart and litany of commissions and committees should be examined and reduced. The reason we are here today is because, through the years, most of the authority and responsibilities of the State Board have been piecemealed away.

As the newly elected president of the State Board, I am interested in being more accessible. We have an agenda item every meeting for the Governor's office; we welcome them to come. We are looking for input; we want to work closely with both Houses. That is the direction we want to take, so give us a chance.

SENATOR HORSFORD:

This bill is not being brought forward because of any one person. The reason for the governance structure in S.B. 330 is because it is within the domain of the Legislature. We have purview over the State Board because it is statutorily created. We do not have purview over the local school districts because they are created at the local level. The issue about the Regents is being debated, and there is a resolution going through the process. If it is supported in the Legislature, it will go to a vote of the people. If the people support it, there will be a constitutional change.

MR. RUGGIERO:

I appreciate your comments. I do not think the State Board is taking it personally. Once again, the State Board is in favor of S.B. 330. We applaud your efforts in engaging in the discussion to change the governance structure. We have been talking about the flow chart of commissions and committees for some time now. The stakeholders, including the Regents and the school districts, might be more inclined to approve changes if they were included in the discussion and if the decisions were based on research and data through the study. Decisions based upon facts are usually the best ones.

CRAIG STEVENS (Nevada State Education Association):

I am going to be commenting specifically in our opposition to section 45.5 on page 40 of [Exhibit L](#). This section allows certain teachers to bargain for themselves beyond what is already bargained by statute. Local bargaining is something that encompasses all educators—fairly. Giving this specific group this ability simply is not fair to every other educator working night and day

for Nevada's students. Let the local school districts decide how this pay will be dispersed.

Page 40 of [Exhibit L](#), section 47 spells out the pay for performance which is quite different from last Session's law. Compensation is a mandatory subject of bargaining, not peer review or parent review. Pay for performance is a locally bargained issue, so they can set the terms and so they can address the specific issues that are affecting our schools. Moreover, you are changing something that has not even been given a chance yet due to a lack of funding.

We will continue to advocate for the Professional Standards to be beyond the scope of political gamesmanship that may occur among State Board members. We voice our opposition to the State Superintendent's selection being made by the Governor.

SENATOR CEGAVSKE:

I have no problems with opening section 45.5 of [Exhibit L](#) to all teachers if you want. We were making it a selection for those teachers for whom we have the greatest need. If you want to open it up to all teachers, I have no problems with that.

MR. STEVENS:

We would be happy to work with this Committee on this bill and on section 45.5; however, the NRS right now already includes every teacher.

BEN SAYESKI (Chief Education Officer, The Andre Agassi Charitable Foundation):

I will speak to two sections of this bill. On pages 6 and 7 of [Exhibit L](#), section 9 is one of the unsung heroes of S.B. 330 in the sense that it creates absolute clarity of what we are trying to accomplish. This is the root of the root because it establishes clear goals and measureable outcomes. When Andre Agassi was here to testify last Wednesday, he spoke about being ranked near dead last in his tennis career. Then he developed a clear focus on the outcome he wanted which was to get back to being number one. As we dig our way out of where we are, maintaining clarity will be extremely important. It will determine not only what we do, but also what we do not do.

We are in full support of section 47 of [Exhibit L](#), pay for performance. In education, we talk a lot about process measures, but outcome measures matter greatly. Whether you are talking about criterion-referenced tests,

graduation rates, scholastic achievement test scores or whatever other measures, the outcomes for kids matter a great deal. I think pay for performance would position the State well to access federal funds. If you are watching what is coming out of the federal government, much of the money and data are linked to data warehousing as well as pay for performance.

JAN BIGGERSTAFF (Member, State Board of Education and State Board for Career and Technical Education):

I sit on the State Board, and as Mr. Ruggiero indicated, the State Board is in full support of A.C.R. 2. Education is too important to rush through these ... This bill has many good things in it as several of the other education bills have, but we need time to bring all the people involved together to review these bills. The A.C.R. 2 would allow us to do that.

MARY JO PARISE MOLLOY (Nevadans for Quality Education):

I sit on the "PK-20 Education Excellence Access and Equity Council" (Equity Council)." We have had extensive dialogue on S.B. 330. The dialogue has not stopped with the Equity Council; we have spoken with many of our members and people in the community along with educators in regard to the bill. We are thankful that the structures of the NDE, the State Board and the commissions and councils are being examined. We believe we need to be deliberate in what we do in these matters. We are always looking for the most qualified individuals who are going to be making decisions on behalf of our students. I hope the conversation continues, and that we do not rush this legislation through.

The Nevadans for Quality Education strongly support pay for performance. We have been working on this issue since our inception in 2004. We have looked at many models across the country. I sat on the committee in Clark County as we put together an excellent pay for performance model. I encourage this Committee and the Legislature to look at that model as perhaps it can be a starting point. If the dialogue continues, I hope we can produce a provision that includes accountability and student achievement goals.

DR. RHEAULT:

I will comment on two things in S.B. 330. The first comment is about page 1 of [Exhibit L](#), section 2. I had some concerns about the four divisions being set up within the NDE, but since that has been deleted, I have no comment on that.

My second comment is on page 8, section 11 of [Exhibit L](#) and concerns the proposed selection of the State Superintendent. The current structure has the State Superintendent appointed by a State Board with input from the Governor and the Legislature. It is the best structure. I am quite familiar with all the other state superintendents, and as Senator Horsford pointed out, there are elected superintendents and governor-appointed superintendents; there are boards appointed by the governor that elect the superintendent. Any system will work. The reason I like the system in Nevada is because I feel if there is a position or something that needs to be said or I can improve the situation for the NDE, I do not have any problem expressing that—even though it might be in opposition to the Governor or the Legislature's view. If there are differences, there are checks and balances. The Governor can change things through the budgeting processes; the Legislature can change it through the legislative process. We do try to work together in harmony; it is a good check and balance system. There are probably 40 different versions of the state superintendent's selection throughout the Nation. The system here allows the State Superintendent, without fear of retribution, to give answers that may or may not be acceptable.

SENATOR HORSFORD:

Let me begin by saying what an exceptional job you do as our State Superintendent. With the amount of bureaucracy and issues you handle at the federal and State level, you have been a superb superintendent.

I value your input on this selection issue. We have three branches of government—Executive, Legislative and Judicial. Recognizing you would not be accountable to the Judicial Branch—although a chief justice may want that to be the case sometimes—what branch of our government does the NDE fall in when it is not accountable to either the Legislature or the Governor?

DR. RHEAULT:

I always consider the NDE as part of the Executive Branch. Even though we are not considered a cabinet member, I have been invited to participate as a member. I am not sure how the structure could be changed to make it clearer, but I am not against it being made clearer. I agree the NDE is in limbo. If I do not get invited to the cabinet, I am shut out on the governance. I am not part of the Legislature, and I am not in the Judiciary. We are sitting out there with no one to report to. We have got to be somewhere in the system.

SENATOR HORSFORD:

That limbo position is part of the reason this bill has emerged. We are looking at other models and not taking this one for granted. Anybody can argue any model, but it is an accountability issue as to where the NDE falls and whose responsibility it is. I know how much my constituents demand of me as it relates to education. I know there is an expectation of the Governor's office around education; yet the current system does not provide for that level of direction other than the policy that we have set.

You indicated there is input for the appointment of the State Superintendent under the current model between the Legislature and the Governor. When the State Board looks at making an appointment, what is that process?

DR. RHEAULT:

Announcements are distributed that there is a vacancy in the state superintendent's office. The State Board has an application period with a set time—a month, more or less. When the State Board gets the applications, they narrow it down to three. Previously, there has been no input. What Mr. Ruggiero was suggesting is there ought to be either nominations accepted by someone from the Governor's office or from the Legislature. That person should be on the final selection committee. There could be a lot more input than there has been previously. I have been around for the last four elections for different state superintendents, and there has not been any input from the Governor's office or the Legislature on the selection.

SENATOR HORSFORD:

Again, that is going back to having the right policy. Dr. Rheault, I hope you stay for as long as we can keep you, but the reality is if you were to leave tomorrow, the State Board would make the decision without any input from the Legislature or the Governor. I do not think that is where we want to be.

DR. RHEAULT:

I have one final comment. There are a lot of things I like in the bill, and I will provide input after I review the amendments. The ones that have been commented on already have a lot of good things in the bill. Regardless of where it comes out, we can continue to work, knowing the intent of the Legislature.

CHAIR WIENER:

I close the hearing on S.B. 330. I reopen the hearing on S.B. 382. Committee, as you will recall, when Director Willden presented the measure to us several days ago because it is a critical bill in terms of our financing structure for our hospitals, I requested that the parties who had interests and concerns begin meeting immediately. They have done that, and Mr. Willden is back with a report on what has transpired and/or to make recommendations.

SENATE BILL 382: Revises provisions relating to disproportionate share payments to certain hospitals. (BDR 38-1105)

MICHAEL J. WILLDEN (Director, Department of Health and Human Services):

We were tasked to come up with a consensus on where we should go with the disproportionate share program (DSH) bill. The reason we are revisiting this is because on January 19, 2009, final regulations were adopted by the Centers for Medicare and Medicaid Services (CMS). The CMS directed states to make some changes in their DSH program by what they call rate year or program year 11. That date would be July 1, 2010.

You have before you two documents. The first is the proposed amendment 4045 (Exhibit T). The second is the two-page handout—front and back—referred to earlier this afternoon by Mr. Weekly, Exhibit C. We did work over the past couple of weeks with those interested parties. We received five suggestions or proposals as to how the DSH program could be amended in Nevada. Those contributing hospitals or systems were the UMC, Universal Hospital System, Sunrise Hospital and Medical Center (Sunrise) with Hospital Corporation of America, Catholic Healthcare West and Renown Regional Medical Center (Renown), along with the Rural Nevada Partnership. The result of that is this amendment. It is not a consensus amendment, but it is where we think DSH might go for the next biennium.

MR. WILLDEN:

Before we look at the exhibits, I will remind the Committee of what our goals and objectives are in this effort and review the DSH principles the administrator of health care financing and policy, Charles Duarte, mentioned in an earlier hearing. Those goals are supporting hospitals that provide services to the uninsured, staying in compliance with the federal rules and maximizing our DSH allotment from the federal government. I want to be succinct about the



objectives from the DHHS and the Health Division. We need to be cognizant of how the current DSH system works. On page 2 of [Exhibit C](#), there is a "spaghetti gram" titled "DSH Current Distribution." The fragile components of our DSH system are shown in the three boxes along the top of the page and show only two counties contribute money to our DSH program. The State and the other 15 counties do not contribute to the DSH program. Washoe County contributes \$1.5 million and about \$62 million comes from Clark County. One of the top fundamentals of this program is to keep Clark County, particularly, at the table and contributing to the DSH program. If we do not do this, \$62 million flies out the window, and we would have to backfill that amount from the General Fund, come up with some kind of taxing mechanism or find something else to make DSH work.

On page 2 of [Exhibit C](#) on the left-hand side, there is an oval down near the bottom of the chart labeled, the "State Net Benefits." That amount is \$18.6 million. The way we operate the DSH program in Nevada now is by taking those pools of money at the top in the 3 input boxes which add up to \$109 million. We make the DSH payments to the hospitals from the five elliptical pools labeled A, B, C, D and E. From this, the State benefits by \$18.6 million. That "cut" or "take" of the DSH program is reinvested in our regular Medicaid program. That \$18.6 million looks like General Fund dollars when we spend them in the Medicaid program. If we lose the DSH program and participation from all the players, not only do we lose the DSH program, but we lose this \$18.6 million benefit to the Medicaid program. In today's financing dollars, we would have to cut the Medicaid program by between \$55 million to \$60 million if we lost that State benefit. We have cut Medicaid and DHHS programs by \$280 million of General Fund over the last year. This is an important program, and we do want to have all the players at the table.

MR. WILLDEN:

We have to stay in compliance with the federal regulations. The hard part is finding a funding formula which everybody will sign. We have to keep the counties at the table; we want to have some net State benefit, and we have to have a distribution pool that seems fair, equitable and compensates hospitals for their disproportionate share costs.

Page 3 of [Exhibit C](#) is titled "DSH Revised Distribution Method." What we are suggesting in our amendment, in order to keep Clark County at the table and keep UMC whole, is that the intergovernmental transfer of funds (IGT) of

\$61.9 million from Clark County and UMC's benefit of \$79.5 million basically stay the same as the current DSH allocation. The dollar value of the A, B, C, D and E pools generally remains the same. What changes in the methodology between the first two spaghetti charts is the distribution of the dollars in pool B and in pool E. Those are the private hospitals in Clark County and the private hospitals in rural Nevada. The distribution pool will change to get us in compliance with federal rules.

The spaghetti gram on page 4 of [Exhibit C](#), titled "DSH Revised Distribution Method with Reduced Net Benefit," does something a little different. In our amendment, we can go one way or the other. On this chart, Clark County's IGT input payment is \$60 million—\$1.5 million less. You will see that UMC's benefit is \$1.5 million less, so that equals out. The net State benefit also declines by \$1.5 million from roughly \$18.5 million to \$17.1 million, but pool B goes up by \$1.5 million. This is an attempt to put more dollars in pool B, so there is more money to distribute to the private hospitals in Clark County. The State would benefit a little less, and pool B for the private hospitals in Clark County would benefit a little more. Then, the rest is a similar distribution which I described earlier.

This is generally what the amendment does. On page 1 of [Exhibit C](#), titled "DSH Distribution – SFY 2009," are the gains and losses. Under the column heading "Current Distribution," you can see how our \$90.3 million would be distributed under the current method. Under the heading, "Revised Distribution," it shows where we do not reduce the net State benefit and how the pools would be distributed. On the far right column, titled "Revised Distribution with Net Benefit Reduction," it shows how the pools and how the distribution would look if we reduce the net State benefit slightly.

It is an unusual thing to do, but we have put a fiscal note on our own bill. We knew we had to do that if it were going to have "a life" after this Friday. We wanted to keep that option open. Our fiscal note was prepared with the question that if we lose all of our net State benefit in this negotiation, how much money are we going to have to backfill into the Medicaid budget? We were faced with trying to get the policy figured out and move for the exemption by Friday.

CHAIR WIENER:

It appears as though the one variable that has interceded is the federal ruling which not only has a major impact on what we need to do but also limits our choices.

SENATOR HORSFORD:

Is the amount contributed by Clark County and by Washoe County from the county commissions?

MR. WILLDEN:

That is correct. It is an IGT from the counties.

SENATOR HORSFORD:

As an example, if Clark County had not contributed that amount, how much would UMC otherwise be eligible for?

MR. WILLDEN:

You could write the bill many ways, so I do not know how I can answer what they would be eligible for.

SENATOR HORSFORD:

The amount that Clark County contributes plus the amount that you add based on this formula, is that what UMC would equitably receive if Clark County had not contributed anything? We realize that UMC is a hospital administered by Clark County.

JOHN KASNICK (Chief, Rates and Cost Containment Unit, Division of Health Care Financing and Policy, Department of Health and Human Services):

There is no quid pro quo, so the formula of what UMC is eligible for under the statute is what it is. That is presuming there is sufficient State share from some source to finance the program.

SENATOR WASHINGTON:

The IGTs from Washoe County and from Clark County are matching funds from the federal government. The match may be 50-50, and the percentages may be going up some with the stimulus package. Out of the \$62 million from Clark County, I would assume a large portion, if not all of it, would go to UMC. The State would then not be able to match the federal funds to offset

some of the hospitals that do take indigent patients, would it? The baseline would probably be starting at \$62 million.

MR. WILLDEN:

If you look at the "Federal Matching Funds" box at the top of pages 2, 3 or 4 of [Exhibit C](#), you will see the \$45.7 million amount. That amount does not go up if we get more match. The federal government gives us a fixed allotment which is a base amount. The DSH is not affected by Federal Medical Assistance Percentages (FMAP). If FMAP goes up or down, it does not matter. We just have to get in enough money to be able to pull down the whole \$45 million. Clark County is putting in substantially more than their one-for-one match that Nevada needs. Their funding not only benefits UMC but some of the other hospitals in the State plus the net State benefit we are getting for the Medicaid program. There is a significant overmatch by Clark County.

SENATOR WASHINGTON:

I understand that the net gain for the State is significant, but based on Senator Horsford's question, if Clark County did not contribute, these other hospitals would lose substantially. Would the Clark County commissioners take that \$62 million and apply it towards UMC? And would that be the baseline?

MR. KASNICK:

I do not know. With some of their cuts, I do not know what would be the case. I am sure we will hear from them.

MISTY GRIMMER (North Vista Hospital):

For the most part, we, from the North Vista Hospital, agree with what Andy North is going to present, so he is going first.

ANDY NORTH (St. Rose Dominican Hospitals and Saint Mary's Hospital):

The proposed amendment 4045 from the DHHS does not achieve the objective of being equitable to all hospitals in the State that provide high levels of uncompensated care, [Exhibit T](#). The standard being presented is rigid in its methodology and will likely have to be amended in the next Session or thereafter. As an example, on page 6 of [Exhibit T](#), lines 1 through 15, specific hospitals and their payments are outlined in the law. I do not doubt that those hospitals provide a substantial amount of indigent care to the State. They do provide that care, but they are not alone in that effort. Should some change occur in the next two years, or shortly thereafter, and that indigent care level

shifts to another hospital, then those hospitals that did not receive a base payment would be left caring for the higher level of indigent care without the advantage of the base payment compensation.

As another example, on page 6 of [Exhibit T](#), lines 5 and 6, for all intents and purposes, Renown in northern Nevada will continue to enjoy what amounts to an inherited status as a public hospital despite operating as a private facility. It is true they operate a trauma center and see a high level of indigent care, but they are not the only hospital in Washoe County to shoulder that burden. You may notice Renown is the only hospital listed on lines 3 through 14 that is not a public hospital. At the heart of these provisions is the central problem that the DSH dollars do not, or may not, necessarily follow patient volumes and need.

We have submitted a proposal titled “Proposed Medicaid DSH Payment Methodology” ([Exhibit U](#)). This proposal would potentially resolve some of the inequalities and concerns. These resolutions include providing a certain level of financial protection for public hospitals, providing a durable standard that is flexible, which may last beyond just one session and providing an equitable methodology for the distribution of dollars among DSH qualifying hospitals that allocates dollars where the most indigent care is being provided.

Our intent with this proposal, which is supported by many of the hospitals to whom we have spoken, is to protect any county providing dollars for DSH match and protect the public hospital within that county. On page 1 of [Exhibit U](#), we provide the definitions and provisions. Under numeral 1, it would remove any grandfather clause that would allow a private hospital, such as Renown, to act as a public hospital. Under numeral 2, we would use the federal definition for uncompensated care. Under numeral 3, we would include the Omnibus Budget Reconciliation Act language to describe the limit issue and the reallocation of dollars to other hospitals. Under numeral 4, we would incorporate the three federal definitions and the State could add a requirement for Medicaid inpatient utilization rate greater than the mean for hospitals receiving Medicaid payment in the State. This last point may need some further discussion.

The methodology proposal, titled “Disproportionate Share Distribution Methodology,” begins on page 2 of [Exhibit U](#). For any county that contributes dollars for the DSH drawdown, the public hospital in that county—that qualifies as a DSH hospital—would receive back as a base payment all the

dollars contributed by that county. Under this proposal, if we remove the net State benefit of \$18 million—that needs a separate discussion—that would leave \$42 million in FY 2007. That \$42 million would go directly to UMC as long as they continue to qualify as a DSH hospital. Under this proposal, there is not a public hospital in Washoe County, so the \$1.5 million would go into a pool.

The next component would be to take all the DSH qualifying hospitals in the State and put them into one pool. The formula used in this proposal was “uncompensated cost of care.” On page 3 of [Exhibit U](#), on an Excel sheet breakout, under figure 2, “FY07 DSH Eligible Hospital Allocations,” the total uncompensated care, at that time, was \$427,000. Make that the denominator and take the uncompensated cost of care for each individual hospital in the State and divide that by the denominator. For example, the UMC had \$159 million in uncompensated care. That would equal 37.44 percent of the total DSH eligible uncompensated care in the State, and they would receive an additional \$17 million. This methodology allows for the other hospitals in the State to receive an equitable and fair allocation of dollars based on that metric. If everyone does not like uncompensated cost of care, some other formula could be determined. This provides a structure in which all of the hospitals providing the uncompensated care would have the opportunity to receive DSH dollars where they do not now.

SENATOR WASHINGTON:

Based on your proposal, Clark County contributes between \$42 million and \$43 million and would still get that same amount; is that correct?

MR. NORTH:

Yes, that is correct. That would be their base payment. As a point of clarification, that is just the DSH eligible dollars, not the Medicaid match dollars, so that excludes the \$18 million.

SENATOR WASHINGTON:

Then based on their uncompensated care costs or the indigent care, on your table on page 3 with the 37.44 percent of the \$159 million, would they get the \$17 million plus the \$42 million?

MR. NORTH:

It is 37.44 percent of the dollars remaining after the base payment, so on page 3, under figure 1, "FY07 DSH Matching Reimbursement by County and Hospital," that would be 37.44 percent of \$46 million. Under figure 3, "Total FY07 Allocation for Public Hospitals in Contributing Counties," it shows UMC's total which is the base payment of \$42 million plus the DSH Allocation of \$17 million for a total of \$59.6 million.

SENATOR WASHINGTON:

Under your scenario, would UMC be reduced by about \$20 million?

MR. NORTH:

That is correct; however, the \$18 million for the Medicaid match is not addressed in this conversation. It would have to be addressed separately.

DEBORAH KUHLS, M.D. (Trauma and General Surgeon, University Medical Center; University of Nevada School of Medicine):

I would like to offer a different perspective. It has to do with the ripple effect. Several programs have already been cut at UMC. Recently, UMC was one of the subjects on the television program, "60 Minutes." As far as we can determine, the care that has been cut to the patients has largely not been replaced by other people stepping up to the plate. Some people have valiantly done so but not uniformly. Not only does this impact the health of our population, but it also affects future physicians in our State. As we cut oncology and women's services, we also cut the training opportunities for our resident physicians. On the Las Vegas campus, we have approximately 187 resident physicians whom we hope will stay within our State. Previous statistics actually bear that out; they are likely to remain. But with these cuts, they will be a little less competent in certain areas, and that is the perspective for the future.

Within trauma, UMC provides care to over 10,000 patients a year. I moved here from Baltimore because of the reputation of UMC's trauma center and the care that it uniformly offers to the insured and the uninsured patients. Our trauma director, who has the lead position, has the most prestigious position in the trauma-surgery profession.

I would like to emphasize that approximately 80 to 90 percent of our residents' clinical experience is at UMC. While we do use other hospitals in

southern Nevada, it is predominately at UMC for a variety of reasons. We really want them to not only serve patients with insurance but also serve patients without insurance. As for myself, I teach the residents, but I also teach all the medical students on their surgery rotation. They see the indigent patients who come in who are homeless or who get hit by a car. They see us when we perform general surgery in the middle of the night on them just like we do for those who have insurance. I like to offer that model, so they will be responsible physicians in the future.

Much less of a concern is that there are about a hundred good quality physicians whom I would feel comfortable with treating my family members. They are members of the full-time faculty at the University of Nevada School of Medicine. We are highly aligned with UMC for the same ethical reasons. We all believe that our mission is not only to train, but to practice what we preach. The DSH funds play a major role in the viability of UMC. To have to cut future programs is not only going to affect the health care of people who live and travel through Las Vegas, but it will also affect how we train our future physicians and any others who are there getting additional training. As you know, we are low on the totem pole in terms of "physicians per capita." Our goal would be to offer more training programs, so that our physicians do not have to leave our State for subspecialty training. I realize this is beyond S.B. 382, but since you are looking at all the legislative actions, I would hope you keep all this in mind.

GEORGE ROSS (Sunrise Hospital and Medical Center; Hospital Corporation of America Healthcare):

It is important to remember the intent behind the federal CMS requirements for DSH. The intent of that federal law was to provide additional financial help to those hospitals that serve a disproportionate share of low-income, indigent patients, particularly defined as uninsured and those on Medicaid. Remember that today our State only reimburses about 60 to 65 percent of the costs of treating Medicaid patients. When you are a hospital which heavily serves the uninsured and the Medicaid population, you carry a big burden to try to figure out how you are going to cover those costs. That is why the DSH program exists.

I understand the Clark County Board of Commissioners (Clark County Commissioners) and this Committee are concerned about UMC and its viability. I fully understand, as we all do, the importance of Clark County. We appreciate



their IGT and how that leads to the financing of the DSH program. Having said that, it is also important to remember that the Clark County Commissioners and you, our Legislators, represent the citizens of Clark County and this State, not just the people of the UMC. There are many people who are on Medicaid, uninsured or indigent who are cared for in other hospitals in Clark County and who do not go to UMC. It is just as much the purpose of the DSH program to ensure that those people who choose to go or who are taken to Sunrise, North Vista, Summerlin, St. Rose de Lima or Mountain View get just as good a break and just as good care at those hospitals—that are kept just as financially viable as the main hospital at UMC. Philosophically, that is a key point because our system has been designed for a number of years now as a one-way street. In the new mock-up amendment, it is designed that way—while we have a few pittances out there to satisfy the letter of the federal law. But the indigent folks, the Medicaid folks and the uninsured folks do not have a one-way street to UMC.

In regard to the numbers that Mr. North distributed, the amounts for uncompensated care for Sunrise indicated between \$93 million or \$94 million. After the indigent fund, it is about \$88 million. That is a little over half the number that UMC has. No one is saying that UMC does not treat the most indigents, but the point is other hospitals also carry a large load, particularly Sunrise. These people they treat are citizens of that same Clark County. It is the right, responsible and ethical thing to recognize those people as just as deserving as the others.

Let us remember that right now, my client, Sunrise is not shipping—nor did it as the myth says—busloads of money to Nashville, Tennessee. In fact, Sunrise is losing millions of dollars on operating costs before those corporate allocations that we used to talk about so much in hearings years ago. Because of this, we feel the suggestion that Mr. North made has a great deal of merit. It still protects UMC; it still makes sure that the Clark County—when it sends it money into the IGT system—is coming out ahead. If we had our “druthers” in a perfect world, we would say, take each hospital’s number of uncompensated care, divide by the total uncompensated care in the State and that is how it should go.

We are also practical enough to know that Clark County has to have a reason to send that money to the State. Mr. North’s suggestion reflects that; however, there is one wrinkle we would like to add to his suggestion. That is when you

are using those dollars, it rewards the hospital that has the highest cost for each patient. It just happens that UMC's cost for each patient is about \$335 higher each day than the average in Clark County. The system is skewed because of that. It has nothing to do with the management at UMC. From everything we know, the management is taking Herculean steps to get that hospital squared away, and they are doing an outstanding job. But they also have the momentum of the past. In the meantime, the rest of the hospitals that have this burden should not be penalized for the momentum of the past that exists at UMC.

To make this formula fairer, we suggest using "uncompensated days" instead of "uncompensated dollars." That would equalize the burden. The UMC would still get more money than anybody else because they have significantly more uncompensated days than anybody else. But at the same time, it would be a fairer and more equitable way to sort that money after we give the UMC guarantee.

SENATOR WASHINGTON:

Would the numbers be respectively close if it were based on days?

MR. ROSS:

I think it would be fairly close.

SENATOR WASHINGTON:

Mr. North, is there any way you can provide us a table based on uncompensated days as you have with the uncompensated dollars?

MR. NORTH:

I can do that.

SENATOR WASHINGTON:

Can you do that quickly?

MR. NORTH:

I will work on it tonight and tomorrow.

SENATOR WASHINGTON:

I noticed in the DHHS's proposal, you did not mention the \$18 million share that the State puts in. I do not know your intention with the net State benefit

from the IGT and the match, but if you applied the \$18 million directly to UMC—which might be heart-stopping for some other hospitals—would that just about make UMC whole again?

MR. NORTH:

I believe that is correct. I think you are right; most of the hospitals in the State would have a bit of trouble with that.

MR. WILLDEN:

Mr. North's proposal is as good and as fair a distribution method that I have seen, but let me raise the three issues we found when we looked at it. First, there is no net State benefit in the proposal. The \$18 million "hole" in the Medicaid budget will exist, so you will have to solve that problem. How that net State benefit goes away is that UMC gets less in the DSH distribution, but Clark County also puts in \$20 million less. If UMC is made whole and there is no net State benefit, there is the big hole in the Medicaid budget which is a problem that has to be solved.

Second, in that method everyone is a winner except for the rural hospitals; they all lose ground. As we have negotiated DSH over the years, one of our tenets was to help our rural hospitals with some sort of revenue stream. If you look at Mr. North's analysis on page 3 of [Exhibit U](#) for Mt. Grant Hospital, South Lyon, William B. Ririe and Humboldt, all those hospitals will lose money. So you will need to deal with that issue too.

SENATOR WASHINGTON:

I noticed that.

MR. WILLDEN:

Third, in the DSH statute, there are three hospitals—Grover C. Dills, Pershing General and Battle Mountain—that receive a \$50,000 allocation out of the net State benefit that helps finance those hospitals. Those are the three things that Mr. North's proposal does not address. Something could be worked out with the smaller rural hospitals, but the big hole is what do we do about the \$18 million loss in the Medicaid budget?

SENATOR WASHINGTON:

Does that \$18 million come from the federal government?

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MR. WILLDEN:

That does not come from the federal government. That comes from Clark County's over-contribution into the DSH program.

SENATOR WASHINGTON:

They would contribute \$18 million less, is that right?

MR. WILLDEN:

Yes, they would contribute \$18 million to \$20 million less. But that means the net State benefit goes away, creating the hole in the Medicaid budget.

SENATOR WASHINGTON:

That net State benefit is used to supplement the rural hospitals, is that right?

MR. WILLDEN:

Yes, UMC's over-contribution helps the rural counties, and it also provides \$18 million a year which we plug directly into the Medicaid budget. We match it with whatever federal matching percentage we can get—50 to 64 percent—depending on where we are in the scheme of things. With this, we can provide all kinds of Medicaid services, such as inpatient hospital care, moms and kids, outpatient, aged and the blind. It acts as a "general fund" in the Medicaid budget.

SENATOR WASHINGTON:

The big hole in this proposal is that \$18 million.

MR. WILLDEN:

Yes, it is that \$18 million.

CHAIR WIENER:

I would like some direction from the co-chair of Finance about processing this bill.

SENATOR HORSFORD:

We recognize there will be more debate on S.B. 382, so I suggest we amend and do pass whatever version with which we are comfortable. We can take it to Finance, then rerefer it back and have a joint hearing, or whatever is necessary to address both the policy and the fiscal elements of the bill.

SENATOR WASHINGTON:

I have a proposal which will give all the stakeholders some time to deal with the issues sufficiently without being rushed ([Exhibit V](#)). Even if it goes to Finance, you still have to get it out before the Session ends.

My proposal concerns the September 30, 2009, date which is the date the audit is to be completed. After the audit is completed, we could gather all the stakeholders together to determine where the deficiency is and where the holes are. The stakeholders meet, work on the issue and submit a funding formula by April 30, 2010, to the interim Legislative Committee on Health Care (LCHC). They can look at it and give their approval with the caveat that they look at three main areas. Those three areas are:

- Ensure uncompensated cost percentages as well as the actual uncompensated cost dollars that are considered in the DSH distribution-method development.
- The DSH funding should follow both the Medicaid and uninsured patients.
- The DSH funding should take into consideration both inpatient and outpatient services provided to Medicaid recipients and the uninsured.

I applaud Mr. Ross's suggestion about using uncompensated days as opposed to uncompensated dollars. I spoke to Mr. Willden about my proposal. He wanted to make sure the statute did not sunset until June 30, 2010, so we could stay in compliance with CMS until after the audit. After that, whatever methodology the stakeholders come up with, we could give it consideration during the interim.

That is my proposal. It amends the bill, and it is fairly simple. It gives all the stakeholders time and opportunity to take a look at these issues, and you would not have to worry about a time line.

CHAIR WIENER:

All of us and the stakeholders will need a copy of your proposal, [Exhibit V](#). We will bring this bill back this Friday.

I close the hearing on S.B. 382. We now move into our work session with our work session document ([Exhibit W](#), original is on file in the Research Library). We will begin with S.B. 71.

**SENATE BILL 71**: Revises various provisions relating to veterans. (BDR 37-325)

TIM TETZ (Executive Director, Office of Veterans' Services):

Earlier in April, I had submitted a six-page, section-by-section memo that may be in your work session document. They are pages 6 through 11 of [Exhibit W](#). Today, I am submitting a briefer version of those pages ([Exhibit X](#)). After the previous hearings on S.B. 71, we scaled back the definitions of veterans and armed forces, corrected some loopholes, unwound some unintended consequences and fixed some cost-neutral issues.

I will address those things about which the Committee was most concerned. With regard to the definition of "character discharge," "honorable" versus "other than dishonorable," we have left all the character of discharges exactly as written in the NRS. In the amended language, we have attempted to make no changes throughout to character of discharge whatsoever.

When it comes to the definition of "armed forces," in some ways and in some sections that was broadened. We have not changed the definition of armed forces and have left it as it is in the NRS. In our amended language, the only time we added in or agreed with keeping in a proposed section is if armed forces clarified the wording or if armed forces "of the United States" clarified it. For example, in a couple of sections of the NRS, a person could be in the armed forces—not necessarily in the United States—and be eligible for certain veteran's benefits in Nevada. Certainly, that was not the intent of the original bill.

In certain sections of the NRS, there are times when we declare wartime dates. For example, housing benefits were stopped after Vietnam. We do not allow those veterans of current wars to have eligibility to that program. I propose we use the language of "period of war" or "wartime era" which the federal government uses under U.S. Code (U.S.C.), Title 38, part 1, chapter 1, § 101 ([Exhibit Y](#)). In reviewing that U.S.C., perhaps one of the most important things to resolve is should we offer a tax exemption to those veterans of certain wartime eras? The federal definition of wartime era does not include all the ones the Nevada definition does, so we may be unintentionally excluding some veterans. That is one of those unanswered things we discovered since submitting this amendment to you. In general, the wartime era definition in the U.S.C. agrees with about 75 percent of what Nevada uses, minus a couple of dates.

SENATOR CEGAVSKE:

I still have some issues with this bill even being brought to us and with this piece of proposed legislation going forward. With so many of my family members having served in the military, they too have some concerns about where this legislation may be headed. They feel there is an attempt to go against what they have known for their military careers. Their military service is a very personal experience, and when they feel things may be made less of such as an honorable discharge, it is traumatic for them. Can you tell me that in what you are proposing, it is not infringing on the servicemen and servicewomen who have been honorably discharged?

MR. TETZ:

We are not changing anything with regard to character of discharge. In this amendment, we have recommended that any sections modifying the language of character of discharge be deleted. Those people who are getting it will continue to get it; those who are excluded will still be excluded. We are not touching that issue; we are leaving it for a later date. Those folks who are concerned that something might be infringed upon will not be affected in any way by this. We are making some minor adjustments to start the ball rolling to that realm.

SENATOR CEGAVSKE:

That is eventually where you want to go?

MR. TETZ:

No. We have to do a better job in identifying where we want and need to go. Right now, we are trying to pick off a few of the low hanging fruits, and then determine if the rest need to be fixed.

SENATOR CEGAVSKE:

Exactly why do you need this legislation today?

MR. TETZ:

We need it because there are sections within the NRS that exclude veterans from benefits based on the time era they served, not their character of discharge, but their era. There are veterans that are not eligible for certain things because of that era, and we are trying to fix that.

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SENATOR CEGAVSKE:

Are you trying to fix these things just in Nevada?

MR. TETZ:

Yes, just in Nevada.

For example, as the NRS is written, those people who served from August 2, 1990, to the present day are allowed to purchase retirement years if they have served five years, whether they are a firefighter or a State employee. We get calls from veterans who served in Vietnam and other wartime eras who ask, "Why am I exempt from this?" or "Why can I not do this?" One of the sections kept in the amendment allows them this benefit. Another example deals with the term "ex-servicemen" which is an antiquated term that should be removed. There are some other terms as well. On page 2 of [Exhibit X](#), in section 18 and in section 21, those deal with the purchase of retirement credits as long as they were honorably discharged and served during the wartime period.

On page 3 of [Exhibit X](#), section 42, we are attempting to fix a loophole. At this time, when a veteran applies the veteran's disability tax exemption to his or her automobile, the veteran can use his or her U.S. Department of Veterans' Affairs exemption or disability, but the veteran cannot use his or her disability from his or her military. A veteran told me he was 60-percent disabled. He said he had chosen not to go to the Veteran's Administration, yet the county assessor told him he could use the exemption on his car, but he could not get his tax exemption. I am trying to fix the most egregious loopholes like this one.

CHAIR WIENER:

On page 3 of [Exhibit X](#), sections 33 and 41, it says, "Has served a minimum of 90 continuous days on active duty during a period of war as specified in 38 U.S.C. §101 or amendments thereto, or ... " Is that a standard for war service?

MR. TETZ:

I am proposing that language be used as the reference. The most important part is on page 3 of [Exhibit Y](#), in section (11) where it defines the term "period of war." As Legislators, you are faced with this every time we go to a new period of war. You have to come back to adjust those dates. By referring to the U.S.C., you would not have to come back as it would automatically kick in. That would prevent veterans from waiting two years or



two sessions until it was fixed. We are trying to change it now to add the broader base and instantaneous recognition of their service.

CHAIR WIENER:

Because of the proposed changes, the numbers we have now on the fiscal note will not be current; is that correct? Just based on page 3, sections 33 and 41 of [Exhibit X](#), do you have an estimate of the population you serve, and do you have any idea of the additional financial impact on the State for those who can participate?

MR. TETZ:

I believe it is going to go down dramatically from the numbers on the fiscal note, and that was our intention.

CHAIR WIENER:

Did you say the numbers would go down?

MR. TETZ:

Yes, they would go down dramatically as we are basically limited. The tax exemption for the fuel tax is going to be eradicated because we have taken out the armed forces definition. By taking the character of discharge definition out, we are eliminating 10 percent of the population who could have been added to that list. If you use the federal definition, some people who are getting it will be ineligible to get it. We are making it cleaner in some ways, but we are also making it smaller. It will go down dramatically, but I do not know to what extent. I would need to work with some other folks who helped put the fiscal note together to determine that. It is not going to be what it was because we are not opening this to a wide audience.

CHAIR WIENER:

We would need fiscal consideration though because there is a major shift in what you have done; is that not so?

MR. TETZ:

That is correct.

SARA PARTIDA (Committee Counsel):

In S.B. 71 on page 64, section 82 beginning with line 5 says, "NRS 315.300 is hereby repealed." That section is the definition of "veteran" and "serviceman"

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for purposes of housing authority's law. I notice Mr. Tetz has left the repeal in that section, but in the language of the bill, he did not substitute that with any other definition. I am wondering if that should come back in or if he has some other definition to use for veteran in those sections?

MR. TETZ:

That section 82 in the bill on page 64 and in its corresponding section, which I think is section 15 on page 11, lines 1 through 7, are somewhat of a mystery to us. We are more than open to making sure we do not change intent. Again, we are not trying to redefine the big scope.

SENATOR NOLAN:

Based upon the testimony, we are not sure what the fiscal impact will be. Even so, we are not even going to be able to analyze the information. It is going to end up in Finance. If we do not take the amendment as proposed, we could do a referral to Finance without recommendation because we will not have an opportunity to look at the impact of the whole amendment.

SENATOR CEGAVSKE:

If we vote to amend and rerefer to Finance, I would like it to go without recommendation.

SENATOR NOLAN MOVED TO AMEND AND REREFER S.B. 71 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR CEGAVSKE:

I want the record to show that my vote to amend and rerefer S.B. 71 to Finance should not in any way be interpreted as my approval of the bill.

CHAIR WIENER:

We will consider S.B. 233.

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**SENATE BILL 233**: Provides for the free immunization of certain children against certain diseases within limit of available money. (BDR 40-105)

MARSHEILAH D. LYONS (Committee Policy Analyst):  
On pages 14 through 18 of [Exhibit W](#) is the amendment presented by Senator Woodhouse.

SENATOR JOYCE L. WOODHOUSE (Clark County Senatorial District No. 5):  
The amendment you have before you is the same one we discussed in the previous hearing with the exception of the fiscal note. On page 17, lines 35 and 36, the set of lined-out amounts reflects the costs from birth to 18 years. The second set of amounts reflects the costs from 3 years of age to 18 years. The cost for FY 2009-2010 is \$185,260 and for FY 2010-2011 is \$224,343. This significantly cuts the fiscal note on this bill. To respond to the question as to whether or not there would be a cost involved with the committee that is identified in the amendment, there may need to be some administrative monies necessary for this. That is the information I have at this point.

MARIA D. CANFIELD, M.S. (Chief, Bureau of Child, Family, and Community Wellness, Department of Health and Human Services):  
I would like to bring something to the attention of the Committee.

SENATOR HORSFORD:  
I rise to a point of order, Madam Chair. We must have a motion and have discussion as we are in a work session. If information is just now coming in during the work session, it ...

Ms. CANFIELD:  
If there is an error or a misunderstanding, I would like to clarify that for the record.

CHAIR WIENER:  
I will allow it.

Ms. CANFIELD:  
The original appropriation submitted by the Health Division for \$53 million for each year was to implement the bill. We interpreted that as vaccine purchase funding. We understood that the bill did not have funding for implementing a new vaccine funding stream at the Health Division level. We submitted another

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appropriation note that supplied \$185,260 for the first year for staffing to implement the program as we understood it. There would be \$224,343 in the second year, again, to implement the program. Our understanding now is there is no vaccine purchase funding in the bill; if that is correct, then we do not need the money to implement the program as it was originally interpreted.

SENATOR WOODHOUSE:  
That is not the intent of my bill.

SENATOR NOLAN:  
Are you saying you do not need the staffing money which was put in the fiscal note because you do not have the money to buy the vaccine? If so, essentially the intent of the bill cannot be met?

MS. CANFIELD:  
That is correct.

SENATOR HORSFORD MOVED TO AMEND, DO PASS AND REREFER  
S.B. 233 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR NOLAN SECONDED THE MOTION.

SENATOR CEGAVSKE:  
Are we working with proposed amendment 3847?

MS. LYONS:  
I do not see an amendment number of the amendment, but the amendment is on pages 14 through 18 of [Exhibit W](#).

SENATOR CEGAVSKE:  
The date on this amendment is April 3, 2009. Is that the correct one?

SENATOR WOODHOUSE:  
The amendment you are referring to is the one from the previous testimony which had the incorrect fiscal information in it. It is not the one we are considering today.

SENATOR CEGAVSKE:  
Does this bill place price controls on the vaccines from manufacturers?

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SENATOR WOODHOUSE:  
Yes, it does.

SENATOR CEGAVSKE:  
If we are given a 150-percent cap over the Centers for Disease Control and Prevention list, the manufacturers in most cases would be losing money on this. Why would they continue to participate in that market?

We may be forcing manufacturers to subsidize private insurance plans, and I do not think that is what we are supposed to be doing. If the goal is to increase immunization rates, why are we setting policies that could potentially limit access to various vaccines? Is this a way to circumvent the universal access insurance and subsidize private providers? The issue is not the cost of the vaccines in the private market because when the State provided free immunizations, we still ranked 49th. How does this bill address the issue of delivery? Where does the Health Division stand on this bill? Also, there is proprietary and confidential business information from these companies. Why are we asking for that? There are still a lot of questions about this bill, and I will not be voting for this bill.

THE MOTION CARRIED. (SENATORS CEGAVSKE AND NOLAN VOTED NO.)

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CHAIR WIENER:  
Our next bill is S.B. 259.

[SENATE BILL 259](#): Establishes a temporary program for the alternative licensure of teachers. (BDR 34-679)

MS. MARTINI:  
No amendments have been submitted on this measure.

SENATOR HORSFORD:  
The concern I have with this bill is if these alternative licensed teachers are not allowed to teach at at-risk schools and based on our previous discussions about highly qualified teachers, passing this bill would go against our STIP's goals for equity.

SENATOR NOLAN:

Is this something that could be established in policy and regulation? I assume it could be, and it does make sense about what you have said if these people have received that specialized training. If we are not going to amend the bill that way, then we could include a letter from the Committee urging them to put some emphasis on it.

SENATOR HORSFORD:

The only problem with a letter is that the Professional Standards failed to follow our legislative direction last time. I would not be comfortable just putting it in the form of a letter or directing them to do it because based on their prior history with Senator Cegavske's bill last Session, they tend not to follow legislative intent.

SENATOR WOODHOUSE:

I realize we had problems with this issue two years ago when we tried to get a pilot program through. I still have a problem with identifying one individual entity in law in this fashion. Reluctantly, I could support an amendment that any teacher licensed under this provision would not teach at at-risk schools. However, I am still reluctant as it goes against everything my profession tells me is the right thing to do.

SENATOR CEGAVSKE MOVED TO DO PASS S.B. 259.

SENATOR NOLAN SECONDED THE MOTION.

SENATOR NOLAN:

Senator Cegavske, would you accept the conceptual amendment that Senators Horsford and Woodhouse have suggested?

SENATOR CEGAVSKE:

That is fine.

SENATOR HORSFORD:

If that is the case, I would prefer to hold this until Friday and allow that language to be developed.

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CHAIR WIENER:

I prefer that as well. Is it agreeable with the maker of the motion to move this bill to Friday, so we will have the amendment to consider?

SENATOR NOLAN:

I withdraw my second.

SENATOR CEGAVSKE:

I withdraw my motion.

CHAIR WIENER:

To be clear, the bill is not withdrawn, only the motion is withdrawn. We can consider S.B. 259 this Friday.

The next bill is S.B. 260.

**SENATE BILL 260**: Revises provisions relating to the management of treatment for persons with co-occurring disorders. (BDR 40-941)

Ms. LYONS:

The amendment submitted by the Committee on Co-occurring Disorders (CCOD) is on pages 22 through 25 of [Exhibit W](#). Rosetta Johnson, the president of the CCOD, is ill and asked me to take the Committee through the amendment.

The amendment softens some of the authority that was given to the CCOD in the original bill. On page 22 of [Exhibit W](#), section 5, it relates to collecting information and accepting gifts. Subsection 3 goes back to the language of making "recommendations" as opposed to "taking steps."

Some particular areas of concern have to do with reviewing and inspecting State facilities. On page 22 of [Exhibit W](#), section 7, the language is changed to "review" instead of "inspect" any State facility. On page 24, section 14 and on page 25, sections 16 and 17, it changes the six hours of training that were required to two hours of training; however, the provision is retained that they must be taken at the co-occurring training site.

CHAIR WIENER:

When this bill was heard previously, we had another bill that was related to this and processed through this Committee. Refresh our memories, please.

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Ms. LYONS:

It was S.B. 79, and the Committee did process it some time ago.

SENATE BILL 79: Revises provisions governing various commissions, boards and committees relating to health. (BDR 38-327)

Ms. LYONS:

The intent of this bill was to revise some of the commissions and committees that were under the DHHS. Their goal was to consolidate some of the efforts of those groups and put them under some commissions that already existed and had statutory authority.

Originally as the bill came to us, the CCOD responsibilities would be moved to the Commission on Mental Health. That was taken out, so the CCOD still exists as it stands now. The Commission on Mental Health has a responsibility of oversight for CCOD. That is how the bill moved out.

This bill would expand some of the responsibilities of the CCOD. Additionally, it would be expanding the membership of the CCOD.

CHAIR WIENER:

What is the membership now, and how would it expand?

Ms. LYONS:

In the original bill on page 4, lines 2 through 16 and lines 21 through 35, the membership resulted in 15 members. On page 4, lines 17 to 20, the expansion would take it to 18 members. They are asking to add three more representatives from State and local criminal justice agencies.

SENATOR CEGAVSKE:

The fiscal note on this bill is pretty hefty, and I do not know what it is for. Does the amendment take out the fiscal note? If not, this would also have to go to Finance.

SENATOR NOLAN MOVED TO AMEND, DO PASS AND REREFER S.B. 260 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR HORSFORD SECONDED THE MOTION.



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THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WIENER:  
Our next bill is S.B. 275.

SENATE BILL 275: Creates the Commission on Spending, Government Efficiency and Educational Equality. (BDR 31-170)

MS. MARTINI:  
This bill creates a temporary commission, and it would expire on June 30, 2011. No amendments have been submitted at this time; however, Senator Washington did make a note to possibly include S.B. 384 in the study.

SENATE BILL 384: Revises provisions governing apportionments from the State Distributive School Account to certain charter schools. (BDR 34-805)

MS. MARTINI:  
For the record, S.B. 384 is the distance-education bill that was heard earlier today.

SENATOR HORSFORD MOVED TO DO PASS AND REREFER S.B. 275 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WIENER:  
The next bill is S.B. 278.

SENATE BILL 278: Authorizes the establishment of health districts in certain less populous counties. (BDR 40-1061)

MS. LYONS:

There is an amendment proposed to this bill by Senators Washington and Wiener to amend the measure to require the LCHC to review the feasibility of establishing a health district in a county whose population is less than 100,000 which would be counties other than Clark and Washoe Counties.

Specifically, the LCHC would be required to review the following: the establishment of a health district by a single county or two or more adjacent counties; the impact of the abolition of any county board of health in the event a new health district is created; the composition and authority of a new health district's governing body which may be the district board of health and the structure for financing the creation and support of the health district.

CHAIR WIENER:

It says "amend the measure to require," To move the measure forward, my consideration was to develop the policy considerations first. It is not to amend it and then do policy. Is that what it says? This would be a replacement.

MS. LYONS:

That is how I understood the amendment was to be presented.

CHAIR WIENER:

This would be a replacement for the bill. We would go to the LCHC for significant policy consideration.

SENATOR HORSFORD:

Can we amend it to say that a study on S.B. 322 dealing with the similar subject of the integrated system be done?

SENATE BILL 322: Provides for the establishment and maintenance of an integrated system for the provision of health and social services in certain counties. (BDR 40-1073)

CHAIR WIENER:

I would entertain that. Senator Parks proposed S.B. 322 which deals with the Southern Nevada Health District and reestablishing the health authority in the county commission.

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SENATOR HORSFORD MOVED TO AMEND AND DO PASS S.B. 278 AND S.B. 322 AND TO HAVE A STUDY DONE AT THE DIRECTION OF THE LEGISLATIVE COMMITTEE ON HEALTH CARE AND BRING BACK THE RECOMMENDATIONS.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR CEGAVSKE:

Before we vote so I understand it, both bills are completely gutted, and the only thing remaining is what has been presented in the amendment for S.B. 278. Would that go under health care?

SENATOR HORSFORD:

Senate Bill 322 is a slightly different subject dealing with integrated care and the health district in Clark County, but the same approach is to do a study and bring back recommendations.

CHAIR WIENER:

For clarification in integrating that, would the four points addressed in the amendment proposed for S.B. 278 be included in both bills?

MS. PARTIDA:

It is my understanding from the discussions that both the study of health districts and counties of populations of less than 100,000 as well as the integration of certain services that were previously in S.B. 322 would now all appear in S.B. 278.

CHAIR WIENER:

Would these questions be appropriate and applicable to each of these bills?

MS. PARTIDA:

With some of the points, they might not pertain to the integration of services, but, yes, it would be similar types of issues being studied.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

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CHAIR WIENER:  
Our next bill is S.B. 290.

SENATE BILL 290: Authorizes patients of certain facilities to install electronic surveillance devices in the room of the patient. (BDR 40-852)

Ms. LYONS:  
A proposed amendment 3844 was presented by Senator Cegavske.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS S.B. 290.

SENATOR NOLAN SECONDED THE MOTION.

SENATOR HORSFORD:  
On page 30 of [Exhibit W](#), lines 28 through 31, I am not clear why we need the indemnification language.

Ms. PARTIDA:  
That language was originally submitted in a request from Renny Ashleman. At the direction of Senators, I was asked to prepare a mock-up and that indemnification language was included in the mock-up.

SENATOR CEGAVSKE:  
When Mr. Ashelman brought his request to us, we already had done a lot of that work. Is this what is remaining? Is there anything in here other than the intent we wanted?

Ms. PARTIDA:  
He did ask for several measures that were already included in the bill. Specifically, he asked that a roommate of any person installing such a device sign a waiver form. That was already in there. We also addressed his request concerning a guardian versus a legal representative. That now appears on page 30, lines 32 through 37 of [Exhibit W](#). The additional request from him was to include the language about the indemnification.

SENATOR CEGAVSKE:  
This was to make sure that everybody had somebody to represent them. I am not an attorney, but I was trying to accommodate his concerns. As I understand

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it, if a person does not have a family member, guardian or list of people, there an attorney could do that.

MS. PARTIDA:

The language we are specifically addressing with the indemnification actually goes beyond those points. This was something additional that would require the person who is actually operating the monitoring device to defend, indemnify and hold harmless the facility and the employees if there were ever a lawsuit.

SENATOR CEGAVSKE:

I have no problem scratching it.

SENATOR HORSFORD:

If I put in a "nanny cam" to watch the person who is watching my children and they do something and I cannot go after them, that is what concerns me about this language.

SENATOR CEGAVSKE:

Take that section out.

SENATOR NOLAN:

The section we are talking about is on page 30 of [Exhibit W](#), lines 28 through 37. Are we not looking at just 28 through 31 because ...

SENATOR NOLAN FURTHER AMENDED HIS SECOND OF THE MOTION TO AMEND, DO PASS S.B. 290 BY DELETING LINES 28 THROUGH 31 ON PAGE 2.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WIENER:

The next bill is S.B. 292.

**SENATE BILL 292**: Adopts the Uniform Representation of Children in Abuse, Neglect, and Custody Proceedings Act. (BDR 38-1025)

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MS. LYONS:

This bill was presented in the hearing by Senator Care. There are no amendments proposed for the measure. There was discussion during the hearing about a particular provision that might make it more conservative. The provision everyone agreed to keep is the reason for the fiscal note. The intent is that every child should have legal representation.

CHAIR WIENER:

This is one of those measures that needs additional dialogue. It has been suggested that we move it to Finance.

SENATOR HORSFORD MOVED TO DO PASS AND REREFER S.B. 292 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR WOODHOUSE SECONDED THE MOTION.

SENATOR HORSFORD:

I am being advised that it is not eligible, so...

MS. PARTIDA:

I am looking on line at the ...

CHAIR WIENER:

Could we do pass without a rerefer on it?

SENATOR HORSFORD:

No.

CHAIR WIENER:

No? Ms. Partida, go ahead.

MS. PARTIDA:

This bill has not yet been noticed as eligible for an exemption, so that may not bide you the time you are looking for.

SENATOR NOLAN:

No one has approached me in opposition to this bill, and the testimony from Senator Care at the hearing was without opposition. If we do pass, and we can get this to the Senate Floor, we can meet then and explain it. That may be the

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only opportunity we have. We do want to make it a clean bill before it goes to the other House.

SENATOR CEGAVSKE:  
Is there a fiscal note?

CHAIR WIENER:  
It is an impact on the counties and not so much on the State; is that correct?

MS. PARTIDA:  
According to the fiscal note that has already been submitted, each of them does say "zero." The testimony though did indicate there was a \$10 million impact.

CHAIR WIENER:  
You may remember that was a guess, and then they guessed it down.

SENATOR WOODHOUSE:  
I withdraw my second to the previous motion.

SENATOR HORSFORD:  
I withdraw my previous motion.

SENATOR HORSFORD MOVED TO DO PASS S.B. 292.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CEGAVSKE VOTED NO.)

\* \* \* \* \*

CHAIR WIENER:  
The next bill is S.B. 293.

[SENATE BILL 293](#): Requires a court order for certain prescriptions of medication for children in the custody of certain agencies. (BDR 38-701)

MS. LYONS:

We have received an amendment for this bill from the Clark County Department of Family Services. A representative is here who can answer any questions the Committee may have.

CONSTANCE BROOKS (Senior Management Analyst, Administrative Services, Clark County):

The Clark County Department of Family Services is not opposed to S.B. 293; however, our director of family services, Tom Morton, along with our colleagues from Washoe County as well as the Division of Child and Family Services (DCFS), recommend we take a step back to review existing policies and procedures rather than utilize legislation to address the issues.

With regard to the amendment we are proposing, it is in response to the previous amendment that was presented during the first hearing. There were some assumptions and misconceptions with that amendment in regard to how we serve as caretakers or how we administer services to children. The assumption was that we are guardians to all children in the system. That is not the case. We are not guardians until after the termination of parental rights.

There was some vagueness in the language related to the child welfare provider. We were not sure if that was related to a medical professional. It could be a DCFS caseworker, a foster care provider or a legal family member. There were some other issues related to delaying court proceedings, and it was not clear if the proposed language would authorize guardianship to the child's attorney. There is a question as to whether or not the child's attorney would have some conflict of interest in administering decisions related to medical issues.

The proposed language we are offering allows for the authorization of the administration of psychotropic medications to the child welfare agency but working more in concert with the courts in terms of filing petitions and following the court processes in order to make sure there is more oversight.

SENATOR HORSFORD:

Please, point out where that portion of the amendment is located.

MS. BROOKS:

On page 35 of [Exhibit W](#), lines 1 and 2, it said previously that a physician may prescribe the medication. The language Mr. Morton is offering is



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"to chapter 433B of NRS, an agency which provides child welfare services may authorize the administration of a psychotropic medication to a child who is in the custody of an agency which ... "

SENATOR HORSFORD:  
Where does it mention the courts?

MS. BROOKS:  
On page 36 of [Exhibit W](#), lines 21 through 25, it says, "... believes that a psychotropic medication must be administered to a child, the agency which provides child welfare service on behalf of the child, may request the filing of a petition with a court of competent jurisdiction for an order authorizing the administration of the psychotropic medication to the child." What the petition must include is indicated on page 36, lines 26 through 38.

SENATOR HORSFORD:  
I suggest this is a good alternative based on the discussion and because it was a recommendation from the interim LCHC. Can we ask Ms. Brooks to work with our staff on a mock-up?

CHAIR WIENER:  
We do need to be able to see it.

SENATOR CEGAVSKE:  
I request that The Honorable T. Arthur Ritchie, Jr., Department H, Family Division, Eighth Judicial District, and some other judges have the opportunity to have input into this to make sure that they are okay with it. Have they seen this yet?

MS. BROOKS:  
To my knowledge, they have not.

SENATOR CEGAVSKE:  
It is important that they do see it. We want them to be a partner with us on this. They do not want to be the ones who determine how many drugs the children should or should not have.

SENATOR NOLAN:

The amendment would require an agency that provides child welfare to authorize the administration of a psychotropic medication. In practicality, when we go from a physician, who is presumably the child's physician with knowledge of their medications and can prescribe to them—especially when they are under the authority of the county—to an agency that provides welfare, I want to make sure this is a seamless process. If a child needs medication, we are now going through an agency that has to authorize the administration before it gets back to the doctor of the child to prescribe the medication. I would like some interpretation as we do not want to delay the prescribing of the medication to the child.

MS. BROOKS:

It is my understanding that the reference to the child welfare agency would include those who serve as foster parents who are currently within our system. This means if a foster parent has to fill a prescription or has to ensure that the child takes the medication, they would need to get the authorization of the county or their caseworker in order to have that happen.

SENATOR CEGAVSKE:

Is the amendment that Donna Coleman offered included here?

MS. LYONS:

My understanding is that this amendment replaced that one, and this is the final amendment.

CHAIR WIENER:

Please verify the finality of the amendment and get that to our staff as soon as possible, so it can be ready before the Friday deadline.

MS. BROOKS:

Yes, we will.

SENATOR NOLAN:

As a point of information, an additional tool we have in this situation when we have a good piece of legislation and do not want to lose it because of a deadline, we can have Committee meetings on the Senate Floor. We can also "desk" those bills on the Floor which still allows the subject matter to come to the Committee, so we can discuss it even with ...

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CHAIR WIENER:

It is my understanding that we do not have a Senate Floor Session until Monday.

SENATOR NOLAN:

That is okay, because if we move the bill out, when we catch it on the Senate Floor, we can move it to the desk and then still have discussion until the bill has to move through the House.

MS. BROOKS:

It is my understanding that this amendment was e-mailed to Donna Coleman. I have not heard from her or connected with her, but we will make certain we contact her. She is aware of some of the issues we have had. Maybe we can educate her more as to how things happen in terms of guardianship within our system.

SENATOR CEGAVSKE:

I would like each of the members of the Committee to get a copy of Donna Coleman's amendment, and they could see any differences. I ask staff to look at it as well.

CHAIR WIENER:

The next bill is S.B. 306.

**SENATE BILL 306:** Authorizes the Health Division of the Department of Health and Human Services to establish a grant program to support the expansion of various health care services. (BDR 40-1052)

MS. LYONS:

The amendment proposed by Senator Maggie Carlton adds a \$300,000 appropriation.

SENATOR HORSFORD MOVED TO AMEND, DO PASS AND REREFER S.B. 306 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR WOODHOUSE SECONDED THE MOTION.

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THE MOTION CARRIED. (SENATOR CEGAVSKE VOTED NO.)

\* \* \* \* \*

CHAIR WIENER:  
The next bill is S.B. 311.

**SENATE BILL 311**: Requires the fluoridation of water provided by certain public water systems and water authorities in certain counties. (BDR 40-924)

Ms. LYONS:  
This bill requires the fluoridation of water provided by certain public water systems and water authorities in certain counties.

SENATOR NOLAN MOVED TO DO PASS S.B. 311.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CEGAVSKE AND WASHINGTON VOTED NO.)

\* \* \* \* \*

CHAIR WIENER:  
The next bill is S.B. 318.

**SENATE BILL 318**: Provides that tuition at all campuses of the Nevada System of Higher Education must be free for certain veterans. (BDR 34-744)

Ms. MARTINI:  
The bill provides that tuition at all campuses of the NSHE must be free for veterans of the armed forces of the United States who were discharged or released under conditions other than dishonorable and who are bona fide residents of Nevada.

An amendment has been submitted by the NSHE which would clarify that the tuition would be free for members currently stationed in Nevada. This would include those honorably discharged or separated from service and on active duty

status at the time of discharge, including those stationed at the United States Marine Corps Mountain Warfare Training Center at Pickle Meadows, California.

CHAIR WIENER:

On page 43 of [Exhibit W](#), in section 1, subsection 2, paragraph (g), of the amendment, the new language says "honorably discharged or separated from service under conditions other than dishonorable ..." Is that going to get us into the challenges with the language in S.B. 71 that we heard earlier? Should those be the same standard?

MS. PARTIDA:

This is similar to those discussions on S.B. 71, and this does mirror other language that is in the NRS chapters relating to the NSHE system.

CHAIR WIENER:

Does it have other than dishonorable elsewhere in the NRS chapter? My question is honorable versus other than dishonorable. That was a major point of concern over the two days of hearings we had on the original veterans' bill. Could we say just under honorable conditions?

MS. PARTIDA:

That would be a policy issue as we have been discussing in S.B. 71 whether or not you want to go with "conditions other than dishonorable" or to "honorably."

CHAIR WIENER:

The next bill on the work session is S.B. 322. It has already been included along with the amended version of S.B. 278.

CHAIR WIENER:

The next bill on our work session is S.B. 330. Senator Horsford took us through the bill earlier today.

CHAIR WIENER:

We will consider this bill at our next meeting. The next bill is S.B. 343.

**SENATE BILL 343**: Requires the Division of Welfare and Supportive Services of the Department of Health and Human Services to expedite the application of a person for treatment of services if the person is involved in the child welfare system. (BDR 38-477)

SENATOR HORSFORD:

On S.B. 343, we need to hold this bill due to a conflict which we are working on with Director Willden. We will be ready by Friday.

CHAIR WIENER:

We will hold this bill until Friday.

The next bill is S.B. 379.

**SENATE BILL 379**: Revises provisions governing certain educational programs.  
(BDR 34-285)

MS. MARTINI:

This bill authorizes the board of trustees of a school district to submit an application to the NDE for a grant of money to implement certain education programs. Those programs are listed on page 53 of [Exhibit W](#). This bill has been referred to as the "bucket bill."

Two amendments have been submitted. The one from ACE begins on page 54 of [Exhibit W](#), section 1, subsection 1. In the first two lines, it would include charter schools being able to apply for the grants of money. That inclusion language appears throughout the amendment on page 54 in subsection 1, subparagraph (1) and on page 55, section 1, subsections 3, 4 and 5.

The NDE submitted the other amendment to clarify that the money for technology would be based upon recommendations of the Commission on Educational Technology (CET). The second part of the amendment on page 56, lines 32 and 35 would extend the implementation date of utilizing the funds in the Account for Programs for Innovation and the Prevention of Remediation to July 1, 2010. The reasoning was to give them time to implement the new application process and all that is required through this bill.

CHAIR WIENER:

The way in which the bill was originally drafted left some confusion that all of the applications would be based on recommendations from the CET. Does this amendment clear that up?

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MS. MARTINI:

It clarifies that the technology money would be distributed by the CET. Where does the rest of the money go?

MS. PARTIDA:

The money for all of those programs listed on page 53 of [Exhibit W](#) is available for any of those purposes, including the technology money. This amendment is attempting to say that the money being used for technology would have to be at the recommendation of the CET.

CHAIR WIENER:

In the original bill, we thought the way it was written was that all the applications would go through the CET for all of those areas.

MS. PARTIDA:

This clears that up.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS S.B. 379 WITH AMENDMENTS FROM ACE CHARTER SCHOOL AND DEPARTMENT OF EDUCATION.

SENATOR WASHINGTON:

In Senator Horsford's motion, we need to amend out full-day kindergarten and the empowerment schools because they are a separate provision by themselves.

SENATOR WASHINGTON FURTHER MOVED THAT FULL-DAY KINDERGARTEN AND PROGRAMS OF EMPOWERMENT SCHOOLS BE AMENDED OUT OF S.B. 379 BECAUSE THEY ARE IN A SEPARATE PROVISION BY THEMSELVES.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WIENER:

The next bill is S.B. 380.

**SENATE BILL 380**: Provides for the establishment of a program of shared responsibility for access to health care for certain uninsured persons. (BDR 40-1132)

MS. LYONS:

An amendment was submitted by Sherri Rice from the Access to Health Care Network. The amendment is on pages 59 and 60 of [Exhibit W](#) and does three things. First, it requires that the medical discount plan be registered with the State's Division of Insurance. Second, it revises the language that relates to the person being employed to say that the person must be employed or have an income source and must not have insurance. Third, on page 60 of [Exhibit W](#), a comment has been written in by hand. That would require an annual fee payment by the participant in the medical discount plan. The intent was not to "require" employers to contribute but to "allow" employers to contribute.

SENATOR CEGAVSKE:

I still do not understand why we need this bill. If they are already doing this in northern Nevada, why do we need legislation to allow them to do it in southern Nevada?

CHAIR WIENER:

I cannot answer that.

SENATOR CEGAVSKE:

The presenters of this bill did not understand either. The only thing I found out is that someone is making it tough to get into Clark County. If it is working up north, I do not understand why they cannot get it in the south. I do not think this legislation is needed.

SENATOR WOODHOUSE:

I agree with Senator Cegavske.

SENATOR WASHINGTON:

I like the bill because it does provide a service and meets a certain niche within the uninsured population, especially the working poor, who cannot afford health-care insurance. I like the amendments because it forces them to register with the Division of Insurance which they currently do not have to do. It specifies to whom the program is targeted—those who have an income source—and those who do not have insurance. It specifies that if the



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employer wants to take advantage of the discount program because of the modified business tax, he can do that if he contributes to the program.

The other issue, as far as going down south, may be some territorial issues that are involved between the programs. Maybe this clarifies it. If the program down south wants to come up north and compete for employers and employees, they can do so. This is part of our overall strategic plan.

SENATOR WASHINGTON MOVED TO DO PASS S.B. 380.

THE MOTION FAILED FOR A LACK OF A SECOND.

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CHAIR WIENER:

There being no further business to come before the Senate Committee on Health and Education, the meeting is adjourned at 8:13 p.m.

RESPECTFULLY SUBMITTED:

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Betty Ihfe,  
Committee Secretary

APPROVED BY:

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Senator Valerie Wiener, Chair

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