

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-sixth Session
April 11, 2011**

The Senate Committee on Finance was called to order by Chair Steven A. Horsford at 8:16 a.m. on Monday, April 11, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 5100, 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 Steven A. Horsford, Chair
Senator Sheila Leslie, Vice Chair
Senator David R. Parks
Senator Moises (Mo) Denis
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Ben Kieckhefer

GUEST LEGISLATORS PRESENT:

Senator Michael Roberson, Clark County Senatorial District No. 5
Senator Michael A. Schneider, Clark County Senatorial District No. 11

STAFF MEMBERS PRESENT:

Rex Goodman, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Marian Williams, Committee Secretary

OTHERS PRESENT:

Joyce Haldeman, Clark County School District
Jan Gilbert, Progressive Leadership Alliance of Nevada
Traci Loftin
Craig Hulse, Washoe County School District
Mary Pierczynski, Nevada Association of School Superintendents

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Craig M. Stevens, Director of Government Relations, Nevada State Education Association

Patrick Gibbons

John Wagner, State Chairman, Independent American Party

Andrew Clinger, Director, Department of Administration

Geoffrey Lawrence, Deputy Director of Policy, Nevada Policy Research Institute

Jim McIntosh, Deputy Chief Financial Officer, Clark County School District

Kathleen Conaboy, K-12 Inc.

Dr. Dotty Merrill, Nevada Association of School Boards

Dawn Miller

Natha Anderson

CHAIR HORSFORD:

This morning we will begin with Senate Bill (S.B.) 2.

SENATE BILL 2: Makes an appropriation to the State Distributive School Account to ensure that the amount of money expended per pupil meets or exceeds the national average. (BDR S-4)

SENATOR MICHAEL A. SCHNEIDER (Clark County Senatorial District No. 11):

I have sponsored S.B. 2 for a number of years and it keeps coming back to us. It came back because the former Secretary of the Senate wanted it to be labeled S.B. 2. She was an education advocate. This is the last time I will present S.B. 2 which recommends funding education at the national average.

My grandmother was a teacher, principal and superintendent of schools in Nebraska. My mother, sister, two brothers, three sisters-in-law and my wife were all teachers. Through osmosis, I have learned a lot about education. I probably have a greater depth of understanding of education than anyone on this Committee. I was on the Senate Committee on Education until I asked to be removed from that committee due to frustration.

Years ago, I had a bill to reduce the size of schools in this State. When I was in the Assembly, Congressman Jon Porter, who was an Assemblyman at the time, asked me to be on a committee to oversee breaking up the Clark County School District (CCSD). While the idea of breaking up CCSD failed, because it was not a good idea, my bill to reduce the size of schools came out of it. Experts told me that a high school should have 900 students, middle schools should have 600 students and elementary schools should be about 300 students, because a

principal should know every child by name. Governor Mike O'Callaghan told me he liked my bill, but said I had to limit the size of the classroom, because if we did not, schools would just pile more children into the classroom. We learned that you had to limit the square footage of a classroom so that only 20 to 25 students were in a classroom. If we did not limit the square footage, you would still end up with 40 or more students in that room.

In CCSD, some of the schools are so large they hurt education. My son went to Durango High School and it enrolled nearly 4,000 students. We told my son to join Key Club. He went to sign up for the club, but it was already closed. They only allowed about 30 students into the club, but there were 4,000 students competing for those limited spots. The second semester of my son's sophomore year, the football coach asked him to be on the football team. It changed his life. He became more active and he was invited to join more activities. He became a participant in high school life. He was an all-star kicker and went to college to kick. Had he not joined the football team, he would have been another statistic in a big school.

We know that teen pregnancy and teen crime happens most often between 2 p.m. and 6 p.m. When you only have 10 students on the cheerleading squad, 12 kids on the basketball team and 50 football players, but you have 4,000 students, a lot of rejection takes place.

When my bill on school size was up for consideration, CCSD employees testified that voters had been promised so many seats in each school. They had to build big schools because they got more "bang for their buck." All the employees who testified said, given the choice, they would put their children in a smaller school. If you look at the schools that we consider good schools, the private schools, they are all smaller schools.

Another bill I introduced dealt with school design. I proposed that we design schools with windows because all the evidence says that schools with windows have better performing students. But we are unable to do that. We have not built schools with windows for years.

Senate Bill 2 is not a funding bill for education. Do not think this is a bill that allows greedy teachers to get more money. This is an economic development and jobs bill. The primary reason businesses do not relocate to Nevada is education funding. I have heard this over and over during my two decades in

the Legislature. Almost 75 percent of the students in Nevada are in CCSD. Clark County has the majority of the population in this State. Clark County is the economic engine. The largest city with the most students is located in Clark County. The cost in large cities is greater than the cost in small towns. It costs more to run businesses. It costs more for everything, including education.

For example, it costs more to live in San Francisco than it does in Reno or Carson City. It costs more to live and do business in New York City than it does in any other city in this Nation. Big cities cost more money. In Las Vegas, it does cost more, but our funding scheme puts funding for Las Vegas down. Very small towns in this State get more money per capita than Las Vegas. This is a crime and I request that this Committee look at that formula.

If you want to fund education properly, we should look at what the private sector does, because they do such a good job. The Alexander Dawson School at Rainbow Mountain in Las Vegas spends over \$20,000 per pupil in education funding. Findlay College Prep at the Henderson International School spends over \$17,000. The Meadows School spends over \$15,000. Bishop Gorman High School spends over \$12,500, but it is also subsidized by the Catholic Church. In all the other schools I mentioned, those figures represent their base. They all have add-ons for transportation, books and everything else. Even in the small city of Reno, Bishop Manogue High School spends under \$10,000. In a smaller city, they are able to educate their students with less money than Bishop Gorman. We cannot compare funding in counties and towns. We have to look at funding with a more open eye and keep in mind where things cost more.

In Las Vegas, we have 124 first languages in CCSD. Knowing that fact alone tells you that it costs more to educate children in that particular school district. I was at Helen C. Cannon Middle School and the principal told me that there were 68 first languages in that school alone. But once a child has mastered English as their second language, they do better than native English speakers.

This week, we will honor Senator Bill Raggio and induct him into the Senate Hall of Fame as a great legislator. Senator Raggio was able to communicate well and work the system, but he was bad for education in Nevada. Senator Raggio was disconnected from the growth in southern Nevada and what the growth caused for the education system. Senator Raggio was from the small town of Reno. He sent his children to private school. He did not understand how cities change with different population levels. He did not understand how a city grows from

100,000 people to 500,000 people to 1 million and then to 2 million. He did not understand that growth and how it affected education dollars. He did not understand the challenges of that kind of growth.

When cities get that large, people demand more from government. This means we have to spend more. I think that other Legislators get it this Session. They understand that we have to invest in ourselves. We have been a very cheap State since 1864. We have been criminally cheap. We do not spend money. We will support anything, as long as someone else pays for it, but we do not want to invest in ourselves. Shame on us. In my perfect world, we would pay for ourselves and the gaming tax would be the whipped cream on the top making us the best state. Instead, we are upside down. We rely on the whipped cream to do everything, but of course whipped cream just melts and goes away. This is what has happened to our funding budget.

When Senator Raggio was here, he would be upset when I brought S.B. 2 to committee. One year, he heard my bill after 7 p.m. on a Friday because he was mad. I was not the only one with a bill that required money, but he grilled me on it. He asked me where I would get the money. I told him that the Senate Committee on Finance is the committee that puts together the money. It is not the policy committee. The policy committee is the Senate Committee on Education. If the education committee sets a policy, it comes to this Committee and this Committee fills that policy need. If there is a shortage, the bill goes to the Senate Committee on Revenue and they will find the adequate money to fill the shortage.

Over the years, we have had companies come to this State to feed off of our growth. K. B. Homes, Pulte Homes and Richmond American Homes have built hundreds of thousands of homes in Las Vegas. They have taken billions of dollars out of this State and they have not reinvested in this State. Target, Walmart, Nordstrom and Neiman Marcus Retail Stores do the same thing today. They come in, sell us goods and they do not reinvest in this State. Albertson's, Von's, Smith's and Food King Supermarkets come in and sell us food, but they do not reinvest. Everyone fears they will leave if they are forced to participate in this State. They do not care.

I go to San Diego often and we cook dinner when we are there. When the newspaper advertisements come to my home in Las Vegas on Wednesday, I look at the advertisements for Albertson's and Von's to see what is on special,

because the ads are the same in Las Vegas as they are in San Diego. The prices of food are the same. In California, they tax taxes. They have plenty of taxes. Their workers' compensation is sky high. Their rent is really high. Yet, they sell food for the same prices in San Diego and Los Angeles as they do in Las Vegas.

The banks are also all about money. Bank of America, Wells Fargo, and Citibank are not leaving Nevada. They are just here to collect the money and pay us 0.05 percent interest. They are not interested in investing in this community unless they are asked. Three years ago, Nevada State Bank made \$80 million in Nevada. They are a subsidiary of Zions Bank in Salt Lake City. Nevada State Bank is a small bank compared to the other banks. When they took that money back to Salt Lake City, they paid the state of Utah \$4 million for the opportunity to make \$80 million in Nevada.

Senate Bill 2 calls for funding education at the national average. I understand the economy we are in, so I offer S.B. 2 as a template. Add to the bill. Add a system where we can get to this average. Add a system for economic development and jobs, because our children need it. There are people who will have stories about why funding at the national average cannot work. They will say they are geniuses and they know why it cannot work. If you do not invest, nothing will work. Senator Rhoads cannot put his cattle out to pasture and just let them graze. He has to invest in those cattle. He needs veterinarians, medicine, and hay for those cattle. They will not grow without that investment. I have a business, and I must invest in it to make it grow and to see a profit.

Do not call cutting pay, insurance, benefits, pensions and increasing class size reforms for education. These are not reforms for education. If you want to reform education, pass S.B. 2. Invest money in education. If you want to have extra accreditation for teachers, or extra review and oversight, add it to S.B. 2. Spend the money on your children. When I came to the Legislature ten sessions ago, there were children who were only one-year old. I have failed those children. Half of them did not graduate. They have failed and we have failed them. I am tired of failing them.

Senator Cegavske's son is a teacher in a failing school. He is in a failing situation because he does not have the money. He wants to bring a class to Carson City, but he is begging for money to fund the trip. Maybe he should have a bake sale, because that is how we fund education in this State. Someone else should fund education. It is a crime.

Last week, a study was released saying Nevada is the third most violent state in the Nation. A representative from the organization that released the study was interviewed on the radio and they asked what can be done to reduce violence. The representative said that the primary thing we can do to reduce violence is graduate our students. The graduation rate in Nevada is so low that it is affecting our violence rate. We are on the bottom of every good list and the top of every bad list. We need to invest in education. We can also have reforms and they should be added to S.B. 2, but we need a mechanism to fund education. Do not let the naysayers kill education anymore.

A decade ago, I took Ray Bacon, a lobbyist, who considers himself to be an education expert, to the Advanced Technologies Academy (A-Tech) in Las Vegas. It is a fine school and it is turning out great students. We toured the school with its great principal. After our tour, I asked Mr. Bacon what he thought of the place. He said, "I think they spent too much money here on computers." Computers are what A-Tech does. We spoke to a teacher who made around \$38,000 at A-Tech ten years ago. Her son graduated from A-Tech and with only a high school degree, he was making approximately \$65,000. Shame on us, we know what it takes.

The cost per student at A-Tech is much greater than the average school. We have some of the best magnet schools in the United States located in Las Vegas, but it costs money. It costs per-pupil funding.

CHAIR HORSFORD:

I want to commend you for bringing this bill to the Committee. I know it seems that it falls on deaf ears each Session. We need to stop judging ourselves against states like Mississippi. We will be behind them in per-pupil spending if this budget is approved. We need to start comparing ourselves to countries like India and China. Our children are going to be competing against people from other countries in the future when we have a knowledge-based, global economy.

Since the time you first proposed this bill, the United States has lost ground globally with respect to student achievement. Why are we trying to be average amongst the states, rather than being the best in the world?

SENATOR SCHNEIDER:

That is a very good question. Why are we trying to be mediocre? It is because we are really lousy at what we are doing. We need to take a step forward.

If we are not funding at the level of the top ten of states, we are not competing globally. Even if we are funding at the national average, we are not competing globally. We must fund in the top ten to see our students go on to Stanford, Harvard and the like. I am just trying to get us out of the bottom.

CHAIR HORSFORD:

This bill refers to the national average of per-pupil spending, but many will say that if we combine state, local and capital funding we are not ranked at the bottom, but instead we are around thirty-sixth. How would you respond to that?

SENATOR SCHNEIDER:

That is true. But when you take an honest and educated look at education spending, everyone knows what the national average is. Everyone knows that there are federal dollars that come into the State for education. At Elaine Wynn Elementary School, in my district, they receive federal dollars to help teach preschool children English. The only way students can get into the class is if the parents attend. That way, the parents learn English as well. Those are not education dollars. You cannot count them toward education dollars. They are intervention dollars.

I have heard people misrepresenting construction dollars as education dollars for two decades. We were the fastest growing city and State in the Nation. We approved a \$6 billion bond issue. Go to Omaha or Cleveland, where they have not built a school in 100 years. They have zero growth. We should compare their dollars with ours. They are spending twice what we are spending. They do not put those construction dollars into their education dollars. Calling construction dollars education dollars is just silly. The numbers I gave you for the private schools like Bishop Gorman and Alexander Dawson do not include construction dollars. Those are education dollars.

CHAIR HORSFORD:

For those who can afford to send their children to those private schools, it is their choice to do so. For too many families, they cannot afford those schools, particularly now with the current economy. Under the Nevada Plan, we determine the average per-student allocation at the State level and that is

matched at the local level. The districts actually decide how those dollars are allocated in and among schools. When we say funding at the "national average," will some students and some schools receive more than that average and will some students and schools receive less? Do we take the average of all our schools and that must equal the national average? Or must each student and school be funded at the national average? How will we account for students who are most in need, such as students who have limited English proficiency and students in career and technical programs? Students like that receive extra dollars because the programs cost more money to run. Yet, that is not reflected in our formula. How would you seek to balance out the needs for the "haves" and the "have-nots?" How would you find balance based on individualized instruction depending on where a student attends school?

SENATOR SCHNEIDER:

My bill does not address this. If you are a really good student, CCSD has a place for you because we have the magnet schools. We make that investment and the school board chooses to make that investment and we want to feel like we can do something right. The money gives us a huge return on our investment. They make the investment for students with severe learning disabilities, probably because the federal government tells us we must. These students cost a lot more to educate as well. At either end, we make the investment, but the great mass in the middle suffers. The average student suffers. When you combine this with overcrowded, large schools, it makes it worse.

A school in an economically and educationally challenged neighborhood will suffer severely because they require more dollars, smaller classes and more one-on-one instruction. They require more and we are failing.

This is the third most violent State in the Nation because of lack of funding. Kids are dropping out. We need to make these choices. We can pay now or we can pay later. This is a template bill. Take it and use it.

CHAIR HORSFORD:

It will be a vehicle for something, I am sure. The fiscal note on this, which will take us to the national average and what I consider mediocre, is about \$1.65 billion for the next two years. Comparatively, the combined reductions as proposed by the Executive Budget consist of approximately \$1.1 billion in cuts. To get us to average, to mediocre, we need \$1.65 billion in investment at a time when we have a proposal to reduce in its total, and I have the statistics if

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you want to question my math, \$1.1 billion in kindergarten through Grade 12 (K-12) investment.

SENATOR SCHNEIDER:

If my math is correct, it would take about \$2.7 billion under the proposed budget to get to the national average.

CHAIR HORSFORD:

You must restore funding first.

SENATOR SCHNEIDER:

Correct. You must restore \$1.1 billion in cuts and then add an additional \$1.65 billion to get to the national average.

Every year, people ask me to autograph S.B. 2 for them because it has the largest fiscal note every Session. If you look at the states that invest in education, such as Vermont, Connecticut, Massachusetts and New Jersey, they also have the highest performing students in the Nation.

CHAIR HORSFORD:

I am sure Florida is also on that list. We will be hearing from Governor Jeb Bush later this month. I will be interested in hearing how he was able to invest and at the same time enact the types of reforms that he did.

SENATOR CEGAVSKE:

There is no one I know who is more passionate about this issue than you, Senator Schneider. All the years I have been here, you have brought this bill every Session.

Would you consider lengthening the school day in S.B. 2? Like you said, crimes are committed between the hours of 2 p.m. and 6 p.m. I know we have shortened the length of the school day, but would you consider elongating it a priority?

SENATOR SCHNEIDER:

I would consider anything like that if it strengthens school. But you cannot cut pay, cut insurance, cut pensions and increase class sizes, calling those reforms, and lengthen the school day as well.

SENATOR CEGAVSKE:

The principals I have spoken with say that if they do not have a choice to hire and fire, to get rid of the teachers whom they think are bad for the students, they cannot properly educate them. They think we have a big issue here. They cannot put the best group of educators together for their school and their students. They cannot get rid of the teachers who are not performing well and teaching well. Would this be a reform you would consider beneficial?

SENATOR SCHNEIDER:

Are you saying that they cannot hire and fire whoever they want?

SENATOR CEGAVSKE:

That is what they are telling me. The principals have told me that they have eight to ten teachers and staff they need to get rid of. They say that if they could get rid of those individuals, they could run the school efficiently, even if they had larger class sizes. They need to get rid of some of the poor instructors. I am just throwing out some of the different ideas and comments that I have heard.

SENATOR SCHNEIDER:

I think 10 percent of the people who sell shoes are in a job they should not be in. Ten percent of the people who are clerks at 7-Eleven stores should not be in those jobs. Ten percent of the Legislators in this building should not be in this job. Ten percent of the teachers should not be in their jobs.

In my early life, I was a food and beverage director for a couple of hotels in Las Vegas. I operated under a union contract and it was easy. The rules were spelled out. If an employee was not performing properly, you went to the union book and you gave them a violation. If they got three violations, they were gone. I would say to you, and I would say to the Clark County School Board, that if the complaint from the principals is that they cannot move bad teachers out, then they ought to look at themselves. They should work a little harder in their schools, because you can move bad teachers out. They should not be so lazy. They need to watch those teachers in underperforming classrooms. They need to put them on notice and get rid of them.

SENATOR CEGAVSKE:

I just want to say publicly that I disagree with you on one thing. I think that Senator Raggio was good for education. I believe that Senator Raggio was

passionate about education issues. His two daughters are teachers, one at Truckee Meadows Community College and one in the public school system. We look at things a little differently, but I believe that he was good for education.

CHAIR HORSFORD:

Senator Raggio was a good man. We may not have always agreed with his position, but this is why we need to put ideological views aside and focus on the real issues. And the real issue is that Nevada is dead last.

SENATOR SCHNEIDER:

I do not agree with his position on education.

CHAIR HORSFORD:

You can argue who put us last or who is responsible for it, but I am tired of pointing fingers. I would like someone to tell us how we are going to fix it.

SENATOR SCHNEIDER:

I am giving you a template right here. Get your checkbook out.

CHAIR HORSFORD:

I am ready. I will pay my share.

SENATOR SCHNEIDER:

I gave you a list of out-of-state corporations who are making plenty of money in Nevada. Maybe they should invest in our community.

SENATOR LESLIE:

I know Senator Raggio's daughter, and she gives him quite an earful about the situation in the public schools.

SENATOR SCHNEIDER:

He does not hear as well as he used to.

SENATOR LESLIE:

Has Nevada ever funded to the national average? I believe the answer is no. If that is the answer, how close have we ever gotten? Was this ever tied to performance? I always hear that throwing more money at education is not going to improve things, yet, we never do it, so how would we know?

SENATOR SCHNEIDER:

When we were funding in the 1950s, under Governor Russell, we consolidated the school districts because we had so many. At that point in time, each county became a district. Before that, we had so many districts that we were going bankrupt. In the 1960s, we were funding low, but were okay. We were small then. We had small towns. Things cost less. When you get to major cities like Las Vegas, where nearly three-quarters of the student population lives, it costs more. Everything costs more. That is just the way it is. That is the law of economics. Things happen in bigger cities. Things change in big cities, so it costs more.

Las Vegas doubled in population every decade of the twentieth century. We were racing to keep up with the growth, to build big schools, to house more kids, because it was cheaper. Our budgets were stripped. The same level of per-pupil funding we had before does not work and that is why we are in the position we are in today.

CHAIR HORSFORD:

I would now like to hear from those in favor of S.B. 2.

JOYCE HALDEMAN (Clark County School District):

As people try to make the comparison about how we are funded, it is always very confusing. One person will throw out one number and another person will give you a different number. This makes it very difficult to figure out how education is funded. We hope this PowerPoint presentation ([Exhibit C](#)) will give you a better idea of how education is funded in Nevada.

On Slide 2 of [Exhibit C](#), you can see opinions about education funding depends on which yardstick you use, what numbers are used in the formula and what year the data is from. National comparisons look at data that is several years old and do not reflect more recent changes. In order to make accurate comparisons, you must wait until accurate data comes in. Here are some different measurements that people consider.

On Slide 3, you can see the ranking from the American Legislative Exchange Council (ALEC). By their yardstick, Nevada is forty-eighth in the Nation. The expenditures per pupil are \$6,897 and the national average by comparison is \$9,389.

CHAIR HORSFORD:
When was this data taken?

MS. HALDEMAN:
This data is from the 2008 "Report Card on American Education."

CHAIR HORSFORD:
Is this prior to the actions taken by the Seventy-fifth Legislative Session and the Twenty-sixth Special Session which reduced student funding?

MS. HALDEMAN:
Yes, that is correct.

CHAIR HORSFORD:
I have to point these things out, because otherwise people will claim that we are forty-eighth like that is something to be proud of. We are using data that does not reflect recent changes and is not as accurate.

MS. HALDEMAN:
That is correct. Every measurement I will show you was taken prior to the 2009 Sessions. I was aware of this problem and searched to find data that was more recent, but it is not yet available.

The ALEC ranks us forty-eighth in the Nation for pupil-to-teacher ratio. We are forty-first in academic achievement which I guess is a pretty good return on investment. We did get one No. 1 ranking, which was in growth. We had a 167.69 percent growth rate, the highest in the Nation.

On Slide 4, we rank forty-sixth in the Nation according to the National Center for Education Statistics (NCES). This is from fiscal year (FY) 2008-2009. According to NCES, the national average is \$10,441, but Nevada only spends \$8,301. The NCES keeps statistics that go back many years. In FY 1959-1960, Nevada spent \$430 per student and the national average was \$375. As Senator Schneider mentioned, there was a time where we funded education appropriately and that was when the Nevada Test Site was under development and in need of educated workers. There was a correlation between those two things.

On Slide 5, the Federal Education Budget Project ranks us as forty-fourth in the Nation. According to the Federal Education Budget Project, Nevada spends \$8,187 per pupil and is thirty-fourth in the equity category. One of the reasons we do not advocate changing the Nevada Plan is because we always think of ourselves as equitable in our spending, but thirty-fourth is not a great rating when it comes to equitability.

On Slide 6, the U.S. Census Bureau ranks us as forty-fifth in the Nation. According to this source, Nevada spends \$8,285 per pupil and the national average is \$10,259. These are FY 2007-2008 statistics. You can see that forty-fifth is the highest ranking we have received. We have gone steadily down hill since this data was collected.

On Slide 7 of [Exhibit C](#), the National Education Association ranks Nevada as forty-eighth out of 51 states and the District of Columbia. They calculate that we spend \$7,615 per student.

On Slide 8, *Education Week's* Quality Counts report ranks us as forty-eighth in the Nation. Our per-pupil expenditure for FY 2007-2008 was \$8,228 and they calculate the national average at \$11,223.

When I brought you this presentation last year, I showed you two students. On Slide 9, you can see an update of these two students. On the left is Max, who is getting ready to start kindergarten. He lives in Reston, Virginia, where the per-pupil funding is \$10,813 and there are 11.8 students per class. The little girl on the right is Aubrey and she lives in Las Vegas, Nevada. The per-pupil funding in Nevada is \$8,301 and there are 19.3 students per class in kindergarten. Aubrey was fortunate that she was in a small class, because many of those classes are much larger than that. I know these two children because they are my grandchildren. As they were getting ready to attend kindergarten, it was difficult for me to wonder why Max would get to have a longer school day, more per-pupil funding and a smaller class size compared to Aubrey.

On Slide 10, I have an update on Max and Aubrey. Max still lives in Reston, Virginia. The per-pupil funding is now \$10,664 and there are 17.3 students in his first-grade class. He receives 400 minutes of instruction per day. Senator Cegavske, to answer your question, we know that the length of instruction makes a huge difference. Aubrey's per-pupil funding in Las Vegas, Nevada, is \$8,187 and there are 20.4 students in her first grade class. She

receives 371 instructional minutes per day. Aubrey gets about 30 minutes of instruction less per day than Max. If you multiply that over the school year, that is about 90 hours, or about 2 weeks, less instruction in Las Vegas than in Reston, Virginia. My daughter Rebecca, who lives in Reston, was upset last year because they were going through budget cuts at her school. She was unhappy because they were cutting the Mandarin Chinese program at her school. These types of cuts are a lot different than the ones in Nevada.

On Slide 11, I have a quote from Thomas L. Friedman, who said, "My parents told me, 'Finish your dinner. People in China and India are starving.' I tell my daughters, 'Finish your homework. People in India and China are starving for your job.'" When the Nevada Association of School Superintendents first began their *iNVEST* report in 2003, they asked if they could have \$1,000 more per student. They felt if there were \$1,000 more per student, that we would have the money they needed to reduce class size, extend the length of the school day and to extend the length of the school year. With \$1,000 more per student, they could make sure that students who were falling behind had individualized instruction that would be targeted to their individual needs. The next year, they began requesting funding at the national average. Now, if we were to move to the national average, we are behind by about \$2,500 per student, depending on which yardstick you use. There is no doubt that funding makes a difference when you are educating students. Not everything you need is funding, but funding cannot ever be ignored as we are trying to meet the diverse needs of the student population. We support S.B. 2. We know that it is an unrealistic request, particularly in this economic climate, but we want to be on the record that we want you to know that funding makes a difference.

CHAIR HORSFORD:

In the Nevada Vision Stakeholder Group, there was a recommendation for us to compare our investment in K-12 education with other states using independent, verifiable sourced data as the matrix, so we can know where we rank and we can work toward improving it. The Nevada Vision Stakeholder report is available on the Legislative Website and it was the first strategic plan done for State government in Nevada. It compares Nevada's ranking and quality of life areas to those of other states.

SENATOR KIECKHEFER:

If we increased our per-pupil spending by \$2,500 per student, would we be able to have 11.3 students per class in kindergarten?

MS. HALDEMAN:

That might be one thing you would do with the funding. Not everyone needs to have a class size that small. Class size is often an indication of student success, but not always. Sometimes the money needs to be used for tutoring. Sometimes, money needs to be used for second language programs. A lot of the money goes to students who have special needs, either because they are special education students or because they are highly gifted. The fact that we are mediocre or below average in all of the indicators related to student achievement has a correlation to the fact that we are also on the bottom on all indicators related to funding. The only time we have had an indicator that is high in relation to funding is when we were in the middle of our approximately \$4.9 billion building program because our State had one of the most robust building programs in the Nation at the time.

It is interesting to me that every time you take education funding to the voters, they support it. They supported our bond programs and every part of the State has had success with their bond issues. They supported Initiative Petition No. 1 (IP1) of the Seventy-fifth Legislative Session. They are willing to fund education because people realize that education has to have money to go with it. Even the things we have funded for education, the tax streams that we have, we have reverted to other parts of the State budget. When I was looking up all the statistics for this presentation, it was difficult because we were always at the very bottom of the heap in terms of funding for education, but we were at the top for funding of prisons. There must be a balance that can be reached. Not every education reform is related to dollars, but many of them are.

SENATOR KIECKHEFER:

It sounds as if you support the Governor's idea of keeping class size reduction in the block grant program.

JAN GILBERT (Progressive Leadership Alliance of Nevada):

I have followed this bill for many Sessions. I taught first grade in the days when our classes were small and you could work with children individually. You had a chance to really make a difference in their lives. We support S.B. 2. I have looked at comparisons with Florida because the Governor is always talking about Florida and the great job they are doing in education. They have a pre-kindergarten program and a full-day kindergarten program. They fund at a higher per-pupil level than we do. To say we want to reform our system is

one thing, but we better put some money behind what we are doing. We need to take the first step to move somewhere between the bottom and the average. Even if we only move up a quarter of the way, maybe we can get there some day.

I am tired of Nevada always being on the bottom. It is discouraging. We see students leaving the State once they graduate because they do not want to raise their families here. I think it is a sad state of affairs. I hope you will consider this bill with all seriousness. We have at-risk schools where parents do not have the money to contribute to their school. The Parent Teacher Associations (PTA) do a great job of bringing in additional money, but not at those at-risk schools. The schools that do have parents who contribute are filling in where the State should be putting money.

We need to raise revenue. On Tuesday, the Assembly will be hearing a bill on a business tax. Except for three states, every state in the Country has a corporate business profits tax. With that money, maybe we can make a dent in per-pupil expenditure and get up off the bottom. I urge you to consider this.

CHAIR HORSFORD:

It is my experience that the poor and low-income families are willing to pay for education. The parents in the PTA for my kids' school are raising money and donating money for supplies. They are asking what they can do as parents. The school my children attend is not classified as Title I under No Child Left Behind Act of 2001, but it is on the cusp. Sometimes people think it is the low income that is the problem. People think that those low-income parents are not involved and are not paying their fair share, and that is why the State needs to step in. My experience is that those parents are doing their part, but they want others to do their part as well. I know that you did not mean this, but I want to clarify that my constituents are willing to pay their fair share.

MS. GILBERT:

Thank you for clarifying that. I agree with you. I substituted for 15 years in schools. I saw schools where parents would build playground equipment and put a lot of private money into their schools. I would rather them pay the taxes so that we can make those funds available to everyone.

TRACI LOFTIN:

I have taught fourth grade in Reno for the last eight years. I worked in the private sector for ten years before that, and I have a bachelor's degree in chemical engineering and a master's degree in elementary education. I have a personal passion for teaching science. Science reaches all students as it is an exploration of our world. With low funding, science for everyone is limited. As a teacher, my extra hours in and out of school will never lead to more money. I do not have the opportunity to move up the ladder or to increase profits that could lead to the expansion of my job or business. I do not get overtime, bonuses or paid vacations. My extra hours will only benefit my students. Besides the extra hours during the school year, I take a class every summer to expand and refine my skills. Last summer, I dedicated a full week, plus one Saturday a month during the school year, but not for extra pay or to raise my additional skills. Although professional development credit was offered, it would be of no benefit to me because I had already met my requirement for licensure. My incentive was additional science training and science supplies for my classroom. These things are not offered by my district. Our low per-pupil spending limits the available resources for teaching. In elementary school, it has been ten years since science materials have been adopted and eight years since math materials have been adopted. Current budget cuts will only lengthen the time that students are not getting the most current, research-based instruction and materials.

Three years ago, a committee was formed to evaluate new science materials to adopt. I served on this committee, with no benefit to myself, other than furthering my knowledge of instruction. What I learned was that we did not have the money to adopt the hands-on materials that are needed to establish a solid science foundation for elementary students. In a district the size of Washoe County, a materials resource warehouse would be required to fill the need for science materials. This requires more money. Budget cuts prevented the adoption of such materials, but when the new session began, it completely stopped the adoption process of new materials all together.

I ask that you please find the revenue to fund education at, or above, the national average. More funding is needed to provide the kind of education that our students deserve.

CRAIG HULSE (Washoe County School District):

We support the idea of S.B. 2, but we know the reality that we are facing this Session. The reform debate is going to happen this Session. There are some bills coming to the floor from Assembly leadership later this morning. The Governor's bill will be heard on Saturday. The reform debate is going to happen, but funding does matter. I joke that education is so big that you can find a study to support whatever idea you have or whatever stance you take. I have to stop short on funding because I have never seen anything that has us listed higher than forty-sixth or forty-fifth, depending on the formula.

I often hear that the cost of living in Nevada is low, so our per-pupil cost is a lot higher if you factor in cost of living. EdWeek.org is a very reputable group that puts together regional cost-difference analyses on per-pupil spending and the only two States lower on that list than Nevada are Utah and Tennessee. Even if you adjust for cost of living or regional differences, we are still forty-eighth by their calculations.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

The presentation by CCSD really outlined the situation in Nevada. The Nevada Association of School Superintendents is in support of S.B. 2.

DR. DOTTY MERRILL (Nevada Association of School Boards):

The presentation by CCSD covered the major points and presented to the Committee a variety of different looks at statistics from reputable national organizations. We appreciate Senator Schneider's efforts on public education and his willingness to bring forward an issue at a time when economic conditions are not favorable. We support S.B. 2.

CRAIG M. STEVENS (Director of Government Relations, Nevada State Education Association):

Funding is not the magic bullet, but Nevada's schools do need more funding. A great example of this is the School Remediation Trust Fund. This was a trust fund that schools could apply for in order to improve reading and math. Our National Assessment of Educational Progress (NAEP) scores in the last few years show we are first as an improving state when it comes to math scores and eighth when it comes to reading scores. There is a large correlation between the funding that was instituted and the movement we have seen on the NAEP scale. We understand that Nevada has its challenges. The large rural areas, the small cities and the fifth-largest school district in the country present

challenges. More and more of our students are entering the system not understanding English. The transient rate, the drop-out rate and our deplorable graduation rate need investment. To help students be job ready and career ready, S.B. 2 will help Nevada get out of the rut it currently is in.

CHAIR HORSFORD:

I know we have a number of teachers here today. If you are in favor of S.B. 2, please stand. Thank you all for being here today. Please note that a majority of the room stood in favor of S.B. 2. We will now go to those opposed to S.B. 2.

PATRICK GIBBONS:

I am an independent researcher and consultant with a focus on K-12 education. I appreciate Senator Schneider's passion for education, but the problem is that there is no correlation between the amount of money we spend and student achievement. When you adjust for income level, race, English language learner status or special education, the correlation vanishes and becomes completely random. I appreciate Ms. Haldeman's presentation of the Nevada's ranking for education and that she pointed out that the rankings vary by what source you use. There is no doubt that Nevada spends below the national average, but spending at the average is not some magic number that will make Nevada improve. In fact, Dr. Matthew Ladner, who will be here later with Governor Jeb Bush, just did a graph showing the NAEP achievement gains for math and reading between 2003 and 2009. He looked at low-income students and found that Nevada is ranked at the top for these students. We are doing well with our low-income students, but we are not doing very well with everyone else in Nevada. Everyone else here performs well below the national average.

Nevada will be competing with the entire globe. We have a global economy. When you look at our low per-pupil funding, Nevada spends about as much as France or Germany, ranking about tenth, eleventh or twelfth in the world. These figures come from the Organization for Economic Cooperation and Development (OECD). The OECD looks at purchasing power parity and does adjustments to compare different countries' spending levels.

Finally, Senator Schneider spoke about private school spending and compared it to public schools in Nevada. This is not a fair comparison because the U.S. Department of Education's National Center for Education Statistics shows that the average private school spends below \$10,000 per pupil, which is below

the average spending at a public school. Just one-third of all private schools in the Nation charge tuition exceeding \$10,000 a year. The problem is not spending, but how we spend the money. I recommend that this Committee look at a presentation by Whitney Tilson from Democrats for Education Reform. This group looks beyond spending to find new ways to improve the quality of education through meaningful reforms. He has a wonderful presentation online and I suggest that everyone take a look at that.

JOHN WAGNER (State Chairman, Independent American Party):

I do not agree that dollars means quality. If you look at North or South Dakota, they are top rated and they spend the least. If you look at Washington, D.C., they spend the most, over \$13,000 per student, yet they have the worst results in the Country. Dollars and cents do not make the problem any better. One of the things that could be done is to require contractors to pay for some of the infrastructure. In some states they require contractors to pay for water and sewer updates. They make them pay for schools. If they had done that when they built the community, the schools would already be there.

Also, we spoke about other countries. Indonesia is one we did not mention. China and India we have already discussed. How long do they go to school every year? They go to school almost 11 months of the year and they have longer school days. In grades one through four, we are equal to those countries, but after that we go downhill. They have more instruction time. I do not think we could implement these changes because all the parents want to take summer vacations. We would have to stagger the school year if we went to 11-month schools. Students who graduate in other countries are better qualified because they go to school longer. This is like comparing apples to oranges, but I think we should look at this.

CHAIR HORSFORD:

We will close the hearing on S.B. 2 and open the hearing on S. B. 272.

SENATE BILL 272: Makes various changes concerning the state budget process.
(BDR 31-780)

SENATOR MICHAEL ROBERSON (Clark County Senatorial District No. 5):

Senate Bill 272 eliminates the required use of Base Budgets in the State budget process. I believe it is important to remind everyone that State General Fund expenditures from FY 2002-2003 to FY 2008-2009 increased by more than

30 percent on an inflation-adjusted, per-capita basis. This overspending has exacerbated the severe fiscal problems Nevada currently faces as a result of the economic downturn. A major contributor to this overspending is the antiquated method by which Nevada calculates its budget projections. Baseline budgeting creates an automatic justification for tax increases, even when tax revenues are increasing, but at a lesser rate than roll-up costs. As Geoffrey Lawrence of the Nevada Policy Research Institute has written, "This method assumes that any program toward which lawmakers have ever allocated money should continue receiving money into perpetuity, with annual increase for employee pay raises and inflation." This method excuses lawmakers from performing their fiduciary responsibilities to taxpayers, mainly, evaluating whether State agencies have achieved their goals or even whether those goals remain relevant to the State's needs. Obsolete programs get a free ride, while adding to the burden on taxpayers.

Baseline budgeting is tailor made to justify ever-increasing government spending and protects people who are not doing their jobs. It creates a perverse incentive, i.e., if you are not meeting your goals, you come back and ask for more money. There is no accountability for spending. In essence, you are rewarding for failure. It is important to know that S.B. 272 does not prohibit a governor from using baseline budgeting, but it does provide current and future governors with the flexibility to implement proven methods of budgeting used very successfully in other states around the Country under names such as zero-base budgeting, priority-based budgeting, performance-based budgeting and budgeting for outcomes. All of these budgeting methods are based on clearly articulated goals and performance outcomes. They force accountability and require agencies to justify their request for funding.

As we deal with the current fiscal crisis and plan for a more prosperous future, it is essential that Nevada reform its budgeting process and insist that government be better stewards of taxpayer dollars by demanding accountability and justification for expenditures. After all, it is their money, not ours.

SENATOR LESLIE:

Is it true Governor Sandoval did away with base budgeting when he submitted his current budget?

SENATOR ROBERSON:

By statute, the Governor cannot ignore the base budgeting process. I believe he offered several different budgets. Under current statute, however, you must use baseline budgeting.

ANDREW CLINGER (Director, Department of Administration):

We prepared the Base Budget under the same format as we have in the past, but we also put together the *Priorities and Performance Budget*, which looked at the performance indicators and tried to prioritize the programs that the State funds. We presented that in addition to the normal budget. We support the concept of moving toward a performance-based budget, which is why the Governor presented his budget in this manner. We think S.B. 272 gets us part of the way there by eliminating the Base Budget requirements.

SENATOR LESLIE:

I do not agree with many of the assumptions you made in the prioritizations. I am reluctant for the Legislature to give up the right to prioritize, because the assumptions are the most important part. The Governor can make his assumptions, but we can still make our own. I am not sure this is the best way to go.

MR. CLINGER:

We presented the *Priorities and Performance Budget* the way we did because it provides the Legislature with a tool to begin to prioritize programs. When you look at the current budget process, you do not always see the programs that are behind those budget accounts. Part of our intent was to put it in a format in which not only the Governor could prioritize the budget, but also the Legislature could prioritize it as well.

SENATOR LESLIE:

I am always frustrated by the fact that we cannot see what the agencies think the priorities are and what they requested from the Governor. We do not get to see their reasoning. I already feel like we do not get the full picture.

GEOFFREY LAWRENCE (Deputy Director of Policy, Nevada Policy Research Institute):

I have submitted a complete copy of my testimony ([Exhibit D](#)) for the record.

SENATOR KIECKHEFER:

In section 4, subsection 4, S.B. 272 removes paragraph (a), which requires the Governor to transmit to the Legislature an analysis of new program enhancements or new programs being created. This seems to be the opposite of the goal of providing a review of new expenditures and new programs. What is the logic behind this decision? Does this restrict the Legislature's ability to adjust the Governor's recommended budget?

MR. LAWRENCE:

Although I am guessing, I believe this provision is there because before a program is implemented, there is no way to measure its performance.

CHAIR HORSFORD:

I have worked on Nevada Check Up with Senator Hardy for a number of years, and your contention is that many of the children enrolled were previously under private health insurance policies. That is correct because their family members were probably employed and had insurance. Nevada Check Up is a safety-net program. When a family reaches a certain income level, they become eligible for Nevada Check Up. I do not understand your argument. I do agree with you that performance indicators should be enhanced to reflect other issues beyond enrollment and that is something agencies are required to do as part of their budget process. I know Senator Denis and others ask specifically about performance indicators in every budget item that comes up. It has been a frustration for people in both parties for some time. While some agencies do a good job listing their performance indicators and having outcome-based results, others do not even review their indicators before they submit them. But that is not our problem. This is a problem with the budget and the review of the budget process before it gets submitted. I do not think S.B. 272 will address this problem. That change will come from leadership, direction and guidance to agencies so they can come up with measurable performance indicators as they submit their budgets.

MR. LAWRENCE:

I think the budgeting process that is outlined in statute can have an impact on this problem as well. Senate Bill 272 would simply remove the current baseline approach. However, if a performance-based budgeting process were institutionalized through statute, you could compel agencies to include the type of metrics that you are looking for.

CHAIR HORSFORD:

Senator Roberson, have you met with Senator Rhoads or Assemblywoman Smith to discuss their bill for incentives for performance outcomes based on identifying savings and other measures? The administration spoke in favor of that bill and it mirrors the intent in S.B. 272. Do you see these bills as compatible?

SENATOR ROBERSON:

I would love to work with Senator Rhoads and Assemblywoman Smith on that legislation. I am not familiar with that particular legislation, but I would be happy to work with them.

CHAIR HORSFORD:

We will close the hearing on S.B. 272 and open the hearing on S.B. 316.

SENATE BILL 316: Requires school districts, charter schools and university schools for profoundly gifted pupils to expend a certain percentage of money on direct classroom expenditures. (BDR 34-823)

SENATOR ROBERSON:

I have provided the Committee with several charts regarding school funding ([Exhibit E](#)). Senate Bill 316 requires each school district to ensure that at least 65 percent of the money it receives in the form of basic support and local funds is used to pay for direct classroom expenditures. The "65 percent solution" has been proposed in over 18 states over the past five years. Versions of this solution have been enacted in Georgia, Kansas, Louisiana and Texas. The concept is to provide money for education, without raising taxes, make school systems more fiscally responsible and improve student performance on standardized tests. I believe it is time that Nevada seriously consider implementing the "65 percent solution."

Everyone here knows that K-12 education in Nevada ranks near the bottom in many, if not most, categories. It has become obvious to more and more people on each side of the political aisle that fundamental reform is long overdue. Governor Sandoval has proposed a number of reforms which I support, including the elimination of teacher tenure, merit pay for teachers, grading of every school on an "A through F" basis, the ending of social promotion and more school choice for parents and students. Nonetheless, there are still many who insist that K-12 education will not improve until funding is increased.

The problem we face, of course, is that we are broke. However, we can better prioritize the spending of the education dollars we do have. I believe that the top priority must be putting money where the real learning takes place, in the classroom. Currently, Nevada only spends 57 percent of its State and local education dollars in the classroom. At the same time, we spend over one-third of our education dollars to sustain administration and operations. Clark County alone is home to the fifth-largest school bureaucracy in the Country and, as of 2009, over 350 of its bureaucrats made over six-figure salaries. At the same time, many teachers have to use their own money to purchase school supplies. I think we can all agree that there is something fundamentally wrong with this picture. If you believe spending more money will improve education, we can test that hypothesis by starting to spend a higher percentage of existing dollars in the classroom. If we are not willing to put a higher percentage of education dollars in the classroom, I think it is fair to ask how can we expect the taxpayers to be willing to pay more money to increase the overall level of spending on education?

Enactment of the "65 percent solution" would require a reallocation of resources and priorities. It would add almost \$225 million into the classroom. This is a pro-teacher and a pro-student bill. The bottom line is that this proposal would largely eliminate the need to cut teacher salaries or cut the number of teachers in K-12. It would not require more money that we simply do not have. For this reason alone, I hope this Committee will seriously consider adopting this legislation or some variation thereof.

CHAIR HORSFORD:

Please meet with our Staff and provide them with the methodology you used to get the \$225 million figure. We need to know how you arrived at that number.

SENATOR ROBERSON:

Yes. Those statistics were given to me by the Fiscal Division.

CHAIR HORSFORD:

Is the 57 percent that we spend on instruction the statewide average?

SENATOR ROBERSON:

Yes.

CHAIR HORSFORD:

Are there districts that spend more or less in the classroom?

SENATOR ROBERSON:

I am uncertain. These are the facts and figures I received from Fiscal Staff. There certainly could be some variation, but 57 percent is the statewide average. Also, Clark County makes up three-quarters of the population and it is my understanding that Clark County would be close to this number.

CHAIR HORSFORD:

How does this requirement apply to charter schools that provide distance learning? They do not technically teach in a classroom.

SENATOR ROBERSON:

That is a great question and I do not have the answer for you. I do not know how this would work with charter schools and distance learning. I do not pretend to have all the answers on education. I simply think that it is time to start focusing on our priorities. To me, the focus must be in the classroom with the teachers and students. I am a big fan of teachers. I want teachers to be paid more, not less. I do not want them to have to take a pay cut.

SENATOR CEGAVSKE:

On Page 3 of S.B. 316, section 2, subsection 3, paragraph (b), line 39, it states "salaries and benefits." I understand how salaries can be considered "direct classroom expenditures" but why are benefits included? Also, I noticed you excluded any administrative costs, salaries, benefits, plan operations and maintenance, food service, transportation, and instructional support because they do not directly have an impact on what is in the classroom. I understand you are getting at funding the fundamental things for teachers like books. Are these exclusions normal? Is it normal to include benefits that would be included as a direct classroom expenditure?

SENATOR ROBERSON:

This legislation is modeled after the law in the state of Georgia. It is also modeled after the language promoted throughout the Country by First Class Education, which is the group that has pushed this concept. I would say that teacher salaries and teacher benefits are all teacher compensation. From my pro-teacher perspective, I want teachers to do well. I want to make their job easier. My concern is that there is too much money being spent in other places.

The fundamental relationship between a teacher and a student is critical to learning and doing better to educate our children. We know the reality. We would love to fund education as Senator Schneider has proposed, but we are out of money. Given that reality, I am proposing that, to the extent we have to make cuts in education, we do not make them to teachers or to the classrooms. We look at the fifth-largest bureaucracy in Clark County, and start chipping away at that.

SENATOR CEGAVSKE:

Do we currently include benefits as a direct classroom expenditure?

MR. KRMPOTIC:

Based on my review, benefits are included in the Distributive School Account (DSA) and are used to calculate the average basic per-pupil support.

SENATOR CEGAVSKE:

Do you believe that salary and benefits are connected when defining direct classroom expenditures?

MR. KRMPOTIC:

In any calculation Staff performs, whether it is State salaries or school salaries and positions, benefits are always calculated hand-in-hand with salaries.

SENATOR ROBERSON:

Please look at this as a template bill. I am not tied to a specific definition. I am open to modifications to the definition of "direct classroom expenditures." In other states, people have objected to this definition because it does not include library expenses, school nurses, transportation or food service, all things that we believe are critical. I hope this Committee will look at this broadly and understand that we have flexibility. We can work with some of these items. The larger point is that we need to cut places outside of the classroom before we look to cut within the classroom.

CHAIR HORSFORD:

Would your intent be to include this as a direct allocation by school? You have hit on something I have worked on with the school board since I was elected. Former Senator Bob Beers had a similar requirement where administrative costs could not be included in the allocation. Is it your intent that this 65 percent not

be an average, but that it be by school, based on allocations each district makes to each individual school?

SENATOR ROBERSON:

Yes, if that is practical, I would like to see it become a requirement for every school.

CHAIR HORSFORD:

Why does this not include food service, nursing or counseling? These are directly related to the development of student success. If a child does not have lunch, how is he going to learn? If he is sick, how is he going to learn?

SENATOR ROBERSON:

That is a valid point. Again, we have to prioritize. You start with the classroom expenditures. If you look at the pie chart on Page 2 of [Exhibit E](#), these are FY 2008-2009 numbers. We spend over 57 percent on instruction and 23.6 percent on operations. We spend 9.2 percent on instructional support, which includes a lot of the things you are talking about. This includes guidance and counseling, library and media and other things. In operations, which is almost 25 percent of the budget, it includes transportation and food service. I am not saying that these things are not important. All I am saying is that we need to adjust this pie chart and require that more of our overall dollars go to the classroom. I would rather see cuts in leadership and other areas of operation, such as business operations, building upkeep and data processing. All of these things are important, but we have to prioritize. You make a great point. There is only so much money to go around, but we need to do more to put more dollars in the classroom.

CHAIR HORSFORD:

There are things we can agree on. I have already spoken about professional development this year. It is interesting that the State provides a line item allocation for professional development through the Regional Professional Development Centers in addition to basic support. I do not understand why that is a State function. I think it should be a local school district function and that we should allow the districts to decide how and when to use it. Just this week, I heard about a teacher who went to a professional development session and spent four hours getting a pitch from a private company on materials that they wanted them to buy, rather than learning about how to better instruct the kids in their classroom. That is not what this money is supposed to be used for. I

know this is anecdotal, but it is something I hear quite often. Professional development is a "sacred cow."

Going back to your bill on zero-base budgeting, this is one of those things that has simply been preserved Session after Session because someone wanted it. I think there is some common ground here and we might be able to work with you on these areas.

SENATOR DENIS:

My wife is a kindergarten teacher and one of the things she needs is more books. She has spoken about buying them with her own money. I think books are a basic thing in the classroom. How can we teach kids to read, without providing them books?

Regarding technology, I am not sure this language means that technology would not be included. I have been in classrooms where everything is based around technology. Things like electronic white boards are an integral part of the classroom and I think that should be something considered a part of the classroom. Is this something we would adjust for?

SENATOR ROBERSON:

Technology would be included to the extent that we are talking about computers and technology in the classroom. These things would be a part of direct classroom expenditures. I am open to expanding this definition if this Committee and the Legislature believe there are other high priorities that are not in this current definition of direct classroom expenditures. I also suggest that we raise the bar above 65 percent. This bill is trying to get at the administrative bloat in these school districts. It is also trying to target other areas that are not deemed as necessary or essential in the learning relationship between a teacher and his or her students.

MR. GIBBONS:

Senator Roberson asked me to provide an overview of the pros and cons of what is known as the "65 percent solution" where the State mandates that 65 percent of certain funds must be spent on instruction related expenditures. The main focus of the 65 percent solution is to target spending on instruction by forcing school districts to limit the resources that are available for noninstruction operations, school administration and the central administration.

To fully understand the strengths and weaknesses of this policy, we must first understand the economy of public education and trends in K-12 spending.

First, significant increases in per-pupil spending over the last 50 years have not yielded greater returns on student achievement. The reason this occurs is because we focus on how much we are spending, rather than effectively spending what we already have. Because of this, K-12 education leaders do not have incentives to spend resources where they are needed most. They have few consequences for failure and they institute spending increases year after year, despite stagnation or failure. Spending is often directed in ways that benefit special interest groups, whether they are public or for-profit, private corporations. Our K-12 spending is controlled from the top down where central officers direct resources and ration teachers and supplies to local schools. Schools have very little discretionary power over resources and when they do, it is often subject to bureaucratic control.

In a sense, American public education operates much like the old Soviet Union. It is a top-down, command-and-control economy. Like the Soviet Union, this top-down control has a strong incentive to spend the money where the impact is political, that is, where it benefits the well connected, rather than the students.

In my research over the past three years, I have interviewed dozens of teachers and principals in CCSD. I have a few examples of where spending goes awry. One principal I spoke with had lost his school grounds to floods several years ago. After making several requests to the central administration to have the school grounds repaired, nothing happened. After several years, he approached a private-sector landscaping company and got a bid to repair the school yard for \$40,000. The school district disagreed. They did the job for \$170,000 more. In another instance, a principal sought to buy new computers for the school, but was rejected on the grounds that the monitors were too large. Dell was selling the computers with 21" monitors, for less than what they were selling the computers with the 19" monitors, which are the largest monitors the school bureaucracy allows.

Another principal lost air conditioning at his school. He sent a request for repairs. It took a week for the repairs to be made. In another instance, a room in a particular school had become so decrepit that it was unusable. It took more

than a year before anything could be done to repaint that room, and it was parent volunteers who did the painting, not the school district.

With regard to professional development, there is significant evidence that suggests that professional development provides little benefit for teachers after the first three to five years. That money could be redirected toward hiring highly qualified new teachers or providing bonuses for existing high-quality teachers. Additionally, I have found that professional development is a big sticking point with many teachers. They loathe professional development and they dislike the fact that nonteachers are doing the training.

Senator Roberson's bill omits capital expenditures from the 65 percent solution, and this may be unfair. We have been the fastest growing State in the Nation, but there is evidence that our buildings have been more opulent than may be necessary. For example, when adjusting for expenditures on building, repairing schools, and for population growth, I found that Nevada's expenditures are significantly higher than Arizona's which was the second-fastest growing state in the Nation. Any dollar being spent on building new schools, and paying back the debt on those new schools, is a dollar that cannot go back into the classroom.

Without comprehensive reform, the 65 percent solution is the next best approach to the problem of public education, funding and finance. It is not perfect, but the goal is to move over \$200 million in noninstruction-related spending back into instruction.

A natural disadvantage of this policy is the fact that it is another form of top-down control and top-down control is part of the problem with spending. Senator Horsford identified one of the problems, virtual education, which is an innovative way to provide education that may be harmed by a 65 percent solution. Another disadvantage is what exactly constitutes instructional spending. In other states, school districts that are subject to this requirement have found innovative ways to do accounting in order to insure that noninstruction-related expenditures can, in fact, be counted toward instruction-related expenditures. In other words, the policy may have no impact.

Despite these disadvantages, the 65 percent solution is better than the status quo. It is better than doing nothing. There are better ways to address this problem than with the 65 percent solution. One of these solutions has received

bipartisan support from Democrats and Republicans in Nevada and abroad. Governor Sandoval even included it in his education reform, as did Commissioner Rory Reid, who made this the major focus of his education plan. This solution comes in two parts. The first is a backpack-based fund in which parents choose the school their child attends and the dollars follow that child to that school. The decision making on how to spend that money is decentralized to the local schools. I have submitted a complete copy of my testimony for the record ([Exhibit F](#)).

CHAIR HORSFORD:

This is not germane to this bill.

MR. GIBBONS:

Backpack-based funding is the best solution to address our problems, but the 65 percent solution is the next best approach. If we do not decentralize decision-making policies, and we remain with top-down bureaucratic control, the 65 percent solution would be better than doing nothing at all. It is certainly better to do this, than to allow budgets to be cut and to lay off thousands of teachers.

CHAIR HORSFORD:

On page 3 of S.B. 316, section 2, subsection 1, paragraphs (a) and (b), you have included basic support and local funds. Some of the local funds the districts receive are directly from the federal government and are restricted. We cannot pass a law that supersedes or conflicts with federal law. This may be an area that we need to work on to ensure that we are in compliance and reach the intent.

SENATOR ROBERSON:

I agree. Notwithstanding the language in that section, the intent is to direct the funds we actually control, not federal funds that we know must be directed to certain areas. The bill aims to funnel more of the money that we have discretion over to the classroom.

MR. STEVENS:

I appear in opposition to S.B. 316. What Senator Roberson says is nice and we agree. We are glad he agrees that educators deserve more pay and better benefits. We are also glad that he recognizes that our classrooms are severely underfunded. We completely agree with this and we appreciate him bringing this

bill forward to allow us to have this debate. However, under the current budget constraints we are seeing in this State, this bill would drastically reduce services to students. Libraries, counselor services and transportation help student achievement. Moving funding around to fill in gaps is no more a solution than taking your grocery money and using it to pay your rent. You are still going to go hungry. We need to put more money in the system to pay for the services that we need. This bill acknowledges that what is happening in the classroom is not enough. Nevada is not putting enough money into the classroom. However, taking money from one area that is already underfunded and moving it to another area is not a solution. We ask this Committee to look at the broader picture. We appreciate the sentiment behind this bill, but we need to begin looking at the whole picture and start funding everything instead of moving money around.

MR. HULSE:

We are in opposition to S.B. 316. We appreciate Senator Roberson bringing the conversation about the importance of the classroom to the center of the debate. We agree that there is nothing more important than a teacher in front of their students, but these decisions are currently made at the local level by the local school board. We work with our budget office, our human resources department and our local associations. Our school board brings up budgets in a public manner, unlike the Soviet Union as was stated in previous testimony. The public has input in our budgets and can tell us their priorities. What they think is relevant to the school district.

This is like a maintenance of effort (MOE) requirement from the federal government that requires a certain percentage of the State budget be spent on certain items. As everyone knows, the federal government always comes with some type of incentive to do that. The decision to accept those funds in lieu of an MOE requirement is made by the Legislature. This is similar to the school district. We oppose S.B. 316.

JIM MCINTOSH (Deputy Chief Financial Officer, Clark County School District):
Historically, CCSD has prepared its budget in a manner that complies with the spirit of this legislation as it is proposed, in that we meet the 65 percent rule. However, our budgets are prepared under the NCES format. We consider the classification of instructional programs to meet the requirement of classroom expenditures. Not only do we prepare our budgets in this manner, but also our comprehensive financial report is prepared under NCES guidelines.

I found two discrepancies in the way this legislation is written. Section 2, subsection 1, states, "at least 65 percent of the money which the school district receives in the form of: (a) Basic support; and (b) Local funds available." It further defines "Local Funds" as those dollars that are part of basic support. If we limit the 65 percent rule to only a portion of our budgets, we are going to have a problem in complying with this. Basic support and local funds only make up about \$1.5 billion of CCSD's general operating budget. The operating budget is actually much higher. When the district calculates its 65 percent, it includes all of its instructional programs for the General Fund, the special education and categorical funding such as class-size reduction. With this, CCSD is able to meet the 65 percent rule. It is not clear to me that we are able to include categorical funding, such as class-size reduction, to meet the 65 percent rule as it is written.

I would also like to note that Senator Roberson's exhibit is provided by the Insight Corporation. This is the company that the Legislature uses to provide its financial analysis. There is a disconnect from the percentages shown on this pie chart ([Exhibit E](#)), in my opinion, and the way this legislation is written. In other words, the 65 percent rule, as it is written here, would not meet the requirement that you are showing in this pie chart.

The CCSD is essentially testifying as neutral on this bill, because we feel like we are already complying with this in spirit. There are some technical issues that need to be figured out in this bill to finalize it. And I would just like to point out one more time the discrepancies between NCES reporting that CCSD is required to do at a federal and State level and the way the Insight corporation is providing its statistics. It is not clear to me exactly which format we are using according to the legislation as it is written.

CHAIR HORSFORD:

Please work with our Staff and provide them with how CCSD breaks down its allocation and a source document, so we can arrive at a fair solution.

KATHLEEN CONABOY (K-12 Inc.):

The firm K-12 Inc. is an educational management organization that works with Nevada Virtual Academy, which is a statewide distance education program. We are neutral in regard to S.B. 316, but I would like to follow up with Senator Horsford's question regarding distance education and the differences among charter schools. We are created to be different and we may not fit a

mold. I do not know whether charter schools need to be a flexible category in this bill, if it goes forward. Some of what happens may be dependent on what we hear this afternoon about the Nevada Charter School Institute and how it will administer organizational and administrative issues for charter schools. For instance, at Nevada Virtual Academy, our teachers are required to spend 50 hours in a teacher development course, designed by K-12 Inc., before they enter the classroom. This program instructs teachers on how they will be teaching in an online environment. This is an imperative function for us and we have constant refreshers on that course throughout the life of a teacher's career with us. Specific to charter schools, and even more specifically to the subset of charter schools that offer distance education, special consideration may need to be given when the 65 percent is calculated.

SENATOR KIECKHEFER:

I want to state for the record that I am an employee of the law firm McDonald Carano and Wilson LLP by whom Ms. Conaboy is also employed.

DR. DOTTY MERRILL (Nevada Association of School Boards):

Regarding the comparison to the Soviet Union, I would like to note that Soviet officials were not elected; school board members in each county of Nevada are elected officials. Although there may be anecdotes in every community about school expenditures, if local voters do not support what the elected board does, they can use their votes to elect new board members who will be more attentive to the concerns of those voters. As a matter of public policy, the Nevada Association of School Boards respectfully opposes S.B. 316. The NCES provides a reporting format in specific categories that all school districts use in both state and federal reporting. We believe that the categories of expenditures here exclude some categories that contribute to student learning and achievement.

CHAIR HORSFORD:

Please work with Staff to provide the percentage as referenced in testimony for each district. It would be helpful in understanding the 57 percent average.

DR. MERRILL:

Yes. We would need to provide two sets of information. The first set would be based on the Insight calculations and the second set would be based on the specific data elements of NCES.

CHAIR HORSFORD:

Why do we have to report to NCES? Reporting to NCES does not mean a lot to me as a parent. What matters to me is whether there are resources in the classroom at my child's school.

MR. MCINTOSH:

The NCES is the federal organization under the U.S. Department of Education that is responsible for collecting education statistics. Many of the statistics that you saw in Ms. Haldeman's presentation were provided by NCES. They provide an exact format for how education statistics are to be collected. That format is in the form of a handbook. The handbook is adopted by the Nevada Department of Education and all school districts are required to use that format in their accounting and budgeting systems in order to collect statistical data regarding education expenditures. All formats that we currently use are provided by NCES. Our budgets, our comprehensive annual financial reports and our statistical reports are all done in NCES format. This is the standard formatting in the State of Nevada. From a comparability and consistency standpoint, the NCES guidelines are the method of coding used nationwide in order to compare school districts on per-pupil expenditures.

CHAIR HORSFORD:

If this is a federal mandate, we may have to use NCES as a source and use their criteria. Please work with Senator Roberson to walk through this and provide it to Staff.

We will close the hearing on S.B. 316. I will now turn the Committee over to Vice Chair Leslie.

VICE CHAIR LESLIE:

We will now open the hearing on S.B. 372.

SENATE BILL 372: Revises provisions governing the use of money received by school districts and charter schools from the State Supplemental School Support Fund. (BDR 34-970)

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

The bill I am introducing this morning, S.B. 372, is important for two fundamental reasons. First, it reaffirms our commitment to improving education and student achievement in this State by signaling our intention to

dedicate revenue from extra room tax approved by voters in 2008 for the intended purpose. Secondly, it identifies specific areas where the money will be used to help our K-12 students improve their academic performance.

In 2009, IP1 of the 75th Session was adopted by the Legislature. It had been approved by the voters as a ballot measure in the 2008 election. The measure approved an increase in room taxes in Clark and Washoe Counties for the support of K-12 education with approximately \$200 million going to the State General Fund in the 2009-2011 biennium and directly to a special State supplemental school support fund beginning in February 2012. I have a copy of the Initiative Petition 1 (IP1) as written in Clark County ([Exhibit G](#)). It is important for the Committee to go through the explanation, the argument against, the rebuttal and the anticipated financial affect.

This IP1 was approved by the Legislature. A competing alternative was not provided. The expectation was that these funds would be used for their intended purpose beginning this biennium to create the State Supplemental School Support Fund. In 2009, we could have offered an alternative but we did not. The legislation earmarked the room-tax revenue for specific purposes to "Improve the achievement of students and for the payment of salaries to attract and retain qualified teachers." This bill states that we will take the money the voters approved and put it toward its intended purpose, K-12 education, and not to divert it, as the Governor proposes, to the General Fund.

The Governor's proposed budget for the upcoming biennium, is requesting that we defer the allocation of these room-tax revenues that should go to education for another two years. He wants to use this money for the State General Fund and not for the DSA or the State Supplemental School Support Fund as I am calling for today. The Governor calls for the end of social promotion, something that we can all agree with philosophically. Students should not be promoted year after year, but we must provide them and their teachers with the resources so that they can learn and achieve academically; so that they can go and graduate. This is what is intended by this question and that is the intention of S.B. 372.

Underlying S.B. 372 is the intention that we will direct the extra room-tax revenue from IP1 for the purpose voters intended which was to support K-12 education in this State. Furthermore, S.B. 372 clarifies how that money would be spent to improve student achievement. It says that funds should be

used for after-school programs sponsored by community-based organizations and summer-school programs. For the first time in Clark County, we will now be completely on a nine-month schedule. This means that all of our 240,000 students will be out of school for the summer without any academic support. Senate Bill 372 states we should provide early-childhood education programs, something in which other reform-minded states like Florida and Georgia have invested. Why can children in Nevada not have the same opportunities? Finally, S.B. 372 says we should fund programs that aim to prepare students who have not received a high school diploma because they have not passed their proficiency exams or received their General Education Diploma (GED). This way students can receive a diploma showing that they have satisfactorily completed their high school work.

These are all worthy areas that we all agree should be supported. We provided support for the innovation and remediation fund. We saw documented evidence from schools about the improvement of student learning from those investments. Those dollars have been wiped out. They are not there. Yet, the funding from IP1 is exactly the type of investment we could be making now. All of these programs are aimed at reversing one of the most alarming statistics in our State, the fact that one-half of the students in Nevada, who start high school in the ninth grade, do not obtain a high school diploma within four years. This stigmatizes our State as we strive to grow our economy and as companies considering Nevada conclude that our education system is substandard. Today, we have heard parents, who are professionals, questioning whether or not they want to remain in Nevada because our schools are not keeping up. More importantly, what does this mean for the students? Without a high school degree or its equivalent, students are condemned to a future of low-paying jobs at best. Failing to earn a high school diploma is a \$1 million decision. Students lose about \$1 million of life-long earning potential by not earning a high school diploma. The programs outlined in S.B. 372 can lift these students up. Early childhood education is the best way to ensure that students entering primary grades are ready to learn and do not fall behind when they enter school. For students who are behind in their academic achievement, whether in elementary, middle or high school, we need a concerted effort to improve their performance so that we do not lose them to the statistic I mentioned. This is the purpose of earmarking IP1 funds for after-school programs and summer-school activity. It will give these students the opportunity to learn what they need and to acquire the skills in math, reading and writing that will allow them to succeed rather than fail in proficiency tests. For students who have gone through our

K-12 system, but did not reach the level of achievement needed to obtain a high school degree, we can give them a second chance with programs helping them to succeed on GED tests.

Senate Bill 372 does not dictate to school districts how much of the IP1 money they must dedicate to these programs. Instead, it says that we should include these programs in the mix of approaches school districts use to improve student achievement.

One other suggestion for the use of IP1 revenues is to strongly consider lengthening the school day and the school year as a means of improving student achievement. This would give our students additional time to master the material they need to succeed. These are the kinds of initiatives we need to consider if we are going to get serious about improving academic performance in this State.

The funds can be used, as the question explains, as incentives for teachers. The Governor has proposed an allocation of approximately \$10 million. I do not believe this goes far enough. I do not understand how we are cutting teacher pay by 10 percent, but then creating a pool for about \$10 million that does not have a mechanism to measure whether it will be effective. I support the concept of putting money into teacher incentives based on a performance model.

As I said in the beginning, S.B. 372 reaffirms our commitment to K-12 education in this State, despite our difficult financial circumstances. I urge you to give this bill positive consideration and favorably pass judgment on this legislation.

VICE CHAIR LESLIE:

While you were testifying, each of us received a letter from NSEA reminding us what the vote was in our districts. It is very helpful. In my Assembly District, the vote was very high. Yet, because I switched houses, I was not aware of the vote in my Senate District which is very urban and has the highest minority population and highest low-income population in Washoe County. In my district, 68 percent of voters voted to pass IP1. There was overwhelming support from the community for education.

When we passed the original bill, it was to improve the achievement of students and then it had the option to pay salaries. You are giving more specific options for how they can use this money. Is this your intent?

SENATOR HORSFORD:

The money can be used for improving the achievement of students and for payment of salaries to attract and retain qualified teachers. This money is to be used in addition to, not in place of, basic level of support to K-12 education. This bill proposes to define "improving the achievement of students," specific areas that we know, based on our investment in the innovation and remediation fund account, were working. This bill will make sure that those dollars get used in places where there is demonstrated success, and to attract and retain qualified teachers. It is my understanding that this includes things such as pay-for-performance and other activities.

VICE CHAIR LESLIE:

Would this become effective on July 1, 2011?

SENATOR HORSFORD:

Yes.

SENATOR KIECKHEFER:

Would the programs defined in section 1, subsection 4, paragraph (a), subparagraph (1) include The Head Start Program?

SENATOR HORSFORD:

Yes, Head Start is included in Title I, 20 U.S.C.

SENATOR KIECKHEFER:

Is there anything in the bill to prohibit the Legislature from sweeping money out of this account? Or does the bill just state the intent of how to use the money?

SENATOR HORSFORD:

Under the Governor's proposal, he diverts about \$221 million over the next biennium from this intended purpose and places it in the General Fund. If his budget is approved, we would have to pass a bill that would allow us to sweep those funds. People keep asking me where my votes are to fund education. My question is, where are the Governor's votes to pass his budget? I can assure you that he does not have mine.

SENATOR KIECKHEFER:

I am just asking how this would work mechanically. I like the face of the bill. It states that these are items that we prioritize as important components for educating our children. I am not prepared to vote for using that money that was approved in IP1. You and I have a different interpretation of how some of this money moves. I would make the argument that this maneuver reduces the other General Fund cut to education. It is more of an offset. I want to be clear that this bill does not prevent the Legislature from passing that other bill and sweeping that money. Does it?

SENATOR HORSFORD:

As written and approved, S.B. 372 would require that the funds passed by IP1 in 2009 be used for their intended purpose and not be allocated to the General Fund as proposed by the *Executive Budget*.

VICE CHAIR LESLIE:

Both bills cannot pass. They would be in conflict with one another.

SENATOR KIECKHEFER:

I do not see that. Currently, this is statute and we are just adding a provision to the statute indicating how the money could be used.

SENATOR HORSFORD:

You are right.

SENATOR KIECKHEFER:

And this stipulates that it must be in the account.

SENATOR HORSFORD:

Currently, this is the way the money is supposed to be used. The Governor's budget proposes a different way to use the money. I am proposing more explanation and clarification to state that the dollars should be used in the manner listed under section 1, subsection 4, paragraph (a), subparagraphs (1) through (4) and paragraph (b). The Blue Ribbon Task Force, the Nevada Vision Stakeholders Group and other working groups have all identified these as areas in which we should be investing.

SENATOR KIECKHEFER:

I completely agree with you on those priorities. I think those are important.

VICE CHAIR LESLIE:

In order to implement the Governor's budget, the Governor's bill would have to pass.

SENATOR CEGAVSKE:

Who would determine which community-based organizations would get the funding? I do not see that spelled out in this bill. Would the districts figure that out themselves or would we put that in this legislation?

SENATOR HORSFORD:

We would need to add language to dictate whether the money goes through the Nevada Department of Education and is allocated through a process, or if it is allocated to the districts to be used as it intended. Currently, it is envisioned that the money go from the districts to these areas, but that might need to be reviewed.

SENATOR CEGAVSKE:

In section 1, subsection 4, paragraph (a), subparagraph (2) on line 19, it states, "Educational programs." This would be another area where we would need to determine what would be acceptable and which educational programs that would be. When I first read the bill, those were the areas that appeared to need more definition. Also, the language stating, "Programs designed to prepare students who have not received a high school diploma" is something new for us and for education. This would have to be defined. I am in favor of the idea of lengthening the school day and the school year. We have always talked about that, but I know there is a price tag for each additional minute.

Finally, how much money is in this fund right now? What is the total amount? The Governor's budget sweeps all the money; only a portion of it is being swept.

SENATOR HORSFORD:

My intent for section 1, subsection 4, paragraph (a), subparagraph (1), is Head Start and other early childhood education programs. In section 1, subsection 4, paragraph (a), subparagraph (2), I view educational programs as vital for summer school. There is no money for summer school. I do not know where the kids who are credit deficient are supposed to go. With all the budget cuts, funding has been provided previously, but I do not know where the money would come from this time. In section 1, subsection 4, paragraph (a),

subparagraph (3), it lists early childhood education programs. We provide two grants to local nonprofit organizations in this State for early childhood education programs. We know that we can do better. The language in section 1, subsection 4, paragraph (a), subparagraph (4), is for adult education. We have adult education programs now in place. They get \$621 per student to help them achieve their educational goals. There is no money for special education. There is no money for limited English proficiency, even though we know that a high percentage of the students in adult education have those needs.

SENATOR CEGAVSKE:

There are some issues with adult education programs that we need to clear up.

Is Head Start federally funded?

SENATOR HORSFORD:

There are two Head Start programs. There is the federally funded Head Start that is allocated directly and they issue their own grants to organizations. There is a state component of the Head Start program that Nevada does not provide for in a state match. If we provided the match, we would be able to enroll many more students who are eligible, three-, four- and five-year olds who are beginning to learn the fundamentals of reading.

VICE CHAIR LESLIE:

There is also Early Head Start for even younger children and we do not take advantage of that program.

DAWN MILLER:

I support S.B. 372. I am a teacher in Washoe County and the proud mother of two boys who attend school in Storey County. I have been fortunate that their school work has come easy to them. But this year, my seventh grader has found algebra to be a challenge. Thanks to after-school tutoring programs at his school, he is working through his difficulties. Four days a week, I teach an extended-learning day for third graders at Lincoln Park Elementary School. Two of those days are dedicated to literacy and two days are dedicated to math. Children in this class have been identified through testing, teachers and their parents as struggling to meet grade-level standards. Extended-day learning time gives teachers the opportunity to work with small groups in an environment that allows for hands-on learning. This program is vital in helping

with the achievement of students. My colleagues and I are consistently hearing that throwing more money into education is not the solution, but I hope you can see that it is important to invest in programs like the ones I have discussed. These programs do make a difference in student achievement. Please continue to support programs with funding that helps the children of Nevada.

NATHA ANDERSON:

I am a teacher from Washoe County and I am the treasurer of the Washoe Education Association. I am active in NSEA. I am urging your support of this bill. A number of years ago, I was very active in getting the signatures for the 3 percent room tax to be passed in Washoe County. In addition, I worked during the last Session to get it passed as well. Since the passage of the 3 percent room tax, our local association has worked with the Washoe County School District to figure out ways we could use the money to come up with different plans and ways of teaching. We have worked hard to use the money to help our schools, whether it is with after-school programs or with boot camps, which we have at North Valleys High School. Our boot camp is a freshman boot camp. Our freshmen are not always ready for the social issues that come along with high school. For two to three weeks, we try to assist the students along with the things that we can help them with. This means 8 to 15 teachers helping students with time management and other things that are going on in high school. We find that the students who are able to attend boot camp succeed. The students who do not attend boot camp, because we only have so many teachers who can donate time, do not do quite as well. I urge your support of S.B. 372. Also, when we collected signatures, we told voters it was for education. Please remember that.

MR. GIBBONS:

I am against S.B. 372 because the original purpose of the petition was to supplement revenue to the General Fund lost due to the recession. Most people were under the assumption that the recession would only last about a year or two. It is clear that the recession will continue much longer than that. This money has never been spent on K-12 education so it is not a budget cut. I think returning this money to the General Fund would follow the spirit of the initial petition which is to supplement lost revenue due to a continuing recession.

VICE CHAIR LESLIE:

That is an interesting interpretation. We will close the hearing on S.B. 372. I relinquish the gavel to Chair Horsford.

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CHAIR HORSFORD:

We also received written testimony from Robert Bray ([Exhibit H](#)), Heather Obermiller ([Exhibit I](#)), Kathleen West ([Exhibit J](#)), Aimee Campanale ([Exhibit K](#)), Kathy Steinbrenner ([Exhibit L](#)), Leora Bennett ([Exhibit M](#)), Raeann Hill ([Exhibit N](#)), Karen Rashmir ([Exhibit O](#)), Luvona Perri-Crane ([Exhibit P](#)), Randy Campanale ([Exhibit Q](#)), Ann Moody ([Exhibit R](#)), Pauline Hahn ([Exhibit S](#)), Brad Truax ([Exhibit T](#) and [Exhibit U](#)), Jerrad Barczynszyn ([Exhibit V](#)), Gary W. Conder ([Exhibit W](#)), Betsy Giles ([Exhibit X](#)) and Suzanne Hossler ([Exhibit Y](#)). With no further business before the Committee, this meeting is adjourned at 11:02 a.m.

RESPECTFULLY SUBMITTED:

Marian Williams,
Committee Secretary

APPROVED BY:

Senator Steven A. Horsford, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
SB2	C	Joyce Haldeman	PowerPoint Presentation
SB 272	D	Geoffrey Lawrence	Testimony
SB 316	E	Senator Michael Roberson	Charts
SB 316	F	Patrick Gibbons	Written Testimony
SB 372	G	Senator Steven Horsford	Clark County Advisory Question No. 5
SB2, SB 372	H	Robert Bray	Letter of Support
SB2, SB 372	I	Heather Obermiller	Letter of Support
SB2, SB 372	J	Kathleen West	Letter of Support
SB2, SB 372	K	Aimee Campanale	Letter of Support
SB2, SB 372	L	Kathy Steinbrenner	Letter of Support
SB2, SB 372	M	Leora Bennett	Letter of Support
SB2, SB 372	N	Raeann Hill	Letter of Support
SB2, SB 372	O	Karen Rashmir	Letter of Support
SB2, SB 372	P	Luvona Perri-Crane	Letter of Support
SB2, SB 372	Q	Randy Campanale	Letter of Support
SB2, SB 372	R	Ann Moody	Letter of Support
SB2, SB 372	S	Pauline Hahn	Letter of Support
SB2	T	Brad Truax	Letter of Support
SB 372	U	Brad Truax	Letter of Support
SB2, SB 372	V	Jerrad Barczynsyn	Letter of Support
SB2, SB 372	W	Gary W. Conder	Letter of Support
SB2, SB 372	X	Betsy Giles	Letter of Support
SB2, SB 372	Y	Suzanne Hossler	Letter of Support