

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-Seventh Session  
May 27, 2013**

The Senate Committee on Finance was called to order by Vice Chair Joyce Woodhouse at 9:21 a.m. on Monday, May 27, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 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 Debbie Smith, Chair  
Senator Joyce Woodhouse, Vice Chair  
Senator Moises (Mo) Denis  
Senator David R. Parks  
Senator Pete Goicoechea  
Senator Ben Kieckhefer  
Senator Michael Roberson

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Thomas Hutton-Potts, Committee Secretary

**OTHERS PRESENT:**

Rose McKinney-James, Teach For America  
Rorie Fitzpatrick, Interim Superintendent of Public Instruction, Department of Education  
Joyce Haldeman, Clark County School District  
Ryan Korn, Clark County School District  
RoAnn Triana, Clark County School District  
Craig Stevens, Nevada State Education Association  
Michael J. Willden, Director, Department of Health and Human Services  
Alicia Lerud, Senior Deputy Attorney General, Office of the Attorney General

**Senator Woodhouse:**

I will open the hearing on Senate Bill (S.B.) 517.

**SENATE BILL 517**: Makes an appropriation to Teach for America, Inc.  
(BDR S-1233)

**Rose McKinney-James (Teach For America):**

Victor Wakefield, Executive Director of Teach For America (TFA), is unable to be here today. RoAnn Triana, principal of Robert O. Gibson Middle School in Las Vegas, who will be speaking in favor of this bill, currently has six TFA teachers and she expects eight next year. Ryan Korn, a teacher at Myrtle Tate Elementary School in Las Vegas, will also speak in favor of the bill. During your prior budget hearings you heard a lot about TFA, so we will try not to duplicate that information. We have provided new documents to the Committee to provide additional background on TFA. Realizing that this is not a policy committee, we want to stress to you the importance of the investment in Clark County students and, potentially, in students around the State.

**Rorie Fitzpatrick (Interim Superintendent of Public Instruction, Department of Education):**

There has been much discussion about this priority coming from the Executive Budget in your joint meetings. The Executive Budget has significantly prioritized education, especially for our most vulnerable students, full-day kindergarten, the expansion of services for English-language learners and the orientation to the Jobs For America's Graduates program. These programs will help increase our graduation rates and decrease our dropout rates. Teach For America is the fourth spoke in the comprehensive approach to ensuring we have the necessary expertise to support the achievement of all students, especially those who most need it.

The Clark County School District (CCSD) is poised to hire at least 1,700 new teachers for the coming school year. The appropriation of these funds, which will support the hiring of 50 bright and capable individuals to serve in our most impacted schools in Las Vegas, is instrumental in assisting the district to staff each new position with a dedicated and capable teacher who can move students to graduation and be ready for college and career success.

Teach For America will assist in making sure that those students who need the most effective instruction get what they need. This includes instruction in math

and English-language arts under the new and very challenging Common Core State Standards, and in content areas including science, technology and engineering. I encourage you to pass this bill. It will help our students.

**Joyce Haldeman (Clark County School District):**

Teach For America provides a vital service for the CCSD. For practical reasons we support S.B. 517. Teacher recruitment is expensive. We recruit teachers throughout the year because we constantly have hard-to-fill positions in math, science and special education. We spend approximately \$10,000 per teacher to recruit. By requesting a TFA teacher, we save money. The TFA teachers are excellent and highly skilled teachers who are recruited for the areas in which we need them. This year, we anticipate hiring approximately 2,000 teachers pursuant to the recent arbitration decision in which the teachers were held on the pay scale. The money we saved from that will restore teachers who were lost during the previous arbitration. We will also be replacing teachers who have retired this year.

Besides the hard-to-fill positions, we expect some expansion in school programs as a consequence of the work of the 77th Session.

The sophisticated TFA recruitment process enables them to vet their recruits at a high level and according to high standards. They hire approximately 17 percent of applicants. They share with us the "almost hired" list, which we use for further recruitment. When TFA teachers are hired and placed in the CCSD, they are concentrated in areas of greatest need. Seventy-six of the TFA teachers hired will fill the hard-to-fill positions. Of those, 38 percent are people of color, which does not yet match our needs. The CCSD's efforts have only reached 22 percent people of color. The TFA teachers are placed in our most at-risk schools. They have a tendency to stay in those schools.

A high percentage of our principals specifically request TFA teachers. Last year, we were unable to fill 80 such requests due to lack of available teachers.

We strongly support TFA because it makes sense on a fiscal basis to save recruitment costs. It makes sense in terms of the quality of teachers who share their best practices with other teachers.

**Ryan Korn (Clark County School District):**

I have submitted my written testimony in favor of S.B. 517 ([Exhibit C](#)).

**RoAnn Triana (Clark County School District):**

I have submitted a letter to Senator Woodhouse expressing my support for Teach For America ([Exhibit D](#)). That letter includes three statements of support from Diane Lewis, Ed.D., principal of J. E. Manch Elementary School; Antonio Rael, principal of the Mojave High School; and Carolyn M. King, principal of D.L. "Dusty" Dickens Elementary School.

I add to Mr. Korn's remarks by saying that this bill is not only an investment in adults, it is an investment in children. I have worked every day with TFA teachers and have seen the benefits they bring to our children. For the first time, I have heard children say their favorite class is the English-language arts class because the teacher believes in them, listens to them and helps them express their thoughts and beliefs.

**Ms. McKinney-James:**

When we talk about an investment, we should talk about the return on investment. The investment provided by S.B. 517 will be matched 4:1. For the 50 teachers we will be able to hire, we will reach an additional 3,000 students.

Recognizing that everything is local, the human touch is local. The TFA teachers are active in their communities and make a difference in them. We ask for your support of S.B. 517.

**Senator Woodhouse:**

I will relinquish the gavel to Chair Smith.

**Chair Smith:**

Is the retention rate of classrooms not taught by TFA teachers approximately 50 percent?

**Ms. Haldeman:**

The first-year retention rate in the CCSD is 83 percent. The first-year retention rate for TFA teachers is approximately 50 percent. Extending the time frame to 5 years, the rates become approximately equal. The 5-year retention rate for the CCSD is 69 percent. The TFA teachers become alumni at that point and most remain in the at-risk schools.

**Chair Smith:**

When we talk about retention rates, there is little difference between the two groups of teachers.

**Mr. Korn:**

The retention rate statistics for the CCSD reflect all schools in the district, not just at-risk schools. Nationwide, the rate of turnover in at-risk schools is approximately 50 percent higher than in all schools combined. In the CCSD, 97 percent of TFA teachers stay in the at-risk schools where the need is greatest.

**Senator Roberson:**

How difficult is it to recruit teachers for at-risk schools? If we do not pass this bill, what will happen to the 3,000 students in at-risk schools? Will permanent or substitute teachers teach them?

**Ms. Haldeman:**

Hiring qualified teachers has always been a problem in the CCSD. I have statistics for vacancies on the first day of school in math, science and special education. In 2012, there were 27 math vacancies, 17 science vacancies and 86 special education vacancies. In 2007, there were 32 math vacancies, 39 science vacancies and 170 special education vacancies. When TFA concentrates on those areas for us, they are helping us find permanent teachers for classrooms that otherwise would be taught by long-term substitutes. Many of the latter are retired teachers who return to teach in their specialty areas.

Teach For America is a partner for us in helping to find qualified teachers in specialized areas and at-risk schools where we need them the most. In settings where retention rates tend to be low, the TFA teachers stay.

**Senator Kieckhefer:**

Is it fair for one to assume that the first-day vacancy rates in those high-need subject areas are also compounded in at-risk areas?

**Ms. Haldeman:**

Yes. Most of those vacancies are in at-risk areas in neighborhoods where some teachers prefer not to teach.

**Craig Stevens (Nevada State Education Association):**

We are in opposition to S.B. 517. We do not oppose TFA. The teachers who come from their program are excellent. The ways TFA supports their teachers through professional development are very good. Our opposition comes from the fact that this bill uses \$2 million of statewide money for a localized program. Last biennium, the State spent \$7 million on professional development for 26,000 educators in Nevada. This money should also go to help all teachers in Nevada. If our State budget had a large surplus, we would not oppose this. I understand that the \$2 million will leverage \$8 million, but will that \$8 million stay in the CCSD? Will it be used in other areas of the State?

**Chair Smith:**

We will have to agree to disagree on this issue. Do you have a partnership with TFA in Clark County?

**Mr. Stevens:**

Yes.

**Chair Smith:**

I share your frustration about education funding. If our ultimate goal is to keep more children in school through graduation, and there is an absolute need to fill vacancies in at-risk and special-need areas, I do not understand the logic of not investing in every area that we can that will help achieve that. When individuals and businesses consider a move to Nevada, they do not look at just one school or school district. They look at the State and where Nevada is in relation to other states. In the overall scheme of things, \$2 million is a small part of education funding. If we can help more children to graduate from high school, why would we not spend it?

**Mr. Stevens:**

Supporting individuals who will make teaching a lifetime career should be a priority. We are not properly implementing the programs we already have to attract more people into the State. Any surplus money we have should be invested in the programs we already have.

**Chair Smith:**

We have spent millions of dollars on incentive programs to try to recruit and retain teachers in hard-to-fill positions. It has not been working. Last week, we agreed to remove that incentive money from the budget and look at other ways

to reward teachers. I see S. B. 517 as one small effort to also support all teachers because they will be teaching students who are better prepared to learn. These students will have been taught by highly energized and highly committed teachers who want to be in the schools where the need is greatest. Teach For America makes the case for the need for better professional development for teachers.

I understand the position of the Nevada State Education Association regarding funding of existing programs. However, this small amount of funding can be a win-win situation for both sides of the argument.

**Mr. Stevens:**

This is not a policy issue for us. It is a budgetary issue.

**Senator Roberson:**

I interpreted Mr. Stevens' remarks to mean that Clark County does not deserve the \$2 million investment. Does southern Nevada get back its fair share of money it contributes to the State?

**Mr. Stevens:**

That was not my intent. The State budget is designed to allocate school funds to counties through a formula. Every county should be able to benefit from the taxpayers' dollars. If the CCSD feels that a partnership with TFA is a good idea, they can prioritize their State allocation to fund it. The \$2 million may not seem like a large amount but it is 10 percent of the amount used for statewide professional development. The CCSD has to make every dollar stretch to meet their special needs.

**Senator Roberson:**

You are aware of the Nevada Plan for school funding and the fact that it puts the CCSD at a disadvantage. It is disingenuous for you to make that last remark. You know that the CCSD gets less money per student than any other school district. How can you be opposed to the idea of putting a mere \$2 million into a CCSD program that has been successful there and that will help teachers, students and families? The Nevada Plan puts the CCSD at a greater disadvantage than the \$2 million.

**Mr. Stevens:**

We support a revision of the Nevada Plan that would allow the CCSD to receive its fair share of school funding. Our opposition does not relate to the CCSD not receiving its fair share. It is a matter of priorities within the State budget. If this \$2 million was allocated fairly, with Clark County receiving most of it, we could support it. But, allocating all the \$2 million to a program in Clark County does not solve the problem of how school funding is allocated.

**Senator Woodhouse:**

We have received a letter in support of S.B. 517 from Professor Sylvia Lazos, Justice Myron Leavitt Professor of Civil Rights, William S. Boyd School of Law, University of Nevada, Las Vegas ([Exhibit E](#)).

Seeing no one wishing to speak further on S.B. 517, the hearing is closed. The hearing on S.B. 519 is open.

**SENATE BILL 519:** Authorizes the Director of the Department of Corrections to apply on behalf of a prisoner for a determination of Medicaid eligibility. (BDR 16-1230)

**Mark Krmpotic (Senate Fiscal Analyst):**

The money committees requested this bill when they closed the budgets for the Nevada Department of Corrections (NDOC). At that time, the Medicaid Division of the Department of Health and Human Services (DHHS) staff explored the possibility of examining the medical expenses incurred by inmates with the goal of making those expenditures eligible for Medicaid reimbursement. This would include the expanded population of inmates who must be covered under the Affordable Care Act (ACA).

After consultation with the NDOC and Michael Willden from the DHHS, they requested legislation to allow a person to receive authorization from an inmate to seek reimbursement on their behalf.

In closing the medical budget for the NDOC, the money committees removed \$7 million over the biennium in General Fund expenditures. Since 2012, there has been an agreement to allow the NDOC, and most providers, to seek Medicaid reimbursement for outside medical expenses for inmates. Inmates who receive medical treatment by an outside provider and who are also outside of



the prison facility for more than 24 hours receiving the treatment, qualify, in most cases, for reimbursement.

Fiscal Analysis Division Staff advises that it is required to allow for the maximum benefit to the State with respect to prison medical expenses.

**Michael J. Willden (Director, Department of Health and Human Services):**

The NDOC and the DHHS have had a contractual relationship since January 2012 to allow providers in the community to bill Medicaid for inmates' medical care outside of the prison. The contract requires that the inmate must be an inpatient in a medical institution for at least 24 hours and would be eligible for Medicaid if the inmate were not incarcerated. In general, Medicaid will not reimburse for medical care provided within the prison. When the ACA is fully implemented, there will be a significant rise in the number of inmates who will be eligible for Medicaid benefits for care received outside of the prison. The advantage is that we will receive a 64 percent federal match.

Currently, when an inmate must be hospitalized at Carson-Tahoe Regional Medical Center, the Medical Center bills Medicaid directly. Medicaid pays the bill. The DHHS calculates the nonfederal share and bills that to the NDOC. Federal rules generally require that the inmate, or a designated representative, must sign the application for reimbursement. This bill would provide that under State law the NDOC could sign the application for reimbursement on behalf of the inmate.

**Chair Smith:**

Seeing no one wishing to speak further on S.B. 519, the hearing is closed. We will now move to the Work Session. We are removing S.B. 261 from our agenda. We will begin with S.B. 485.

**SENATE BILL 261 (1st Reprint)**: Revises provisions relating to door-to-door solicitation. (BDR 52-829)

**SENATE BILL 485**: Appropriates to and authorizes the expenditure of money by the Division of Welfare and Supportive Services of the Department of Health and Human Services for the integration of eligibility rules for the Temporary Assistance for Needy Families program and the Supplemental Nutrition Assistance Program into the eligibility system. (BDR S-1180)

**Mr. Krmpotic:**

The Committee heard this bill on April 10. It appropriates \$452,100 from the General Fund to the Division of Welfare and Supportive Services of the DHHS. It authorizes the expenditure of approximately \$10.6 million not appropriated from the General Fund or the Highway Fund, for the project. The project allows the eligibility rules to be incorporated into the eligibility engine for the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP). That system is being developed with new eligibility rules for Medicaid. The federal portion of \$10.5 million would be reimbursement for TANF and the federal portion of SNAP reimbursement. Fiscal Staff has received documentation from the Agency, which they received from the federal government, allowing reimbursement at beneficial matching rates. Fiscal Staff has no issues with this appropriation and recommends its approval. The bill becomes effective upon passage and approval.

SENATOR DENIS MOVED TO DO PASS S.B. 485.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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**Chair Smith:**

The next item is S.B. 515.

**SENATE BILL 515**: Provides for the issuance of bonds to repay loans from the Federal Government related to unemployment benefits and to establish adequate balances in this State's account in the Unemployment Trust Fund and for the temporary imposition of an assessment on employers to pay such bonds and related costs. (BDR 53-1214)

**Mr. Krmpotic:**

The Committee heard this bill on May 22. It allows the State to bond the amounts owing to the federal government for the Unemployment Insurance loans that have been made over the last several years. It would have a beneficial effect upon the State by reducing the interest payments the State

would have to make. The Agency testified that the goal is to replenish the State's account in the Unemployment Trust Fund balance to make it solvent. Fiscal Staff has no issues with this bill and recommends approval.

**Chair Smith:**

We have had considerable discussion on this during this Session. I will entertain a motion.

SENATOR KIECKHEFER MOVED TO DO PASS S.B. 515.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Smith:**

The next item in the Work Session is S.B. 516.

**SENATE BILL 516**: Revises provisions relating to tobacco. (BDR 32-1224)

**Mr. Krmpotic:**

The Committee heard this bill on May 22. This bill would incorporate stronger and more enforceable statutes regarding the Tobacco Master Settlement Agreement (MSA) and the payments the State receives as a result of the MSA. At the hearing, several amendments were proposed by the Office of the Attorney General and discussed by the Committee. An updated version of the amendments has been presented to you today ([Exhibit F](#)).

**Alicia Lerud (Senior Deputy Attorney General, Office of the Attorney General):**

On May 22 we presented five amendments to the Committee for S.B. 516.

Page 1 of [Exhibit F](#) contains the first change from our proposed amendment in section 3, subsection 1. The new language would read as follows, "'Qualified tribal land' means any real property: For which legal title is vested in, or held in trust for the benefit of, an Indian tribe or an individual Native American, and which is subject to restrictions pursuant to federal law or regulation against alienation; and ... ."

Page 1 of [Exhibit F](#) contains the second change from our proposed amendment in section 16, subsection 1. The amendment reads, "The Department may temporarily suspend or permanently revoke a license as a wholesale dealer in accordance with the regulations adopted pursuant to section 5 of this act if the licensee ... ." This aligns the language in this section with the language in the rest of the section.

Page 3 of [Exhibit F](#) contains the third change to our proposed amendment. It adds a final sentence to section 31, subsection 3, paragraph (b) to read, "Escrow deposited on account of other cigarettes may not be released under this subsection."

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 516.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Smith:**

The next item is Assembly Bill (A.B.) 481.

**ASSEMBLY BILL 481**: Authorizes the Division of State Library and Archives of the Department of Administration to retain money received for providing certain services to local governments. (BDR 19-1134)

**Mr. Krmpotic:**

The Committee heard this bill on May 24. It expands *Nevada Revised Statutes* 239.070 to include digital images as a method of recording. It provides the Division of State Libraries and Archives of the Department of Administration the authority to retain revenue generated from providing microfilming and digital imaging services to local governments. It authorizes microfilming and digital imaging services revenue generated from local governments to be carried forward in a separate account to be used exclusively for repair and replacement of equipment used by the Division to provide microfilming and digital imaging services. This is a budget implementation bill. Fiscal Staff has no suggested amendments and recommends approval.

SENATOR GOICOECHEA MOVED TO DO PASS A.B. 481.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Smith:**

The next item is A.B. 482.

**ASSEMBLY BILL 482 (1st Reprint)**: Imposes a temporary assessment on certain employers for interest payments due on advances made by the Federal Government relating to unemployment benefits. (BDR 53-1166)

**Mr. Krmpotic:**

The Committee heard this bill on May 24. It allows for the assessment on employers for the purpose of repaying interest due on the loans from the federal government related to unemployment benefits. For the current biennium, the Legislature approved General Fund appropriations to pay the interest on these loans. This bill would allow for the assessment. There are no General Fund appropriations recommended or before the Legislature to fund the payment of interest on these loans, therefore it becomes a budget implementation bill and is necessary to allow the State to pay the interest.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 482.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Smith:**

The final item is A.B. 465.

**ASSEMBLY BILL 465**: Creates the General Services Division in the Department of Public Safety. (BDR 43-1150)

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Unfortunately, we have been unable to contact anyone at the Central Repository for Nevada Records of Criminal History of the Department of Public Safety who is available to respond to a question on the bill. We will place this item on the agenda for our next meeting.

Seeing no one wishing to make public comments, the meeting is adjourned at 10:25 a.m.

RESPECTFULLY SUBMITTED:

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Leslie Sexton,  
Committee Secretary

APPROVED BY:

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Senator Debbie Smith, Chair

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

<b><u>EXHIBITS</u></b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness / Agency</b>	<b>Description</b>
	A	2		Agenda
	B	3		Attendance Roster
S.B. 517	C	3	Ryan Korn	Statement in Support
S.B. 517	D	2	RoAnn Triana	Statement of Support
S.B. 517	E	1	Professor Sylvia Lazos	Statement of Support
S.B. 516	F	3	Alicia Lerud / Office of the Attorney General	Proposed Amendment-Updated