

**MINUTES OF THE JOINT MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Seventh Session
March 26, 2013**

The Joint Meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Debbie Smith at 8:10 a.m. on Tuesday, March 26, 2013, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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.

SENATE 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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman William C. Horne, Vice Chair
Assemblyman Paul Aizley
Assemblyman Paul D. Anderson
Assemblyman David P. Bobzien
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblywoman Marilyn Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

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COMMITTEE MEMBERS ABSENT:

Assemblyman Steven J. Brooks (Excused)
Assemblyman Joseph M. Hogan (Excused)

STAFF MEMBERS PRESENT:

David A. Byerman, Secretary of the Senate
Rick Combs, Director
Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Risa B. Lang, Chief Deputy Legislative Counsel
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Grant Gabriel, Chair, Nevada Youth Legislature, District No. 16
Hannah Dey, Member, 2011-2012 Nevada Youth Legislature
Alex Bybee, Chair, 2011-2012 Nevada Youth Legislature
Steve G. George, Chief of Staff, Office of the State Treasurer
Tierra Patmavanu, Nevada Youth Legislator, District No. 6
Miranda Rosen, Nevada Youth Legislator, District No. 20
Valerie Wiener

Chair Smith:

I will now open the hearing on Senate Joint Resolution (S.J.R.) 6.

SENATE JOINT RESOLUTION 6: Proposes to amend the Nevada Constitution to create the Governor Guinn Millennium Scholarship Trust Fund. (BDR C-47)

Grant Gabriel (Chair, Nevada Youth Legislature, District No. 16):

I have provided my written testimony ([Exhibit C](#)) for the Committees. I support S.J.R. 6, which seeks to amend Article 11 of the *Constitution of the State of Nevada* to add section 11, creating the Governor Guinn Millennium Scholarship Trust Fund.

The amendment mirrors language presently seen in the *Nevada Revised Statutes* (NRS) and transfers the protections of the Constitution on the Scholarship

Trust Fund. It most notably specifies that all funds in the scholarship, and designated for the use of the Scholarship, must be used solely for that purpose.

Subsection 2, paragraph (a) of the amendment places the current legal requirement that 40 percent of proceeds from the Tobacco Master Settlement Agreement (MSA) of 1998 be directed to the scholarship and be placed in the Trust Fund. It would also provide that all future settlements from the Tobacco MSA be directed to the Governor Guinn Millennium Scholarship.

Subsection 2, paragraph (b) requires all other funds deposited into the account to be directed into the Trust Fund.

Subsection 4 would continue to allow the Legislature to continue the maximum amount funds available to each student, while also requiring that no Scholarship funds be directed toward remedial classes.

Subsections 5 and 7 allow the Legislature to determine the method for the investment of funds and require all income and interest from such investments to flow back into the Trust Fund.

Essentially, the proposed constitutional amendment ensures all funds for the Millennium Scholarship be used solely for the Millennium Scholarship and not to be redirected to other budgetary purposes. This Program has enriched the lives of Nevada students.

In 1999, then-Governor Kenny Guinn demonstrated immense foresight because he knew what a 150-page Brookings Institution study in 2012 expressed, that Nevada's economic future depends on a well-educated and highly trained workforce.

Governor Guinn proposed using the Tobacco MSA funds to create the Millennium Scholarship. This Program would currently give a maximum of \$10,000 to Nevada's top students to subsidize their attendance at State colleges and universities.

Today, according to the Nevada System of Higher Education (NSHE), over 22,000 academic degrees have been awarded to scholarship recipients. In excess of 5,000 scholarships are activated each year.

The Brookings Institution study identifies seven sectors that are key elements to Nevada's future economic growth. Among these are clean energy, health and medical services, business, information technology, ecosystems, logistics and operations. The Millennium Scholarship Program acts as a direct feeder to these sectors of the economy.

Millennium Scholarship graduates earn their degrees in business, education, psychology, biological sciences, engineering science and nursing, among others.

The recession took its toll on Nevada during the 2009 Legislative Session. For a moment, it seemed the Scholarship would not be an exception. In the need to balance a multibillion dollar budget deficit, it appeared that taking \$10 million from the Millennium Scholarship Fund would reduce the funds directed to current recipients of the program by 35 percent. It looked as if many of those that depended on the scholarship would not be able to attend Nevada colleges or universities. However, emergency fund transfers were approved from the Board of Trustees of the College Savings Plans of Nevada reserve fund that averted the reduction.

This near disaster for Nevada students prompted my former colleague, Hannah Dey, to propose the constitutional amendment we are supporting today.

A competitive voting process was used to select this request to become the Nevada Youth Legislature's bill draft request. Prior to a roll call vote, we heard stories of students whose lives have been enriched by the Program. We also heard the impassioned testimony of former First Lady Dema Guinn.

I am delighted by the Governor's and the Legislature's commitment to extend the Millennium Scholarship. I know from my time in school and observing news reports that, especially in politics, people and priorities change. The Nevada Youth Legislature urges you to ensure that Nevada's best and brightest students will continue to have the financial resources necessary to go to Nevada colleges and universities.

Through this proposed constitutional amendment, we will protect Nevada's future economic prosperity and continue to enrich the lives of its students.

Hannah Dey (Member, 2011-2012 Nevada Youth Legislature):

I want to relate my experience with the Millennium Scholarship. During my junior year in high school, I was sitting in my history class when the counselors announced to the class that we would probably not be benefitting from the Scholarship. The second my counselor shared this news with me, my heart dropped. This Scholarship is one of the only ways that some Nevada students can afford to go to college.

I value education and I feel it should be a priority in this State. Nevada was the only State to use the Tobacco MSA funds for educational purposes and I want it to remain that way.

As a freshman in college, I understand how expensive college is, even for local students. I currently work at two jobs and I receive the Millennium Scholarship, but it is not enough. I still struggle to afford college. Many of my fellow high school students worked hard to maintain their grade point averages (GPA) to qualify for the Scholarship. This Scholarship is one of the only means some students have to have access to college.

Assemblyman Sprinkle:

The bill contains a statement that the Trust Fund can receive any gifts, grants or donations. Have there been gifts, grants or donations received in the past? What is the approximate value of those donations?

Mr. Gabriel:

I believe there have been previous donations; however, I would like to report back to the Committees with exact details.

Alex Bybee (Chair, 2011-2012 Nevada Youth Legislature):

I am not aware if the Program has received any gifts. However, individuals have been allowed to donate to the fund.

Assemblyman Sprinkle:

It is my understanding the primary source of funding is received from the Tobacco MSA funds.

Mr. Bybee:

That is correct.

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Senator Kieckhefer:

When the Nevada Youth Legislature considered locking the Millennium Scholarship Fund into the Constitution, did it consider the long-term forecast of the Tobacco MSA funds? Those funds have been declining.

Mr. Gabriel:

The declining revenues were considered. However, the intent of the proposed constitutional amendment in S.J.R. 6 is to ensure that whatever funds are available would continue to flow to the Millennium Scholarship. Under S.J.R. 6, further funding sources can be accepted from the State at its discretion. The current intent is for all existing revenues to be directed to the Trust Fund.

Senator Kieckhefer:

The language of the amendment proposes that the State Treasurer shall deposit at least 40 percent of the funds from the Tobacco MSA into the Trust Fund. Is it the intent for that percentage of funds to be placed into the Trust Fund at the discretion of the State Treasurer or should the allocation be made by Legislative appropriation?

Mr. Gabriel:

I believe the amount would be up to the Legislature. I am not sure the constitutional amendment states the funding is to be at the discretion of the State Treasurer. However, the minimum required deposit is specified as 40 percent of the Tobacco MSA, although the Legislature could appropriate a larger allocation at its discretion.

Steve G. George (Chief of Staff, Office of the State Treasurer):

The Tobacco MSA funds are split with 40 percent directed to the Millennium Scholarship Program and the remaining 60 percent allocated to the Department of Health and Human Services for its programs.

In answer to Assemblyman Sprinkle's question regarding whether the Program can, or has, received donations, from time to time donations have been made to the Program. In fact, Governor Brian Sandoval donates a portion of his salary to the Millennium Scholarship Program.

Chair Smith:

A donation program was established for the Millennium Scholarship Program after Governor Guinn passed away.

Mr. George:

That is correct. That fund is held separate and independent of the Governor Guinn Millennium Scholarship Program. It is the Kenny C. Guinn Memorial Millennium Scholarship Fund, which was established through a bill presented by Senator Kieckhefer in 2011. That fund balance is approximately \$200,000 currently, and is only used to provide a scholarship for a senior at a university each year. A current bill proposes an increase in that provision during this Legislative Session.

Assemblyman Bobzien:

I appreciate the intent of S.J.R. 6. Many of my constituents in Assembly District 24 are students at the University of Nevada, Reno (UNR). During multiple Legislative Sessions as we have worked our way through the recession, I have heard stories similar to those presented today.

Students always have a feeling of jeopardy, not knowing if they can plan for the future to budget for higher education. They do not know what opportunities may be available to them. The spirit of S.J.R. 6 is commendable. It is a good step forward.

Assuming ultimate passage of this legislation, what is the constitutional charge to lawmakers versus what lawmakers are to provide for the Program going forward?

It is appropriate that there needs to be a standard established under section 11, subsection 3, paragraph (a), which states, "recent graduates from high schools in the State that have achieved a level of academic performance established by the Legislature." That gives flexibility for the Program in the future. However, section 11, subsection 3, paragraph (b), makes it clear this Program is not used to fund remedial education.

In 2013, I agree with that as an appropriate framework for awarding of the scholarship. However, once this is in the Constitution, looking forward 10 or 20 years in the future, how can we plan for public perception of what remediation is and whether it is appropriate to fund it and whether to use it to fund higher

education? What discussions occurred as to what parameters to place in the legislation and the Constitution? Did you discuss what was appropriate to leave up to the Legislature in the future?

Mr. Bybee:

When I served as Chair of the Nevada Youth Legislature, we held a work session on this proposed legislation. We discussed wanting to give the Legislature autonomy in establishment of the GPA requirements. I attended a NSHE Board of Regents meeting a few weeks ago and they held a spirited discussion regarding remedial courses and the students enrolled in those courses.

Currently, 25 percent of the recipients of the Millennium Scholarship are enrolled in remedial courses, but funds from this Program cannot be used as payment for remedial courses. Would the Legislators favor leaving in the provision regarding remedial courses? The funds from the Program should be allocated for use in coursework that applies to degree completion.

Assemblyman Bobzien:

I have no specific position on the legislation at this point. Many other parameters must be discussed, such as which institutions are nonprofit organizations or nonsectarian and to which institutions the Scholarship could be applied. Looking at this in 2013, it makes perfect sense, but looking ahead, constitutional provisions will remain in place for a long time. Are we putting too much specificity into the provisions?

Perhaps the constitutional policy should be more general, such as whether "higher education should be supported," and that this Program should be a part of that.

Assemblyman Aizley:

How do you define remedial courses? For example, suppose a high school junior or senior takes one of the advanced placement (AP) courses, then goes to college and repeats the course. Would you call that a remedial course? It seems like a waste for the student to repeat the course.

Mr. Bybee:

It is my understanding that the Board of Regents sets the policy for what courses are classified as remedial courses. Therefore, I do not have the answer to your question.

Assemblyman Aizley:

Please provide your opinion on my question.

Mr. Gabriel:

Retaking an AP course could be classified as a remedial course. The UNR defines remedial courses as those under the 100-level course numbers. It would depend whether the AP course was under that course number level. It is not likely they would be considered remedial because the AP courses are considered college courses.

Mr. Bybee:

If a student is taking an AP course at one of two high schools and they have different instructors, the quality of their instruction is going to be different. Therefore, if the student passed the high school AP course that is accepted by UNR with four English credits, but the student decides, "I don't know if I am ready for a college-level English course," they may wish to repeat the course in college. This is a thought process I had when I enrolled at UNR. Although I had an AP credit in English, I was unsure whether to take English from a professor at a university to learn rhetoric and writing at that level. I met with professors and advisors and they recommended that, if I scored high enough on my AP course, I should have confidence in my writing abilities for higher-level courses.

If a student took an AP course in high school and received a passing score, and wanted to retake the course in college, it should be considered remedial. It is just a matter of a student wanting to take advantage of the opportunities offered by that higher institution.

Chair Smith:

Does Ms. Dey have an opinion on this question?

Ms. Dey:

I am a student at the University of Nevada, Las Vegas (UNLV). I took AP English and I am currently a student in the honors college at UNLV. That college does not accept AP English scores. I still had to take "Honors 100" which is the equivalent of English 101.

Assemblyman Kirner:

Why do the provisions of S.J.R. 6 need to be placed in the Constitution, rather than in the NRS?

Mr. Bybee:

When the Nevada Youth Legislature was deciding which measure to sponsor for this Legislative Session, we heard many good proposals. All 21 youth legislators submitted a proposal. This item was chosen because the Millennium Scholarship gives a sense of security to students who are looking toward their future. As Mr. Gabriel stated, during the recession students were unsure whether the Millennium Scholarship would remain available and perhaps looked to other states for their higher education.

Placing the provisions of S.J.R. 6 in the Constitution is important because it provides permanency to the Trust Fund. Regardless of whether the Trust Fund will have an abundance of funds for its use, placing it in the Constitution sends a message to Nevada students and families that the Legislature cares about higher education.

Assemblyman Kirner:

The Tobacco MSA funds are unpredictable, and are likely to decrease. If the purpose of S.J.R. 6 is to provide a level of security that high school students can depend upon, how does that change when the amount of money going into the Trust Fund may no longer be available, or certainly be at a different level?

Mr. Bybee:

There are many variables to be considered when discussing the security of the Millennium Scholarship. One variable is whether there are enough funds and another is whether the Legislators will still appropriate those funds to the Program. Currently, Legislators can remove 40 percent of the Tobacco MSA funds being appropriated to the Program and use it however they decide. By placing the legislation in the Constitution, it eliminates the variable that the Legislature can redirect those funds.

Assemblywoman Kirkpatrick:

Not every person in the State will desire a higher education. We are a service-based State and we need people to work in those other industries to move our State

forward. I am struggling somewhat with our commitment to education. Everyone on these Committees has spent many hours fighting for education.

Sometimes, such as in 2009, Legislators had to choose between ensuring Nevada's senior citizens, who are our most vulnerable, had diapers to get through the day or whether to reduce education funds. At times, I do not have good options upon which to base decisions.

What is the plan after this? Constituents do not often support making changes to the Constitution. Yet, many individuals expend time and energy into supporting constitutional amendments. What is the plan if S.J.R. 6 were to pass and the provisions were placed in the Constitution? If constituents vote against the constitutional amendment, would that say to citizens that the Legislature is not committed to education?

I appreciate your passion. We all want to give more to education, but we also want to provide stability to many other programs already in place. As Legislators, we must look not only 2 years down the road, but 20 years ahead. When you see yourselves at age 45, how do you justify this proposal? You would not find any Legislators that do not have a commitment to education, or we would not run for office.

I agree with the economic impact, but I would remind everyone that we are a service-based State and we need the other citizens that do not necessarily go on to college to create Nevada's workforce.

Mr. Bybee:

We are trying to diversify the economy, although we are a service-based State. I appreciate the context of your remarks.

I attended the Economic Forum meeting in December 2012, and one of their primary goals was to diversify the economy. The goal was to produce a workforce that can compete in a globalized economy. Nevada is evolving, and I hope it will provide more opportunities than in service industries.

While there will be situations when it will be difficult to make funding decisions, we are only asking for 40 percent of the Tobacco MSA funds. Legislators can increase

the funding from session to session. This measure would ensure that at least some funding would be set aside for higher education.

Mr. Gabriel:

While we understand the Legislature must represent the whole of Nevada, and while the majority of Nevadans might not attend college, we must ensure our economic future does not experience the same setback that occurred in 2009.

That economic decline can largely be traced to an economy based on a single sector of the service industry. In one sense, S.J.R. 6 can be viewed as a backup plan for other sectors of the economy. It could help ensure those in the service industry would not be impacted as negatively, if we had another instance similar to that in 2009.

Assemblywoman Kirkpatrick:

What amount of funds is in the Tobacco MSA? (The testifiers indicated by a shrug that they did not have that answer.) That is the same answer we have all the time, because it fluctuates on a regular basis. The Tobacco MSA funds are decreasing.

The Office of the Attorney General is currently devising a master plan for the elimination of Tobacco MSA funding in approximately 5 years. Therefore, those funds may not exist by the time the provisions of S.J.R. 6 would be placed into the Constitution.

While I support the Millennium Scholarship, I am afraid we are setting folks up with false pretenses. For one thing, the provisions are based on 40 percent of the Tobacco MSA funds. What if no funding is available? I do not want business communities and future students to think Legislators are not committed. Nevertheless, at the same time, if there is no funding available, I do not know what would be expected of a future Legislature.

Once it is in the Constitution, the provisions are there for a very long time. What would be the expectations?

Mr. Gabriel:

If, in 5 years, there were no more tobacco funds, then the constitutional amendment would still act as a shelter for all funds the Legislature may commit to the Millennium Scholarship Trust Fund. It would allow the Legislature to place

additional funding into the Trust Fund and ensure no future Legislature, with a different set of priorities, could redirect those funds.

Assemblyman Eisen:

Is there an error in S.J.R. 6, section 11, subsection 1, page 2, line 6 where it states "except as otherwise provided in subsections 6, 7, and 8?" There is no subsection 8 in S.J.R. 6. I presume the intent is to state subsections 5, 6 and 7.

Is the intent to exempt this Program from the constitutional prohibition of investing State funds into companies that are not formed for educational or charitable purposes as discussed in subsection 5? That line from the Constitution says, "The State shall not donate or loan money, or its credit, subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for educational or charitable purposes." This is clearly contrary to the provisions of S.J.R. 6. Please clarify if the language in subsection 1 is a drafting error. What is the intent of section 11, subsection 5, of the bill?

Mr. Bybee:

I cannot speak specifically to subsections 6, 7, and 8, but I think your assumption is fair. I do not understand your question regarding subsection 5 of section 11.

Assemblyman Eisen:

It appears that under S.J.R. 6, section 11, subsection 5, monies in this Trust Fund could be invested in a company that is not formed for educational or charitable purposes as specified on page 3, line 34. Article 8, section 9 of the Constitution prohibits investment in a corporation other than those for educational or charitable purposes.

Given the arguments that have been made regarding sheltering the Program funds for educational purposes, the idea that they could be invested in the other type of corporations appears contrary to that purpose.

If that is the intent, the provisions of the bill could only be enacted through a constitutional amendment because a statute could not violate the constitutional provision. What is the intent?

Mr. Bybee:

Our intent is to shelter the Millennium Scholarship funds and to ensure that 40 percent of Tobacco MSA funds are appropriated only to the Scholarship Fund. I believe your observation and interpretation is that the provisions of the bill would allow 40 percent of Tobacco MSA funds to be appropriated to companies rather than the Trust Fund.

Assemblyman Eisen:

My interpretation is that the monies in the Millennium Scholarship Trust Fund, regardless of its original source, could be invested in corporations that are not organized for educational or charitable purposes. It seems to be at cross-purposes with the idea of sheltering funds.

Chair Smith:

I think the question is whether the Nevada Youth Legislature discussed this subject. Was it your intent that funds could be invested in a corporation, rather than restricted educational purposes?

Mr. Bybee:

When I was Chair of the Nevada Youth Legislature, we had not discussed or intended in our work session for the bill to say the funds could be appropriated to companies that are not charitable or educational.

Mr. Gabriel:

Both parts of Assemblyman Eisen's question are useful. In the work session, during my tenure as Chair, one line was deleted from the bill and that is the confusion regarding section 11, subsection 8.

In our work session, there was no discussion of intentionally allowing more risky investments in noncharitable corporations. This is a provision the Nevada Youth Legislature would be open to discuss or possibly amend.

Assemblyman Eisen:

Terminology is sometimes a little muddy. However, I do not view this as appropriations to these companies, but rather, investments in such companies.

It is a question of the potential risk in the investment and therefore potential loss of the very monies we are trying to protect. It also subverts the fundamental principle

of investing those public monies into an entity that is not organized for educational or charitable purposes. I would be happy to discuss this further with your representatives.

Assemblywoman Carlton:

I am proud of the Nevada Youth Legislature members. This was the intent in 1999, when a number of us were Legislators as Governor Guinn proposed this scholarship. A great deal of debate and discourse ensued before final approval of the Millennium Scholarship Fund. Legislators wanted to do the right thing for the students of Nevada so that they would have fair opportunities.

Former Senator Valerie Wiener, who is present today, wanted to establish the Nevada Youth Legislature. I needed convincing that this was a good idea, but it has been a wonderful endeavor.

My concern about placing these provisions in the Constitution is that we will eliminate the debate and discourse. One of the first years I was a member of the Legislature, when my daughters were close to reaching age 16 and about to get their driver's licenses, there was a proposal to change the driving age to 18. I saw schools of youth get involved by emailing their Legislators and sending letters to the Governor.

Our educational system could change in the future and, if these provisions were placed in the Constitution, the flexibility would not be available. The Nevada Youth Legislature did a good job in working on this proposal through work sessions and discourse. However, I have concerns about the longevity of the provisions. For instance, Legislators this Session will consider proposals to remove certain other provisions from the Constitution.

On page 3 of S.J.R. 6, section 11, subsection 3, paragraph (b), the nonprofit, nonsectarian universities, colleges and community colleges are specified. Shortly after the Millennium Scholarship was enacted, Sierra Nevada College and a couple of others were added as possible recipients of the Program. Have you reviewed this language and considered which entities might be excluded in the future? As this scholarship is currently written, if students wanted to attend a specialty college, would we automatically exclude them from attending that college? Was there an evaluation of the various colleges and what their purposes are in your work sessions?

Mr. Bybee:

Referring specifically to section 11, subsection 3, paragraph (b), I assume that currently the statutes proscribe what is considered an institution qualified to receive the Millennium Scholarship. The only intended exclusion is that in the future, a sectarian university would be excluded.

Assemblywoman Carlton:

What about the issue of nonprofit colleges that provide particular courses? If a student began their studies at UNR, but wanted to finish at another college, would this prohibit use of the remainder of their Millennium Scholarship award? Was that a part of the discussions in your work sessions?

Mr. Bybee:

The intent was not to be exclusionary. Nothing was meant to be limiting in the discourse of what education means to Nevada. The intent of S.J.R. 6 is to protect the Millennium Scholarship. If there are concerns by your Committees about exclusionary or limiting provisions, then the Nevada Youth Legislature would like to continue dialogue with the members of the Committees.

The Nevada Youth Legislature wants to secure the idea of the Millennium Scholarship, regardless of whether there are monies left from the Tobacco MSA funds.

Assemblyman Hickey:

I share some of the concerns that have been expressed regarding placement of the S.J.R. 6 provisions in the Constitution. A debate is ongoing about whether a certain industry in this State ought to be permanently enshrined in this State. Are we creating an entitlement or expectation if S.J.R. 6 were to be enacted?

Mr. Bybee:

The concerns expressed are valid. It is important to look toward the longevity of this fellowship and whether those funds will continue to be generated to support the provisions. This is somewhat reminiscent of the creation of the Knowledge Fund in the 2011 Legislative Session. No appropriations were made to that fund during the 2011 Session. It would create this fund in the Constitution, regardless of whether the Legislature makes appropriations, settlements from Tobacco MSAs, or other revenue. It is a fact that the Nevada Constitution establishes this Trust Fund under the Office of the State Treasurer.

Funding may fluctuate and security may not be an infinite idea, but the purpose is that the Constitution establishes a Trust Fund for the Millennium Scholarship.

Assemblyman Hardy:

We have heard statements indicating that this legislation might retain Nevada's brightest and best students. However, I have four children, three of whom have graduated from a university. One started with a Millennium Scholarship in this State and two of them have graduated *magna* and *summa cum laude*. However, they did not stay in this State. How do you defend the statement that S.J.R. 6 retains the brightest and best? Should this money not be spent in other areas, perhaps to develop NSHE to where it attracts more of the brightest and best?

Mr. Gabriel:

I see the point. To a certain extent, our university system might have the vast appeal that keeps many students in Nevada. However, the Millennium Scholarship, as it currently exists, is one of the best enticements for students to stay in Nevada. It is especially true for those who cannot financially extend their education. Not every student in our college system will stay in Nevada, but the Millennium Scholarship is an enticement and deserves to remain.

Mr. Bybee:

The bill directs that 40 percent of the Tobacco MSA funds are appropriated to the Millennium Scholarship Trust Fund and that will be in the Constitution. Is it your idea that perhaps 20 percent of those funds, if diverted to economic development, would be a better investment? Do I understand your children went to college in Nevada and received their degrees here, but did not remain in the State to pursue their careers?

Assemblyman Hardy:

No, one began college as a freshman in Nevada, but all my children left Nevada and pursued their careers in other states.

Mr. Bybee:

It is important to diversify Nevada industries and that is being done, in part, by providing opportunities for college students who receive degrees to apply their skills learned in higher education to a profession. The idea that monies might be appropriated to other educational purposes is perhaps a valid point. However, the

intent is that the Millennium Scholarship Trust Fund will be in the Constitution and something to which the Legislature can appropriate funds from session to session.

Senator Denis:

I do not believe S.J.R. 6, section 11, subsection 5 is anything new. The Trust Fund is already in place and it is already being invested as specified.

Is what is being done with the Millennium Scholarship appropriate? The brightest and best may qualify for the scholarship, but they could also go to Harvard or other schools. Then, there is another level of students that are some of the best and brightest, who might choose to stay in Nevada if we offer the right incentive. Is what we are currently offering enough to retain students in Nevada?

Mr. Bybee:

That opens a host of discussions and dialogues. I do not know if the Millennium Scholarship is the nostrum for solving everything in education in Nevada. Kindergarten through Grade 12 (K-12) investments are also important in setting up young students to continue their education in colleges and universities.

I applied to several highly selective out-of-state institutions with 6 percent or 7 percent admission rates. Then I applied to UNR. I was not accepted to any of the out-of-state institutions. I am impressed with the education I am receiving at UNR thus far. My loss of acceptance to those other schools is because the Nevada K-12 education students are not being cultivated to succeed on the levels those institutions are seeking.

The Nevada Youth Legislature is willing to make S.J.R. 6 a more inclusionary and less restrictive proposal. Viable steps need to be made toward longevity of higher education in Nevada and keeping those best and brightest in our State. Economic incentives work. They work at all levels, from states working with the federal government to parents giving allowances to their children.

Assemblyman Grady:

I want to congratulate the Nevada Youth Legislature for appearing today. We have learned a lot, and perhaps you have too. I think very seriously, when changes to the Constitution are proposed.

I do not support moving items into the Constitution that are budget-related. Placing the directives for the Millennium Scholarship in the Constitution is one thing. Addressing the Tobacco MSA fund is another.

For example, several years ago, when the Tobacco MSA was first established, there was talk of cashing it out, or taking the funds in a lump sum, and not creating a Tobacco MSA fund. Various other considerations may arise in the future.

I can support the proposal by the Nevada Youth Legislature to put the Millennium Scholarship in the Constitution. However, if the proposal is to address how the Trust Fund will be funded under the Constitution, some of my colleagues and I have concerns.

Assemblyman Bobzien:

As this hearing has proceeded, I have become more uncomfortable with the degree of specificity of language in the proposal. I must think in terms of our responsibility to Nevada in the decades to come.

That said, I was reminded of my favorite section of the Constitution, which is Article 1, section 2, the uniform system of common schools. It is the Legislature's responsibility to provide for those schools. During the recession, we needed to keep in mind that, no matter how bad things get, our charge is not to leave education behind.

At the core, if we can strip the details that may be a little excessive for the Constitution, such as the Tobacco MSA fund split or specific uses of the fund, I am okay with the Nevada Youth Legislature "calling us out." This is because I know students are watching this Legislature back and forth over the years: "trimming a little here, you know, can we crank up the eligibility here, can we take a little money from over here to keep this thing going." At the core, students watching this debate are unsure whether or not there will be a Scholarship Fund.

Putting that question to the voters is appropriate. If this measure can be adequately amended, I would be happy to work on those efforts. As noted by Assemblywoman Kirkpatrick earlier, two measures could potentially be placed before the voters because of the Seventy-seventh Legislative Session. One is whether a student should be recognized as a member of the Board of Regents and the other is enshrinement of the Millennium Scholarship.

I congratulate the Nevada Youth Legislature for bringing a tough, meaningful bill before the Legislature for its consideration.

Mr. Bybee:

I can speak for my class of youth legislators, because I am familiar with their sentiments. The idea of enshrining the Millennium Scholarship in the Constitution is a dialogue that must take place. There are two important constitutional proposals to come before voters in the 2016 election cycle. I am working with the Department of Legislative Affairs at UNR, as well as the Nevada Youth Legislature. I am passionate about both issues. Taking all of this on at once is a big bite to chew, but I am up for it.

Mr. Gabriel:

My Nevada Youth Legislature class would be open to making the language of this legislation more general. It may strengthen the proposal.

Tierra Patmavanu (Nevada Youth Legislator, District No. 6):

I have provided my written testimony for the Committees ([Exhibit D](#)). I am present to testify for the current class of youth legislators and current and future Nevada students. To limit educational opportunities based on financial issues would be a tragedy for many dedicated Nevada students.

The Millennium Scholarship is a viable hope, vision and dream to which many of our students can aim. For the betterment of this great State and future of youth in Nevada, I strongly encourage everyone to support S.J.R. 6.

Miranda Rosen (Nevada Youth Legislator, District No. 20):

I have provided my written testimony for the Committees ([Exhibit E](#)).

As a society, we teach children many things. These lessons and values range from "don't lie," to "eat your vegetables." Among these societal values and ideals however, I would argue that one stands above the rest. That is the idea that you can be whatever you want to be.

If students do not have the ability to pay for education on their own, college is not a viable option. This leads to innovative teens stopping their education at the high school level and feeling they have been given up on. Nevertheless, higher education comes with a hefty price tag. The cure for cancer could be hidden in

someone's mind that could not afford a college education on their own. Goodness only becomes greatness when you take the steps to get there.

Investing in the Scholarship invests in Nevada, as students of today become the doctors, lawyers, teachers, researchers, legislators, or innovators of tomorrow.

What we stand for is not possible if we do not supply the right means of achieving it. The only way to ensure success is to allow it to occur. The best way to do that would be to pass S.J.R. 6.

Chair Smith:

I would like to have the other youth legislators introduce themselves and the districts they represent.

The following youth legislators introduced themselves: Matthew Clewett, Senate District No. 15; Julie Borzage, Senate District No. 9; Christiana Cabrera, Senate District No. 13; Natalie Kim, Senate District No. 8; Erik Moen, Senate District No. 19; Torrey Barber, Senate District No. 12; Yujin Seo, Senate District No. 5; Natasha Greene, Senate District No. 21 and Kaitlin Tucci, Senate District No. 7.

I want to recognize former Senator Valerie Wiener, and Secretary of the Senate, David A. Byerman for bringing the Nevada Youth Legislature and this bill to fruition.

Valerie Wiener:

This concept was brought home to Nevada as a dream from a conference in Washington, D.C., in 2007. It is a program that evolves. After the first training in Carson City, which was a 2-night, 3-day format, I said, "Oh, we have a program and it is done." Each year it has expanded. The Nevada Youth Legislature program is completely operated through volunteer efforts.

For the first few years, the Legal Division of the Legislative Counsel Bureau was the backbone for the operations of the program. Mr. Byerman has reestablished the Nevada Youth Legislature Foundation and the structure for that. The Foundation will meet today. Mr. Byerman stepped forward to be the Executive Director of the Nevada Youth Legislature as a volunteer.

The young people before you today are a dream come true. Youth legislators learn about policy, culture, hold town hall meetings, testify before public bodies and act as media resources.

One of the greatest lessons expressed at our reunion was from two youth legislator alumni from opposite views, one liberal and one conservative. At the airport, they had a conversation and they noted, that without the Nevada Youth Legislature program, they would never have had anything in common from which to share a conversation. What the program has taught them is how to be open to such conversations. They have learned to be inclusionary and how to honor other people who think and speak differently than they do, and to come to resolution. Mr. Bybee is already an unpaid lobbyist for the university and has a bright future ahead. Another is an intern for Senator Greg Brower during this Session.

Senator Woodhouse:

I want to advise the Committees on behalf of Assemblyman Elliot Anderson and myself, as Chair of the Senate Committee on Education, we had a recent opportunity to hear from the Nevada Youth Legislature representatives about their current goals. Mr. Gabriel and Mr. Bybee were the presenters. We are so proud of the Nevada Youth Legislature Legislators, former Senator Wiener and Mr. Byerman for their support.

The Nevada Youth Legislature has already received 11 State and national awards for the efforts they provide. The youth legislators are the backbone of the future of Nevada.

Chair Smith:

Before closing the hearing, I want to thank the presenters and applaud their ability to think on their feet when posed with very tough questions.

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I will now close the hearing on S.J.R. 6. Seeing no further business before the Committees, this hearing is adjourned at 9:37 a.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator Debbie Smith, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	3		Attendance Roster
S.J.R. 6	C	2	Grant Gabriel/Nevada Youth Legislature Chair	Written Testimony
S.J.R. 6	D	1	Tierra Patmavanu/Nevada Youth Legislature District 6	Written Testimony
S.J.R. 6	E	2	Miranda Rosen/Nevada Youth Legislature District 20	Written Testimony