MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON EDUCATION

Seventy-Eighth Session
February 11, 2015

The Committee on Education was called to order by Chair Melissa Woodbury at 3:21 p.m. on Wednesday, February 11, 2015, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Melissa Woodbury, Chair
Assemblyman Lynn D. Stewart, Vice Chair
Assemblyman Elliot T. Anderson
Assemblyman Derek Armstrong
Assemblywoman Olivia Diaz
Assemblywoman Victoria A. Dooling
Assemblyman Chris Edwards
Assemblyman Edgar Flores
Assemblyman David M. Gardner
Assemblyman Pat Hickey
Assemblywoman Amber Joiner
Assemblyman Harvey J. Munford
Assemblywoman Shelly M. Shelton
Assemblywoman Heidi Swank

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman P.K. O'Neill, Assembly District No. 40
Assemblyman Randy Kirner, Assembly District No. 26

STAFF MEMBERS PRESENT:

H. Pepper Sturm, Committee Policy Analyst
Kristin Rossiter, Committee Policy Analyst
Karly O'Krent, Committee Counsel
Sharon McCallen, Committee Secretary
Joan Waldock, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Caleb Cage, Director of Military and Veterans Policy, Office of the Governor
Constance J. Brooks, Ph.D., Vice Chancellor, Government and Community Affairs, Nevada System of Higher Education
Dale A.R. Erquiaga, Superintendent of Public Instruction, Department of Education
William T. Anton, NEC 19th District, Disabled American Veterans, North Las Vegas, Nevada
Crystal Abba, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education
Caleb Harris, Director, Disabled American Veterans, Chapter 1, Reno, Nevada
Ross Bryant, Director, Office of Veterans Services, University of Nevada, Las Vegas
John Eppolito, Private Citizen, Incline Village, Nevada
Kevin Burns, Member, American Legion Capital Post, Carson City, Nevada, and Member, Marine Corps League, Carson City Detachment 630
Christopher Wahle, Private Citizen, Carson City, Nevada
Grant A. Hewitt, Chief of Staff, Office of the State Treasurer
Frankie Perez, Private Citizen, Reno, Nevada
Astrid Silva, Organizing Director, Progressive Leadership Alliance of Nevada
Alejandra Romero, Member, DREAM Big Vegas
Blanca Gamez, Cofounder, DREAM Big Vegas

Chair Woodbury:
[The roll was called. Committee protocol and rules were explained.]

We have some members of the public in Room 3143. If you wish to testify, you will need to come to Room 3142 when you testify.

We will take these bills out of order and open with Assembly Bill 76.

Assembly Bill 76: Makes various changes relating to the education of veterans and their dependents. (BDR 34-296)

Caleb Cage, Director of Military and Veterans Policy, Office of the Governor:
Thank you for the opportunity to be here. This bill covers three basic items which I will move through quickly. I have also provided written testimony to staff prior to this meeting (Exhibit C).

Governor Sandoval proclaimed 2014 to be the Year of the Veteran in Nevada. We established six policy councils on various topics throughout the state to make recommendations for improving outcomes for veterans in the areas of employment, education, and wellness. One of those councils is the Veterans Suicide Prevention Council, and one of the recommendations is included in this report (Exhibit D). Another is the Student Veterans Advisory Council. Several members from both of these councils are here with me today. The third was the Veterans Legislation Symposium, held in Reno in March of 2014, which developed recommendations as well.

As stated in my memorandum (Exhibit C) in the general overview of Assembly Bill 76, section 1 requires the Department of Education to share aggregate data on military dependent children to the Interagency Council on Veterans Affairs (ICVA) annually. Section 2 requires the Nevada System of Higher Education (NSHE) to gather and share pertinent data. Section 4 of the bill extends the provisions of free higher education tuition beyond the two-year period of Assemblyman Elliot T. Anderson's Assembly Bill No. 260 of the 77th Session.

I want to discuss the Department of Education data sharing. The Interagency Council on Veterans Affairs was established by Assembly Bill No. 58 of the 77th Session. It provides an annual report to the Governor and the Legislature on improvements. That report was provided to you two or three weeks ago with 90 recommendations (Exhibit D). All three of these recommendations come from that report. All of the policy councils focused on data gathering going forward. How do we measure success for our policy recommendations during this legislative session and make recommendations in

future legislative sessions if we are not actually measuring outcomes? As a general rule in Nevada, we have not been measuring outcomes for veterans, so three of the four Governor's bills require data reporting and sharing between state agencies serving veterans.

Let me be clear. We are talking about aggregate data. We are not asking for it by name or to any granular level of data. We are asking for data to see where the veterans, service members, and their families are living in the state so that we can make resource distribution for policy distributions as we measure success going forward.

During the last session, we talked with the Department of Education about gathering education data on the number of militarily connected families in school districts at the county level. They are required to do so as money is available. Through an executive order issued by the Governor, we have established a relationship, and we would like to continue that relationship. Once again, the idea is to ensure that we have an understanding of where militarily connected families are in our school districts around the state. When opportunities to make policy and resource decisions are available, we have that data and that data is a part of the annual report from the Interagency Council of Veterans Affairs.

The second section required the NSHE and the Student Veterans Advisory Council, which is made up of student veterans, cochaired by me and a member of NSHE Chancellor Dan Klaich's staff, to make a recommendation in their report that we track outcomes among student veterans as well. We can then begin to see what our student veteran population looks like at the seven NSHE institutions, what their success rates are, and what their majors are. Are they superstars taking three years to graduate? Are they taking longer to graduate? Is there some connection between going through the community college system into the university system that we can see benefits from as well? We and other states around the country are moving toward gathering this data—again, in aggregate form, not by name whatsoever—so that we can track those trends and determine policies going forward.

The last item is the extension of A.B. No. 260 of the 77th Session. In the interim the United States Congress passed the Veterans Access, Choice, and Accountability Act of 2014 (Choice Act) and extended the in-state tuition provisions for the Post-9/11 GI Bill from zero to three years for the beneficiary of the Post-9/11 GI Bill. Most states had zero. Nevada was leading the way thanks to A.B. No. 260 of the 77th Session. This would bring Nevada in line with the federal Choice Act as well.

I do have one amendment that is included in my written testimony (Exhibit C) that I would like to add for discussion. The section calling for the report from NSHE calls for a biennial report in February. February is when the Interagency Council on Veterans Affairs report is due, so that date is not helpful, and the fact that it is biennial is less helpful. We believe it would be valuable if it were due November 30, which is the same date the Department of Education's report is due, and on an annual basis. That is an amendment we would like to discuss.

Assemblyman Elliot T. Anderson:
I am hoping you will talk more about the unique challenges the members of the military and veterans face in general when it comes to education. Also, are you aware that the Department of Defense has made it a top priority to get feedback on how veterans and military children are doing, and how important data is in order to take care of the troops and make sure they succeed?

Caleb Cage:
In answer to your second question, the data-driven approach is huge. The Chairman of the Joint Chiefs of Staff's Office of Reintegration has recognized Nevada's approach as a national best practice for helping veterans existing in Nevada, as well as reintegrating into Nevada. We are focused on data gathering and local level action. We have leadership in our state and many members of our elected officials who are interested in the success of our returning and existing service members, veterans, and their families. Yes, we do know that is a major issue.

Assemblyman Elliot T. Anderson:
Speaking specifically about Nevada, how important is it to the Executive Branch of our state government to get this data to make the right decisions?

Caleb Cage:
I speak for the Office of the Governor. The Governor has signed ten executive orders throughout the past year, one of which was establishing a baseline data sharing mechanism in the state so we can have all of the kinks worked out specifically for this bill going forward.

If we are not measuring our policy recommendations, we do not know how successful they are, we do not know what changes need to be made in the future, and we might as well not be making them. That is my opinion on the matter.

Assemblyman Elliot T. Anderson:
Thank you for your efforts. I am glad that we can work well together to take care of our military families and our veterans.

Assemblyman Stewart:
I would like to acknowledge all of the veterans who are here. We appreciate your being here in support of A.B. 76, and the service you have rendered.

We have a problem identifying how many veterans we have in Nevada. We have estimated it is over 300,000. Will this help further identify those veterans? Do you have plans to pass this information on to counselors in the community colleges and the universities so they can use this information to better serve the veterans?

Caleb Cage:
We do have issues identifying the veteran population in Nevada. The federal census recognizes over 224,000 in Nevada. We contend the number is closer to 300,000 just based on our interaction within the veteran community throughout the state.

Director Katherine Miller, who has joined us here from the Nevada Department of Veterans Services, received a grant from the U.S. Department of Veterans Affairs (VA) to establish a veterans information database based off a model out of the state of Utah. We assisted the passage of legislation during the last legislative session that would require the Department of Motor Vehicles, for instance, to share aggregate data with us so we could see the distribution of driver license holders who are veterans self-identifying in the state.

We believe the K-12 and the NSHE portion are a part of the overall conversation. Our goal, my vision, as the Chair of the ICVA, is to work with our partners in the community, many of whom are here, the director of the Department of Veteran Services, and all state agencies who serve veterans, to develop a comprehensive road map of what the distribution and population of veterans are in our state. Then we will share that publicly and with the community-level service providers so that they can see what local services and resources they may be lacking, what gaps exist, what overlaps exist, and how they might use that data to fill those.

To your second question, this would be publicly available, shared with the Legislature, and with the Executive Branch as well.

Assemblyman Stewart:
With the education institutions as well, right?

Caleb Cage:
Absolutely. In fact, we meet regularly with the system of higher education and the schools to make sure they know what we are doing. They are part of our policy development, as are the students.

Assemblyman Armstrong:
You had specified this was an aggregate data report, so I would like to clarify that there are no privacy concerns for those men and women who have served. The reports that are coming to the council are just aggregate, or are you receiving individual reports and aggregating them yourselves? I just want to make sure we are not sending data to too many agencies. That could be a concern.

Caleb Cage:
On the record, and in my testimony that has been provided, we wish to receive aggregate data. We do not want by-name data whatsoever. Institutions are bound by the federal Family Educational Rights and Privacy Act (FERPA) and would not be able to share that legally anyway. It is not our intention whatsoever to get individualized information, only information that can provide a snapshot of the veterans in higher education in this case.

Assemblyman Flores:
So we can all know how important this data is, could you give some specific examples of other states that have implemented something similar and how much it benefited the veteran community?

Caleb Cage:
I am proud to say that Nevada is leading the way on this. Every state is trying to do this. The state of Maryland has what they call their VetStat Program. I do not believe it is as sophisticated as what we are trying to do. Currently, there are certain pockets of data focus around the country, but the Council on State Governments identified Nevada as a representative of leadership in this field and has invited us to speak on it because of the steps we are taking. This is where everybody is moving in the veteran world. We have to get past the mentality of saying that we need to do these things because they are good for veterans, but instead, we believe this is the best way because we have data to prove it.

In the state of Nevada, one way we may use that is Assembly Bill 89 that we are working on now, which would gather unemployment insurance data for veterans from the Department of Employment, Training and Rehabilitation. Based on that information, we will be able to see the trends in increase or decrease of veteran unemployment in the state. That will be a good indication

of whether or not A.B. 89, which is a veterans employment bill, is doing what it is supposed to do.

Assemblyman Edwards:
I would like to use an example that I have heard regarding the University of Nevada, Las Vegas (UNLV) seeking to help the veterans by changing the residency requirement. Veterans coming off active duty could gain immediate residency and receive their veterans' benefits right away rather than having a delay. This data would give us our information ahead of time so that we could be proactive rather than reactive. That is the focus of why we would be doing this.

Caleb Cage:
I am not precisely familiar with that. If we look at the recommendations of the Student Advisory Council, which are in the Nevada Veterans Comprehensive Legislative Reform Report (Exhibit D), they are great recommendations. If you polled the council, however, no one would be able to say if those recommendations are effective. With this data gathering, we will be able to say, yes, this is effective. Future iterations of policy development will be even more effective because we are able to measure success.

Assemblywoman Diaz:
I would like to clarify what Assemblyman Edwards was referencing. It was basically Assemblyman Elliot T. Anderson's bill, to ensure that veterans were not lost in the shuffle, and when they came back they were to be considered residents and be given those tuition rates. I want to acknowledge him for his work in this area. He has always been very supportive of veterans' issues.

My question for you, Mr. Cage, is how long do you foresee collecting this data for the purposes of creating future policy? Also, what policy changes would then be possible? I am sure that there is current information or trends regarding how to better serve veterans. Maybe we just need the data to back up putting it into practice. I would want to know what we are potentially looking at improving in our NSHE for our veterans.

Caleb Cage:
To your first question, how long to gather the data. All of the report requirements that are contained in three of the four Governor's bills I mentioned earlier are for five years. That is a matter of legislative standard. The Legislative Counsel Bureau says that unless there is a compelling case for it to go on in perpetuity, we will limit it to five years. We agreed with that. This bill may be slightly different because it is just data reporting and not a written report for the Department of Education; however, that is the intention for the

Board of Regents report as well. That also applies to the Interagency Council on Veterans Affairs although their report is in statute. We will reassess in five years, and if there is no reason to continue going forward, we will not.

The second question regarding possible policy changes is what we hope to find out. That is what the data will drive. Currently, we are making national best practices arguments concerning veterans preference for private sector employment in Assembly Bill 89. If there is a great decrease in veteran unemployment following the passage of A.B. 89, which contains several employment related items, I think we would be able to say that maybe it is no longer necessary. Maybe we have reached a level of equilibrium within veterans in the workforce. If it is ineffective, we would like to be able to reassess it and come back. Fundamentally, policy has to be assessed for effectiveness, or we are not understanding the value.

Chair Woodbury:
Are there more questions? [There were none.] I will take testimony in support of Assembly Bill 76. I want to remind you that comments need to be pertinent to this bill. Is there anyone in Las Vegas in support? [There was no one.]

Constance J. Brooks, Ph.D., Vice Chancellor, Government and Community Affairs, Nevada System of Higher Education:
We view the Office of Veterans Affairs as a valued partner in serving our students, in particular, obviously, our veteran population. Therefore, we are in support of this bill and happy to partner in providing the necessary data.

Dale A.R. Erquiaga, Superintendent of Public Instruction, Department of Education:
Ditto to what you just heard from the Nevada System of Higher Education. Public education and K-12 are supportive of Assembly Bill 76 as well.

William T. Anton, NEC 19th District, Disabled American Veterans, North Las Vegas, Nevada:
I am the State Commander for Disabled American Veterans. We wholeheartedly support this bill, but we would like to see it go a little further. Currently, you have two years after you separate to enroll in one of the academic institutions for a bachelor's, master's, or whatever you are working on. You can use your GI bill up to 15 years, but if you do not use it all within 3 years, you are paying out-of-state tuition. If you have a dependent of a spouse who was killed in action (KIA) using this benefit, she gets the education benefits. If she moved to Nevada with him with a dependent child, and if the child is 8 years old and only has 3 years to use it, how will that child get a college degree?

What we are advocating is eliminating the three-year rule and allowing the dependents to also use the educational benefit. The difference is allowing our veterans and our state to grow with educated veterans, allowing them to get a decent job. As you well know, our veteran population across the country has the highest unemployment rate of any sector. We are trying to fix this, and we really appreciate Assemblyman Elliot T. Anderson's move toward that.

As we look at the cost benefits, what are we paying in this state for illegals since we have the highest number of illegals in the nation percentagewise? They are getting all of these benefits including tax credits. What are our veterans who have seen combat and served their country getting?

Chair Woodbury:
Mr. Cage, could you address Mr. Anton's comments?

Caleb Cage:
I would like to have Crystal Abba from the Nevada System of Higher Education address that.

Crystal Abba, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education:
The situation Mr. Anton described is exactly what the Choice Act addressed as well. The purpose of the Choice Act, and the conversation that occurred at the federal level, is ensuring that when individuals leave active duty and assimilate back into civilian life during a defined period being three years, they have the opportunity through assimilation to pay in-state tuition. That is what the Choice Act does.

The difference between the Choice Act and the provision that Assemblyman Elliot T. Anderson introduced in the last session is that the Choice Act is for all discharge types. This bill addresses the change from two to three years for honorable discharges only. Mr. Anton is absolutely correct when he described that if a veteran stationed in Delaware, and deployed out-of-country, decided to come back into the United States and to assimilate back into civilian life in Nevada, and has a three-year old—in the way the federal government crafted the Choice Act—he would have three years to use it. Obviously, a three-year old is not going to enroll in our institutions within that time period. However, by the time the child turns 18 years old, the assumption the federal government made was that the child would stay in Nevada, and by the time he is 18 years old, he would be considered a Nevada resident for tuition purposes.

Chair Woodbury:
Did that clear things up for you, Mr. Anton?

William Anton:
Not everyone is going to stay in Nevada. Like anyone, they might move to locations that offer more. We are trying to attract quality people to our state. There are seventeen states moving toward this. In California if you are a veteran, you receive in-state tuition. There has to be a cost-benefit relationship.

We fully support the aggregate totals that Caleb Cage spoke of because we need a baseline and a data system to know exactly what we are talking about.

Assemblyman Elliot T. Anderson:
We encountered the same confusion during the last session. As Ms. Abba stated, this is not the only way to receive in-state tuition. This bill was designed to focus on someone who was in transition. In the situation where you have a military family member, I would be perplexed trying to think of a situation where a veteran would be moving into Nevada, move out, then move back to then use in-state tuition. It could be possible, but I would want to see some numbers. As this was crafted, we tried to keep it narrow to attract those in transition. I am not sure how many people are going to fit into that hypothetical scenario. We can discuss it, but I would want to see more on how that would actually happen. We have multiple ways to qualify for in-state tuition. If the proponents of this change could provide this Committee some data, it would be appreciated. We need to have that data before making the change. It only takes a year if you are living here. I would struggle to understand how military family members would not qualify by just living here.

Caleb Harris, Director, Disabled American Veterans, Chapter 1, Reno, Nevada:
While we are in support of Assembly Bill 76, I also belong to a legislative committee called the United Veterans Legislative Council, and I am going to defer comments to Kevin Burns, who will explain further on this. He will be testifying as neutral. The basic concept is that, more than the veterans that are here, we are worried about attracting veterans, especially some of those veterans who do not know what our pathways are upon discharge. It might take more than three years for us to figure out we want to go to college and where we are going to do that. If we want to come to Nevada after that three-year period, we would have to pay out-of-state tuition at least for the first year.

Ross Bryant, Director, Office of Veterans Services, University of Nevada, Las Vegas:
I am at the front line meeting these veterans every single day. We have approximately 1,300 veterans at the University of Nevada, Las Vegas, and approximately 900 on the GI Bill. Assembly Bill 76 is a great improvement.

It adds the Veteran Access to Care Act of 2014, the bare minimum to ensure we still get GI Bill funding for the state. We meet all of those minimum requirements.

I would encourage the consideration to just make it universal. For any of these veterans who have served, not every one of them is going to enroll directly in school. Many of them with families and children, who got kicked out of the military during the drawdown, are going to get a job and come to us later. Then we will be the ones saying they did not get here within the three years, so now they owe out-of-state tuition after they have already moved here.

The Marine Gunnery Sergeant John David Fry Scholarship was passed by the federal government. Gunnery Sergeant Fry was killed in Iraq. He had three children under ten years old. From that bill, now any family member or child from a soldier KIA now receives the Post-9/11 GI Bill, but all of those children are underage. When those children become 18 years old, under the current plan, they would arrive at our office, and we would have to say, sorry, but your father was killed ten years ago, welcome to Nevada, please show me his death certificate. We then would say their father's benefits expired after three years and they now owe out-of-state tuition.

Is it going to be a tidal wave of people? Probably not. I would encourage you to make it universal. If you are a veteran or a family member with the GI Bill and make it to Nevada, you have benefits remaining, welcome, thank you for your services and sacrifice, and you get in-state tuition as long as you are on the GI Bill.

That would make it so much easier than having to break hearts of the ones and twos that show up. It happens every day. I had to tell someone today, who got out of the service in 2002 and is moving back to Nevada, that even with the current bill, you are going to have to pay out-of-state tuition. He is not coming here. He is going to Texas.

I support all of the reporting, and I agree completely, and we are already tracking some of those numbers to be in compliance.

Chair Woodbury:
I know so many of you have come out today, veterans and others to show your support even though you are not speaking, and there are those in the overflow room and in Las Vegas, so I would like to give you a chance to stand to show your support. Thank you very much. We appreciate your service.

If there is no one else to testify in support, I will take testimony in opposition.

John Eppolito, Private Citizen, Incline Village, Nevada:
I am not a veteran. I am a former K-12 teacher licensed in Nevada and California. I am for the veterans. I am against the data collection, storing and sharing of all Nevada children whether they be veterans' children or mine, or your children and grandchildren. One of the most insidious aspects of this new education reform is the student data collection, storage, and sharing without parent consent. The reason this is possible is because in December 2011 the U.S. Department of Education reinterpreted FERPA. They basically gutted FERPA. Now it allows the unprecedented storage, tracking, and sharing of student data, some of which is personal. This is allowed without prior parent consent.

Chair Woodbury:
Sir, can you tell us what part of the bill you are talking about right now?

John Eppolito:
The data collection. When I read through the bill, almost the whole thing was about data collection.

Chair Woodbury:
The new language or the existing language?

John Eppolito:
I do not know how to read them. I am against the data collection.

Chair Woodbury:
Please keep it to the bill.

John Eppolito:
Section 1, part 2, someone said. It is my understanding that before December 2011, this type of data mining created in at least 47 states—this includes the Nevada Statewide Longitudinal Data System—this would not have been allowed. The goal is to collect over 400 points of data on every child. Some of the data is personal and is preschool through the workforce.

As you may know, it is illegal for the federal government to maintain a national database. Instead, the federal government spent over $627 million in state grants to ensure 47 states, including Nevada, all had the same databases.

Chair Woodbury:
Sir, most of what you are saying is about existing language, existing law. We are having a bill hearing on Assembly Bill 76, so we need to talk about only what this bill does.

Chair Woodbury:
The only data collection that is mentioned in this bill is "the Department shall share with the Interagency Council on Veterans Affairs aggregate data collected pursuant to subsection 1" having to do with children of members of the armed forces. If you could speak to that.

John Eppolito:
I have about one more minute of comments. I am not sure it is related to that.

Chair Woodbury:
There will time for public comment later, but right now we need to stick to the content of the bill.

Is there anyone else here in opposition to A.B. 76? [There was no one.] I will take testimony that is neutral.

Assemblyman P.K. O'Neill, Assembly District No. 40:
I would like to thank Caleb Cage and our Governor for bringing Assembly Bill 76 forward today. It is a good start. That is what I am here to talk about. I think it can be improved tremendously. You will hear stories and testimony on how difficult it is for a veteran to assimilate from military life to civilian life. A period of one year, two years, and three years is a very short time, particularly if they spent most of nine or ten years plus overseas in some very difficult situations.

I could give you my own personal stories and family anecdotes on how my children had trouble acclimating, but for brevity, I will go directly to section 4, subsection 2, paragraphs (f) and (g). I wish to request an amendment to the bill that it include not only veterans within the three years but a lifetime of variance for them. If they move into Nevada, we give them in-state tuition. I would also like to include that their immediate family members, spouses, and dependent children also be allowed the benefit of in-state tuition.

Chair Woodbury:
Mr. Cage, is that something you can work on with Mr. O'Neill?

Caleb Cage:
I would need to go back to my bosses and work with NSHE and their representatives as well as Assemblyman O'Neill. It sounds like there needs to be a discussion regarding amendments and possibilities. I am happy to facilitate that.

Assemblyman Hickey:
I am sure I am missing something here. If a veteran is in Nevada for even more than a year, he or she is automatically a resident. I know I am missing something regarding that people may leave and come back. Is that where the problem is?

Caleb Cage:
It is my understanding that an individual living in Nevada for one year, veteran or not, qualifies for in-state tuition through the NSHE. This would be for veterans who transition, for instance, out of the Army and have moved every three years and no place is home. Quite often they go to other places where they might have been stationed, or places they may have seen on television like Las Vegas, or other communities around the world. This would say they would not have to wait that year in order to qualify for in-state tuition. That is what Assembly Bill No. 260 of the 77th Session did.

Assemblyman Hickey:
If the bill were to be amended per Assemblyman O'Neill's request, would that mean that any family members of a veteran from the Korean conflict, World War II, or any veteran, would qualify for in-state tuition, and they would not have to live here for a year? Suppose my father retired here, was a veteran, and I moved here. As his son from another state, would I automatically qualify under your amendment, Mr. O'Neill?

Assemblyman O'Neill:
Actually, it is just the modification of how these veterans are coming back now under their rights and the bills. When I was campaigning, I talked to a discharged veteran who was going to take advantage of his GI Bill, but his 17-year-old daughter went to community college immediately after moving here. She had to pay out-of-state tuition. The veteran had come to Nevada, become gainfully employed in this state, and we want to attract veterans. Our Governor has said that last year was the Year of the Veteran, that he wanted to open up Nevada to them. In a way, yes, even if a veteran has come to Nevada who has served in World War II, Korea, or Vietnam, we owe them. We have said thank you, and we need to start walking that walk and allow them to come to our state. My personal opinion is that it does not cost NSHE anything because they would not be getting that student anyway. That student would go to Texas or somewhere else as already discussed.

Kevin Burns, Member, American Legion Capital Post, Carson City, Nevada and Member, Marine Corps League, Carson City Detachment 630
As you heard from one of my colleagues earlier in the meeting, I am also a member of the United Veterans Legislative Council. In my day job, I represent

the Western Nevada College Veterans Resource Center, but I must say this clearly, I in no way, shape, or form am here to speak for the Nevada System of Higher Education. Vice Chancellor Abba does a much better job of that. I am here as part of the veterans community.

As has been discussed, the major contention on this bill from the veterans community is the time stipulation for the in-state residency tuition. While the veterans community appreciates the Governor's proposal, from the testimony you have already heard, it only takes us to the minimum acceptable for federal purposes. If we do not do that, the VA will not allow anyone to use their GI Bill at any of our institutions within the State of Nevada.

As you have heard, we in the veterans community do not feel the Governor's proposal goes far enough. We fully support what Assemblyman O'Neill just put forth from an amendment standpoint. No veteran, nor his dependent—we define dependent as wife and immediate children—should ever be charged out-of-state tuition. Why? [Read from written testimony (Exhibit E).]

One of my jobs at the college is outreach. I want to attract student veterans to come to Western Nevada College. One of the first things I ask them is when they separated from the service. If they are over our current two-year procedure, they may come, the VA will pay their college tuition, but the tuition will also double, and the rest of it comes out of their pockets. The average 18-year-old who has not really done a lot for this country does not have to pay, because he happens to live in Nevada. [Resumed reading from (Exhibit E).]

Christopher Wahle, Private Citizen, Carson City, Nevada:
I am in opposition for one reason, along with what the other two gentlemen said, and Assemblyman P.K. O'Neill. I think we should take the time limit off. The data gathering I am fine with. We are off to a good start, and we can build on what we have. We have the potential to come out with a great bill for the veterans.

Like everyone else, I wandered aimlessly for a couple of years until my state job was cut and I was laid off and decided to go to school.

Assemblyman Armstrong:
I am trying to understand the economic impact on this, mostly because I used the previous GI Bill, not the Post-9/11 GI Bill. Can you explain the difference between in-state and out-of-state tuition at your institution if someone is under the new GI Bill? Is there something that is not covered for out-of-state veterans?

Kevin Burns:
The bottom line is that the tuition will double. If we are going to charge a student $1,200 for twelve credits at a community college, the out-of-state tuition will double that. The service member has to pick up the $1,200.

Assemblyman Armstrong:
That is not really answering my question. My question is, what will the GI Bill not cover?

Kevin Burns:
The GI Bill does not cover the out-of-state tuition. It will pay for the classes, as it would for any veteran, but it does not take care of the out-of-state tuition.

Chair Woodbury:
I will close the hearing on Assembly Bill 76. We will hold Assembly Bill 111 until the end of the meeting as we have two presentations from two of the key agencies that come before us—the State Department of Education and the Nevada System of Higher Education.

Dale A.R. Erquiaga, Superintendent of Public Instruction, Department of Education:
I have the honor of being Nevada's 27th Superintendent of Public Instruction. I have been asked to give you an overview of our system (Exhibit F). It is a little daunting. Some of you are educators and many of you are new to the Legislature, in fact, new to this Committee. I will try to strike a balance somewhere in between to give some context for what you will hear about the Pre K-12 system.

My maternal grandfather, Victor Rubianes, came to this country when he was 12 years old. My great grandparents immigrated here for a short time before returning to Spain. Victor stayed. He attended grammar school in Winnemucca for about two years. That was the extent of his education. He had none in Spain. Victor married my grandmother, my mother's mother, who immigrated when she was 17 years old, and they had four children. They moved to a very remote ranch in Kingston, Nevada, which is in the center of the state near Austin. In those days you could essentially charter your own school, so Victor wrote to the Superintendent of Public Instruction, Superintendent Hunting, and asked for a school. In 1923, you needed to have five children to have a school, and there were only four Rubianes children. He went up the canyon and asked the Native American family who lived there in a tent if their two children would come to his school so he could qualify.

That was in 1923. My grandfather started a school for four English language learners and two Native Americans living in poverty. The Native American family had lost a baby one winter because the baby froze to death in their tent.

Ninety years later, I became the Superintendent of Public Instruction. If you do not think that is a story of what public education is all about, I have another point of view.

My mother was not schooled in that school; she went to school in Fallon after my maternal grandparents moved. My mother graduated third in her class. She spoke Basque at home when she started school.

My father's family story is very similar. My father was born in this country; his siblings were born in Spain. One of my uncles was tracked into special education because he spoke Spanish, and they thought he had a learning disability. My mother and father would have started school as English language learners; we just did not label them that way in the 1930s. My father graduated first in his class—there was a lot of pressure in my family to do well.

I give you that context because it is what I think about almost every day when I go to work. Interestingly, to me, someone pointed out that Nevada today is a lot like we were in 1923. We have a high English language learner (ELL) population, we have a high number of children who live in poverty, and so our schools today face some of those same challenges. We charter schools today. I no longer charter them, but the State Public Charter School Authority does. In many ways that context, while strikingly different, is somewhat similar to what I will talk with you about today.

Our system of public education consists of the state's Department of Education, seventeen school districts, and a State Public Charter School Authority created in 2011, which charters schools regardless of geographic line. We have three regional training programs, funded by the state. We have private schools which I will talk more about. Private schools in Nevada are licensed by the state public education system; interestingly, that is not the case in all states. We also run a program of adult basic education which began primarily as education of incarcerated persons.

In Nevada we have 724 public schools. There are about 450,000 students in those schools, and of that 450,000, 20,000 now attend state charter schools. The State Charter School Authority is the third largest district or local education agency after Clark and Washoe Counties. We have about 6,000 children in preschool or Head Start, for whom I have responsibility due to recent changes made by Governor Sandoval and the Interim Finance Committee. We have

approximately 22,500 teachers and administrators, and several thousand more paraprofessionals. We have 234 private schools, and about 155 are actually accredited or licensed by the State Board of Education. The rest bring their accreditation from another agency that we recognize outside our state. We have about 31,000 adults. Adult learners today are in three primary classifications: incarcerated persons; students who dropped out and are seeking either a high school adult diploma or a high school equivalency; and English language learners. It is a very diverse system.

In race and ethnicity we are a majority-minority student population. That is a phrase that is an oxymoron. What that means is that there are more children of color than there are white children in the Nevada public education system today. About 36 percent of our students are Caucasian. Consider then, on top of this diversity, these additional factors which we report. Fifty-five percent of the children in our system qualify for free and reduced-priced lunch. That means they live in some level in poverty. Eleven percent of our students are special education students. They go to school on an Individualized Education Plan. Between 2 and 3 percent are gifted and talented. That number actually runs higher than many states in the nation where the average is 1 percent. About 15 percent of our students are English language learners. If you put all of those factors together, the diversity of race and ethnicity, and the different subgroups we track, we are an incredibly diverse student population, not unlike the new Smoky Valley Mountain School where Victor Rubianes was a clerk of the board in 1923.

Like most state agencies, the Department of Education expresses a vision, mission, and goals through these statements (Exhibit G). Our vision is focused on readiness. You will hear us use the phrase Nevada Ready often. We talk about readiness for the twenty-first century. Our mission is focused on student achievement and educator effectiveness, the two primary lines of business. Our third line of business is the distribution of money to support student achievement and educator effectiveness.

This year, the State Board of Education has adopted five new goals that are very focused on those same lines of work: proficiency in reading by the end of third grade; entering high school with skills necessary to succeed; graduating college and career ready; effective educators serving students at all levels; and finally, but not least important, efficient and effective use of public funds.

What does your Department of Education look like? The Governor and the State Board of Education share policy and managerial oversight of me. The State Board of Education is my policy partner. Since 2011 the Governor has been my managerial boss.

In 1864, when Nevada became a state, the Superintendent of Public Instruction was elected. Superintendent Hunting, who worked with my grandfather, was an elected constitutional officer like an attorney general, secretary of state, state treasurer, or state controller.

In 1955, that system was changed. The Superintendent became appointive. In 2011, this Legislature made the Superintendent appointed by the Governor. My predecessors were appointed by the State Board.

I am now, under statute, executive head of the Department, and I have restructured the Department around functional areas with many statutory duties. We have combined them into three categories. First, Business and Support Services uses funds to distribute in-state financial aid—approximately a billion dollars per year—and to manage our own department. Next is the Student Achievement Division you have seen Deputy Canavero testify on. He supervises six offices that manage standards and instruction, special education, assessments, data services, and a series of other functions that are assigned to us by law. We have tried to organize ourselves solely by what you have told us are our responsibilities.

Finally, a new division for us is Educator Effectiveness and Family Engagement. The Office of Licensure used to orbit within the Department without a clear line of authority to the Superintendent, and the Office of Parental Involvement and Family Engagement, which was created by the Legislature, was buried so far from me on the organizational chart that I could not find them when I took this office. The adults in this system, educators and parents, work really closely, so we needed to put them in a single division. That division manages licensure as well as development and support. The educator evaluation system is something you will hear a lot about, as well as the parent involvement office.

The following is a list of the councils, committees, and commissions that are associated with the Department, the State Board of Education, and the Superintendent's staff:

- Commission on Educational Technology
- Council to Establish Academic Standards
- Science, Technology, Engineering, and Math (STEM) Advisory Council
- English Mastery Council
- Early Childhood Advisory Council
- Advisory Council on Parental Involvement
- Commission on Professional Standards
- Statewide Coordinating Council for Regional Training Programs
- Teachers and Leaders Council

- Special Education Advisory Committee
- Title I Committee of Practitioners
- ACT Council
- Military Compact for Children

The first nine are created by state law, the next two are created by federal law, and the last two are compacts which we have joined.

My plea for this Committee this session is no more councils, committees, or commissions. We staff them all. Only one came with resources. For the rest, we have a statute that says the Superintendent shall provide services to the council, committee, or commission. I will trade you a couple if you create a new one. Last session we eliminated one commission, and the Legislature gave me two new ones. The ones we have are terrific. They are great partners. Each serves a very specific purpose on which we rely tremendously. Many have been in existence for a very long time, and others are brand new. We work very closely with them and, frankly, could not do some of our work without them.

In the Division of Business and Support Services, which manages our money, key functions are responsibility for counting and auditing enrollment numbers. Much of what we do is based on that number.

We receive information on basic expenditures, then we work with the Governor and the Legislature. That is how the budget is built—on prior years' expenditures. That is how the basic support guarantee is calculated. Those of you who sit on the money committees will enjoy that experience with us this session.

We distribute state and federal dollars—over a billion dollars in State General Fund money each year, and approximately $200 million to $250 million in federal money as well.

This division monitors grant compliance. That is an increasing role for us. Those on the Assembly Committee on Ways and Means will hear us talk about the restructuring of the grant management unit. We are very worried about the efficient use of our dollars.

What do we do in the Educator Effectiveness and Family Engagement Division? These are very different and historic roles. The State Board of Education approves educator preparation programs. In the Nevada System of Higher Education, colleges of education are accredited by the State Board, as are all prep programs.

The Commission on Professional Standards determines what educators should know and be able to do. They set the requirements for licensure.

Historically, the Superintendent has granted and renewed licenses. At one time, with the unified system, teachers actually worked on a state salary scale. I read in the Education Bulletin for 1923 that in my grandfather's day, the superintendent had sent him $1,001 to hire a new teacher to work in his school. He then paid that individual. We do not have a state-unified scale today. Each district and charter school sets their own salary scale. The licensing is handled by us, as is, unfortunately, the revocation and suspension of licenses. One of the most difficult and distasteful things I have to do is bring to the Board what is called a judicial hearing, removing someone's license.

We distribute resources from the federal government Title II Part A funds for professional development. You will hear a lot about the educator evaluation system, which is under development and implementation.

In our Family Engagement world, we review policies, practices, and plans to provide advice to the Superintendent, the State Board, the districts, and this Legislature.

The lion's share of our work is the Student Achievement Division. Maybe 75 percent of our staff work in this division. These are the oldest functions of the Department. We determine what students should know and be able to do. In 1864, and 1923, this was done by the prescribing of textbooks. The State Superintendent decided which book would be used for math. Today, we are a standards-based system. We made that change in the 1990s with the creation of the Council to Establish Academic Standards. You will hear a lot about standards. The Council establishes standards in courses of subject. It is a list of what students should know and be able to do. Then the Board must approve those. They are adopted as regulation today by practice, and then the local school districts implement those standards by determining curriculum lesson plans. They select textbooks, but textbooks must be approved by the State Board.

We provide resources, we do some technical assistance, and we also approve certain things, for example, textbooks, calendars, and requests for shortened days. These are some of our oldest functions.

This is also the division that assesses proficiency, which is testing. We now assess both growth and proficiency. When you hear about the data system on Friday, you will learn that we began with a snapshot of proficiency—pass/fail, what do you look like today. In the last decade, we have moved to measuring

growth. How did a student's performance change over the course of a year? That is the state's responsibility through its assessment system. I will be talking more about testing.

We report accountability results. This, too, became a role of the Department with the adoption of the Nevada Education Reform Act of 1997 in this Legislative Building. That role grew with No Child Left Behind (NCLB) and then the new statewide system of accountability.

This division also provides interventions and supports to special education, Title I for children in poverty, and a number of other services including one of our more successful programs, career and technical education.

I mentioned the statewide system of accountability you have required by law. It used to be a report card that provided information that was difficult for parents to figure out. Then it became a rating system based on the federal scale that we know as Adequate Yearly Progress. Adequate Yearly Progress has been replaced through the Elementary and Secondary Education Act flexibility waiver process. Now each state can create its own accountability framework. Today, Nevada law says the Department shall create an accountability system for reporting and shall endeavor to get it approved by the federal government. Rather than having it be the other way around, our system is state driven. It was approved by the federal government in 2012, and that system covers the following three areas:

- College and career ready standards, which we were well down the road to adopting by 2012.
- Nevada School Performance Framework, which you may know as the one star, two star, three star, four star, five star system of your children's or grandchildren's school, or if where you work is rated with a star system, this is where it comes from.
- Nevada Educator Performance Framework, which is still under development. It has been paused for a year. I know you will deal with legislation regarding this subject as well. It is meant to provide a uniform system for rating both observable standards of instruction or building administration skills, and student achievement.

In 2011 the Legislature required that student achievement data be used in the evaluation of classroom instructors and building administrators. It is a complicated thing to do. We are still sorting that out as are states all across our country, some of which are further ahead than we are. It will be a topic for the Committee to discuss as to how we balance both sides of that equation.

I have delivered to you today the Annual Report of the State of Public Education (Exhibit G), which is required of the Department of Education. It includes a little more data, and more data is available to you on our website in the form of the Nevada Report Card.

Some of the benchmarks we monitor are as follows:

- Our graduation rate is now 70 percent. It took a big jump last year. We had a slight decline of about a half of a percentage point this year. As the Governor pointed out in his State of the State Address, that still leaves us about last in the nation. Sometimes, North Carolina or Mississippi falls behind us. We have far to go in our graduation rate.
- Our remediation rate is the rate we report through NSHE. Our report used to be based on enrollment. If children left the K-12 system and actually enrolled in a remedial English or mathematics class, they were counted. Now NSHE has properly changed that to placement. A test was taken, and the student was placed in remediation. Calculated that way, it is a more true picture and a higher number. It is still 55 percent of our children. The way I see this, the children pay twice. Mom and Dad pay through taxes for the high school, then they pay again for a remedial class. That is a number we need to reduce. We work very closely with NSHE on our college and career ready standards and our transition from high school.

I will not belabor the points in reading and mathematics. I always say we have a math problem with 36.7 percent proficient in the 8th grade. We talk about literacy a great deal as well, and we also have some challenges in science. Keep in mind, these are numbers of basic proficiency based on the Nevada Criterion Reference Test. In a moment, I will tell you how we compare to national assessments. The numbers are dramatically different as they will be under our new Criterion Reference Test.

Chair Woodbury:
Why does the percentage go down so much between the 4th and 8th grades?

Dale Erquiaga:
I have been told by educators that it is easier to cover in early grades, then it gets a lot harder. Also, there are more challenges in middle school. We do a lot of remedial work in early grades and a lot of focus on high school graduation, and in my view, not a lot of work in middle school. We see a tremendous slippage there. Students drop out then, or certainly set on a course to leave. It is an area we need to work on together much more. It is easy to work on the younger children, and we know the imperative of working on the high school

students, but middle school students, for many reasons, seem to be lost in the system. You can see it in the data. It is a complicated time of life if you can remember when you were in middle school. It is our job to compensate for that.

Chair Woodbury:
Is one of your areas of focus on the middle school?

Dale Erquiaga:
Yes. The Governor has announced a technology initiative that is called Nevada Ready 21. We think use of one-to-one devices will engage those students, but that program has to have with it instructional training as well. The first year of the rollout is working with the staff. How do you use a device in instruction? The devices would come in the second year. It would be actually using a tablet or something. We would not mandate what kind, but we would purchase them in middle schools where it would start. It is one of the more exciting pieces of the Governor's recommended budget. It could make a real difference for students who are just beginning to check out for many reasons.

Assemblyman Hickey:
I have not heard you mention home schools. I imagine you have a role to play in processing them when they have completed certain areas and have advanced. Briefly mention that if you would.

Dale Erquiaga:
I actually do not have a role with home schools. They make their application at their local district. We do not track the numbers; districts can give you that information. Home schooling is an important choice. I am personally supportive of school choice for home school, charter, or private, as well as public schools, but they are not within my purview. You can find some information about the process on our website.

This year, the Department took the unusual step of identifying all of the state's underperforming schools (Exhibit G). We categorize underperformance in a variety of ways, some federal and some state, and with our one-star system, the state priority or focus school rating. However, the number is not improving. In fact, it seems to grow. After conversations with the Governor this year, we began to identify all of the schools in this category. There are 78 as you heard him say in his State of the State speech last month. They are certainly an area of emphasis for us. Some of them are elementary schools, some are middle and high schools, some are district schools, and some are charter schools. It is a difficult list, a complex challenge. As you think about the proposed initiatives

from the Governor, underperformance is a big category. There are a lot of strategies and interventions within that category.

Zoom Schools, what the Governor calls "Victory Schools," are targeting poverty as a cause of underperformance. We have access to some federal assistance for those schools. The Governor has proposed approximately $10 million in additional state turn-around money. We have lots of strategies and a broad universe of 78 schools. At any given time each year, these numbers are a snapshot. Some schools will improve and will come off the underperforming list. Clark County's turn-around list has a different look as they have data that is one year newer than what we use at the state, so some of their schools are coming off that list. Other schools are tapered; they have been there for a long time and, frankly, some of them are getting worse. We are trying to look at them in a variety of ways. It is new work for the Department of Education. We have been working on the school performance framework for the past two years, but it is some of the most critical work we are doing. It makes people very uncomfortable, however, but you will hear a lot about it. Not all of it is supportive.

Assemblyman Stewart:
I have been talking to principals. There is a concern that if you are a one-star poorly rated school and you make significant progress, but not enough to be advanced to the next level, you will still be a one-star school even though great progress was made.

Dale Erquiaga:
Yes, like any grading system, there is a cutoff point. One must accumulate a certain number of points in order to become a two-star school. Sometimes a school is two points off and, therefore, still a one-star school. A student may be one point off a C, and they are still a D. It works the same way. It is not a perfect system. The waiver expires June 2015, so we are redesigning the school performance framework. We have to deal with the issue of data; the change in tests will cause even larger questions about which year we are using and when does it get counted. I fully acknowledge it is not a perfect system, but it is a grading system, just like we grade students.

Assemblyman Stewart:
I want to be sure that educators are not punished for making great progress but not quite getting there.

Assemblyman Edwards:
I have concerns about the grading scale for certain charter schools that have special communities, like the at-risk or behavioral problems that can get caught

up in the somewhat cookie cutter grading system, rather than looking at each individual school.

Dale Erquiaga:
This is an issue that you will hear about this session. The Chair has already spoken with us about this. In Nevada, we have alternative or behavioral schools that are established for a certain purpose, for instance, a special education school, or for children who are sent out of their traditional school for behavioral purposes. Those schools, either because of their purpose or their size, are what we call non-rated alternative schools today. There are approximately 100 of them. However, not all charter schools fit into that category, yet they are encouraging students to come to their facility.

What is an alternative school? Charters can buy their original charter by taking advantage of being considered at-risk or a kind of general education charter. That does not translate to the school performance framework. It is a policy question that you will have to consider.

The caution is, even children who are at-risk and have gone to a special school for that purpose should demonstrate growth. It is not a place to hide. We want those schools to help those students grow, and that is the rub. Some of those schools have been two-star schools and are now one-star because their children did not grow. It is not that they are not proficient, but the formula includes both growth and proficiency. It is a very complicated part of the school performance system. Because of Chair Woodbury's interest in this issue, you are going to have a good conversation about what is an alternative school. Yes, you have to do the right thing for children, but do not accidentally set up a place for charters or districts to hide. The purpose of the Statewide System of Accountability was to ensure that a student's education was advancing. We cannot go back to the days prior to NCLB where we hid certain groups of students in the large aggregate of data. We did not know that children of color, English language learners, or children in poverty were falling behind.

Assemblyman Munford:
I represent a lower socioeconomic, at-risk area, and some of my constituents continue to tell me that the Prime 6 schools, primarily, seem to be left behind, forgotten, and ignored. There have been monies appropriated to elevate ELL and to put emphasis on improving the Zoom Schools. My district is diverse also in terms of the population. We have quite a number of Hispanics and many African-American students. They did not get Zoom money. We feel that nothing was focused on to relieve us of our situation and our condition. Vouchers and open enrollment will cause public schools in my district to be left

behind. I am speaking from the information that is coming to me from my constituency, and I am here to speak for, represent, defend, and help them.

I want to ask, at this point, what is on the table for my district?

Dale Erquiaga:
This is a great opportunity to talk about what the Governor mentioned in his State of the State Address and what is included in his budget, which are called "Victory Schools." I worked at the Clark County School District. I worked in persistently underachieving schools and we did a study. I also worked in the Prime 6 schools. The Governor has heard the same comments from your constituents; they are his constituents and mine as well.

The Victory School Initiative will work like this—the Governor directed us to create a program around poverty in neighborhoods. What we are recommending is a program with $50 million—$25 million each year—targeting the poorest of ZIP codes in our state. Some of those ZIP codes are on the historic West Side; others are in Humboldt and Elko Counties. We will actually begin to do work in Native American schools, another long-standing population with tremendous underperformance challenges, which is work that we have never done. There are a couple of rural poor schools there as well as urban schools. Urban poverty, Native American poverty, rural poverty and some African-American schools in a tremendous cross section of about 35 schools that will allow us to provide additional resources but also require a community plan in order to receive that money. Faith-based, nonprofit organizations, wrap-around services, employee associations for purposes of professional development—whatever evidence-based work around poverty can be demonstrated—is what we will fund. I liken it to the last dollar in because there is some money being spent in those schools, but we want to require that the districts do a rigorous needs assessment.

Some of those schools have been on the underperforming list for a decade. Why is that? That is a generation of children we have failed. What is the root cause? That is what we will fund solutions for. I am very excited about the program and very proud of the Governor for listening to your constituents and many others and offering this program to the districts. There are charter schools on that list as well. We will use that data to understand what works in poverty. We can build a national best practice that will ultimately form the discussion about the distributive school account. It is exciting work, and we need funding for it.

Assemblyman Munford:
I hope during this session something will be done to focus on the needs that are lacking in the district. You have been in my district often and have met some of our more active and vocal leaders and have met with the ministers. We will see how this session goes, and we will continue the conversation.

Dale Erquiaga:
If I may, we will come visit you about the list of Victory Schools so you can see what we are thinking about.

Assemblyman Elliot T. Anderson:
I perked up a little at the Assembly Bill No. 205 of the 77th Session discussion, which is the charter performance framework. My recollection of that legislation is that we provided for the authority of the Department to account for those behavioral schools, alternative schools, and dropout-catcher schools, and I specifically remember placing legislative intent in the record before the work session. Are you telling me now that you do not feel you have the authority to account for that within the existing framework?

Dale Erquiaga:
The Charter Authority has a program for when they will close down schools, and they would be responsible for their differentiation. We differentiate, but now there are people who want to be on that list and that is not clear. If I need to go back, Steve Canavero and I will discuss that.

Assemblyman Elliot T. Anderson:
It is appropriate that you mentioned Mr. Canavero because he is actually the one that asked me to put into the record. I certainly think we should look at it, but I really think we need to tread carefully because charter schools are designed to provide flexibility in exchange for accountability. We are not trying to make two separate school systems, serving two different populations and leaving people out. It was one of the hardest bills we had to get through last session to ensure that we brought everyone on board. I would ask that if we do alter it, we should be very cautious. No one wants their charter revoked, but the whole point of the bill was to ensure we had accountability.

Dale Erquiaga:
Dr. Canavero always reminds me that we are about quality seats for students, not just more seats for students. That includes district school construction as well. He is true to his word.

Assemblyman Elliot T. Anderson:
Absolutely.

Dale Erquiaga:
The state is responsible for the Criterion Referenced Tests (CRT). Your district or your charter school also has a testing regimen. They give interim informative tests. The teacher gives a Friday spelling quiz. There is a lot of testing. The state assessments are what the Legislature has required in the law, distinct from what districts and teachers rightfully use to improve instruction. We administer the CRTs in grades 3 through 8. In grades 3 through 8, we give the English and math. In grades 5 and 8, we give a science test. We administered the High School Proficiency Examination (HSPE) for many years, but this body decided in 2013 that the HSPE would phase out and end-of-course exams would be brought into high schools. For the next two years, HSPE will be given to classes of students as we bring on end-of-course exams, which only start with English and mathematics—two in each subject. We will have the Legacy science test because we are required to have a science test for a while. Down the road, the Board has proposed a science end-of-course exam as well. It is a difficult transition. The bill that created all of the testing changes in 2013 was something I got to deal with the minute I was appointed. Karly O'Krent knows as she has worked on the regulations with us. It is not easy, but with her help, we have managed to get through it. It has been a rough transition and very confusing for families.

We also now have the college and career readiness assessment. The Board has designated the ACT complete test, which includes writing. We will begin that test April 2015. Every 11th grader will take the ACT, which the Board viewed as a double benefit. The students will have the benefit of a score that tells their level of college and career readiness so they can better plan their senior year, but it is also a college entrance exam. For 23,000 students who do not take the test today, they will now take the test at our cost and will have that entrance document. We think that is good for the student.

We also administer the English Language Proficiency Assessment. It is the test that puts you in or out as an English language learner. We also administer the Nevada Alternate Assessment to about 1 percent of children who have the most severe disabilities and who are required to have a different test than the standard test for them. That is a state test as well.

Chair Woodbury:
Is the English Language Proficiency Assessment given just as needed from elementary up to high school, and once they pass, it is no longer required?

Dale Erquiaga:
There is an oral assessment first about home language that determines whether or not the test should be administered. The student then receives services

and is tested for when they exit. One of the things we will monitor in the Zoom Schools as we have more years of data is how long to exit. Nationwide there are varying levels how long a student stays in English language service.

Assemblyman Munford:
What do you think about the HSPE being no longer required?

Dale Erquiaga:
I lived in Arizona when the bill was passed. I did not have an opinion. For many reasons, people had lost confidence in that test. I think the Legislature's decision to switch to end-of-course assessments was a good step in terms of confidence in the assessment regimen at high school. I also think it makes sense for students to be tested as they learn the subject matter. Take the class, take the test. Did the student learn what you said you were going to teach them, versus a broader proficiency test which rolls out everything they may have learned in high school? We kept offering that test earlier and earlier so that we were offering it to sophomores. They may not have felt they had adequate time with the material, but I believe in the end-of-course assessments and the way we are moving forward. Many states are moving completely differently. They are moving to competency-based credits, competency-based exits, so we will be in this area for a while, but I do not think it will be an end all, be all for high school assessments. I do think you made the right decision.

Assemblyman Munford:
Students are still going to be confronted with some testing, even the ACT and the SAT. When I was teaching, even though you had to have the course exam, you could pass the proficiency, but if you did not pass my exam, you did not graduate no matter what you did on the proficiency. What is the difference? We have talked about rigor and challenge and to make them have to meet these standards, do we lower standards to make everyone equal? No, you still have to prepare yourself for life. There are tests for teachers, and if they do not pass them, they do not get hired. I think we are giving the students an easy pass, and they need to accept and meet some challenges. We are making it too easy on them. At first, in the 1980s when they first introduced the proficiencies, I did not quite accept them, but as we continued, you can see the value of it in preparation and thinking.

Dale Erquiaga:
I think that people thought the end-of-course exams would be easier. It is a standards-based test, and it is based on new and very rigorous standards. It is going to be harder than people expect. I agree with you that assessment serves a purpose. Tests serve a purpose, even exit exams from high school. I would not know how I was doing if I did not have a scale to measure by.

If we use the information to improve instruction and help students, that is the point.

I am an administrator of a government agency, not a teacher, but you, as teachers, have taught me that we have to use the data and the test results to help students.

Assemblyman Stewart:
Let me see if I have the testing schedule straight. If you are a freshman or a sophomore now, you take the end-of-course test, but you do not have to pass it? If you are a junior or senior now, you take the proficiency test, and you have to pass it. Incoming freshmen in 2015 will begin to take the end-of-course test, and that will count toward graduation. Correct?

Dale Erquiaga:
You said that better than I ever have.

Assemblyman Stewart:
Have we had any tests or data so far that can show that they are passing at a good or acceptable rate?

Dale Erquiaga:
The end-of-course exams have not yet been administered. Let me explain for the members of the Committee who are not as familiar with testing. We have two years where participation in the end-of-course exams counts as passage. That is because we are delivering a brand new test that is a high-stakes exit exam. We recommended, and the Board agreed, withholding a diploma for a test that had not been field-tested was not only unwise, it was unfair and it begged litigation. I have to have a score, and they only have to participate because the law immediately went into effect with no time for field testing, so the Board made the best decision it could.

Assemblywoman Swank:
I have a question regarding the college and career readiness assessment. I can see how the ACT is helpful for college readiness, but say you are a high school graduate and you are going to one of a union's wonderful apprenticeship programs. How does taking the ACT make a statement about how ready you are for that program?

Dale Erquiaga:
The Board talked about this a lot, as did the Department Evaluation Committee. The ACT is not yet indexed for career readiness. There is an ACT component called Work Keys which is currently being used in the Department of

Employment, Training and Rehabilitation. We are looking at their pilot. It is a career-ready Work Keys placement skills assessment test. We are looking at their data, and we may share that next year in our administration because we have that same question. We would have to give two different tests in order to get at both pieces, and the law did not provide for two tests—it is a test. We look at this as a pilot, and we will see how much information we get in the ACT. If they have good reports that they can generate around certain careers—a lot of science, technology, engineering, and mathematics education background for those students who may not choose to go directly to higher education—we will see how valuable the data is. We are going to look at the Work Keys data as well.

Assemblywoman Swank:
I would be interested in that data as you go along.

Assemblywoman Diaz:
I got lost on how English language learners are exited and deemed English proficient. At one point, we were utilizing the Language Assessment Scales with a combination of CRT scores so if they hit certain levels we would then consider them English proficient and exit them. Now that we have World-Class Instructional Design and Assessment and a new test that they will be taking, I do not quite understand how we will be exiting English language learners from that program. Can you clarify that for me?

Dale Erquiaga:
I am going to ask if I can do that off line. That is a new testing regimen for us, so I will ask if I can bring the testing staff with me to talk about it. We have done a lot of work around that exit because it is a critical piece for those students. If I may I would like to bring some experts with me.

Here is some testing information you might not like. You have heard that the Board has prescribed the Smarter Balanced Assessment Consortium test for our English and math Criterion Referenced Tests. This consortium has existed for five or six years. Nevada belongs to the consortium, and we participated in the design of the test, but we are in a sense buying a test the way we bought ACT. We are buying the Smarter Balanced test; it is aligned to the new standards in English and mathematics. Although the standards are more rigorous, the test is more rigorous as well. What we know is that this is a brand new set of data that we will have this year. I always ask people to think about 2015 as a new baseline year. Do not try to do a comparison back and forth over 2014 and 2015. The statisticians can do it. It is a very different data set. It is also a different test. The Smarter Balanced test and standards on which it is based

are about college and career readiness, whereas our prior CRT, developed here in Nevada, was about basic proficiency.

We were reporting CRT results and yet every few years we would administer the National Assessment of Educational Progress (NAEP), which is the nation's report card. It is administered to a statistical sample of students. Our NAEP results were always down. There was back and forth about which test is right, but they were measuring different things. The NAEP is measuring more rigorous standards that are more college and career ready, and our tests were based on our standards which were not college and career ready standards. Our benchmark was basic proficiency.

The Smarter Balanced tests are like NAEP. This year our results are going to look like the NAEP results. There will be a great hue and cry that our scores have dropped. I will tell you that our scores are different. The test is different. We are going to have to think about this in a different way. You can see it in reading as well.

That was the first 20 years of CRT. We are now entering a new phase. It is a different kind of test and a new set of data. It does not mean the student's learning has changed or our instructors have suddenly failed in a year. We changed the benchmark. It is more accurate. It allows us to compare across states, to compare for national performance, and it certainly allows us to prepare the students as they prepare for high school and higher education. You will hear a lot about it when the test results arrive.

Although this is not a money committee, Nevada spends a great deal of its resources for public education from the General Fund. We receive a fair share of money from the federal government, and we are always looking to increase that share by the application of grants. We are a General Fund system and a locally funded system. You should think about that in terms of the $1.2 billion that goes out in State General Fund money. We do not receive a lot of money in the other categories.

Staff thought it might be helpful if I quickly went through the Governor's budget and reform initiatives. There is about $430 million in new categorical spending that you will hear some of the policy about in this Committee. Assemblyman Munford has asked me about poverty, so I have talked about the Victory Schools. There are four categories (Exhibit F).

First, Early Learning is the money for preschool and full day kindergarten and for Read by Grade 3. There are tens of millions of dollars in those programs.

Second, what we call Modernizing the Nevada Plan is providing categorical money that will, over time, give us data to shift to a weighted formula instead of a single 1.0 weight of $5,600 in the basic guarantee, but maybe a 1.5 or 2.0 depending on the student's special needs. That categorical spending begins in special education, Zoom Schools for English language learners, the Victory Schools for poverty, and the Governor's program for gifted and talented education. It is a significant investment of $10 million.

Third is Middle School and High School. I have mentioned the Nevada Ready 21 program for technology. There is a series of grants available: Jobs for America's Graduates and advanced placement.

Clark County announced today that they are the College Board's advanced placement district of the year for their work in advanced placement, in both participation and increasing the average test score. They did it exactly right. It is a great day for Nevada. Our district stood out in some of the most rigorous instruction and testing in America. We should be very proud of them. The Governor has about $1.2 million in his budget for participation in advanced placement. In that budget there is also money for career and technical education, about $8 million, and a number of other programs focused on middle and high school learners.

Investing in Change is the fourth category the Governor has proposed. It includes money for charter schools, money for turnaround work when I mentioned under-performing schools previously, and a very large investment in safe and respectful learning environments. He calls it the social worker in the schools program to provide behavioral health and mental health assistance in our schools. Schools today are very challenging and have very different environments. We ask teachers, guidance counselors, and deans to cover that work. That is not their job. They have another job. We have proposed a significant investment in behavioral health services for our schools as a result of some of the bullying we have seen, but also regarding the young man who brought a gun to school and killed a teacher, and a number of unfortunate teen suicides we have experienced. It is an exciting and very different program for us that you will hear us talk about in that category.

I have also suggested that I give you an overview (Exhibit F) of the reform bills that will likely come to this Committee and to other committees in your house.

Read by Grade 3: I know there will be a bill coming from the Senate about early literacy, kindergarten, and first, second, and third grade.

Modernizing the Nevada Plan: That addition of weights to the formula over time will likely go to a money committee, but you may wish to hear it in this Committee as well. The Nevada Plan was written in 1967 and is largely unchanged since that time. It is a complicated formula, but it differentiated by county, not by student. If you think of that diverse student, different kinds of students have different levels of instructional need, either in time or resources. It costs a different amount of money. The Governor is proposing this phased-in approach to modernizing the plan.

Opportunity Scholarships: You will soon hear about a needs-based scholarship contributed by businesses to be given to students to attend a private school.

Achievement School District: Again, if you think of the underperforming schools, then think about the 6 to 10 percent the Board would designate to be essentially turned over to the state for management. It is a measure of last resort. It is a district I hope you create and I hope is never used. I hope we improve those schools in their districts. We believe we need a measure of last resort and, as the Governor has said, to draw a line in the sand on underperformance.

Board and District Governance: You will most certainly hear bills on board and district governance and size of district.

Collective bargaining: You will hear bills in this Committee and in others on collective bargaining.

Safe and Respectful Learning Environments: It is not just the program for behavioral health; there will be a bill about the definition of bullying and the penalties for bullying, and the creation of an office within the Department of Education.

School Breakfast: While it no longer falls within my Department—it falls within the Department of Agriculture—you will hear a lot about school breakfast and lunch programs. You have a bill, Assembly Bill 107, on Monday that collects data about free and reduced-priced lunch. We will be talking about an amendment for breakfast collection so we know more about it. I sit on the Governor's Council on Food Security, so while it is no longer our responsibility, if a child is hungry, a child is not learning. You will hear several reform measures.

I want you to know that I am very proud of your system of public education. It has its challenges, it is an honor to lead it, and I look forward to working with you to make continual improvements to it.

Assemblywoman Diaz:
Have we decided on the different weights for different students, like ELL, free and reduced-priced lunch, and special needs?

Dale Erquiaga:
No. Each of the Governor's programs will be monitored so that we can calculate and know exactly what it costs Nevada. Recommendations were made by a task force, but we are actually going to price them out over the biennium.

Crystal Abba, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education:
I will use data to tell you a story. It is a story of data-driven reforms. It is what I hope is a very honest story because the data does not lie. However, part of being an honest story means there is some good news in here, but there is also a lot of bad news [PowerPoint presentation (Exhibit H)].

Let us start at the beginning. How did all of this start? This urge, this rush in the nation and in Nevada to improve college completion rates. In going back to 1996, the United States was second among developed nations in terms of the proportion of our population of young adults that had a degree or credential of value. We dropped precipitously and very quickly because by 2010 we were 14th among developed nations. From that, President Obama brought attention to this issue nationally. He said 14th was not good enough; we are going to be first, and to be first that means 60 percent of our young adults—individuals between ages 25 and 34—will have a postsecondary credential of value by 2020. That is a very lofty goal. Once he made that announcement, the entire nation jumped on board. There is the Lumina goal, the Bill and Melinda Gates goal, and the Complete College America goal, which Nevada has specifically joined. All of these goals are slightly different. Some vary by the date. Some vary by what they count. For example, regarding postsecondary credentials, Complete College America is focused on degrees and credentials of value. That includes certificates of a year or more and it also includes skill certificates.

The common piece with all of these goals is moving the college attainment needle. For the state of Nevada, it is a very difficult needle to move.

When you look at the percentage of young adults in Nevada with an associate's degree or higher, we rank 50th in the country at about 30.1 percent [slide 5 (Exhibit H)]. If you add in adults that are beyond age 34 and go to age 64, it does not get any better. It is 30.5 percent. I cannot stress enough how difficult this needle is to move. If you go back to 2005, the percentage for

young adults in Nevada was the lowest in the nation at 26.2 percent. That means in the last seven years, we increased four whopping points. At that rate to reach the 60 percent, it is going to take 52 years. We have to up the ante. We have to do more. We have done a lot in the past few years, but because it is a proportion of the population, we could not have picked a harder needle to move.

How are we moving the needle? Part of it is through our involvement with Complete College America. Under the leadership of Governor Brian Sandoval, we joined Complete College America in 2010. What it means for Nevada is that we have picked very aggressive goals for graduating more students. The number we picked is not a number that I came up with or the Chancellor or Board of Regents came up with; it is a number that was recommended by Complete College America for Nevada. That magic number is 1,064, but that number is to compound over years. We share that goal with private institutions.

If you look at our first three years of involvement with Complete College America as a state, we exceeded our goal every single year. The challenge, though, is that if you look at the amount we exceeded that goal by, it is starting to diminish. Each year it has gone down. What that means is that hill we have to climb is getting steeper as we get to 2020, and it will be harder to reach that goal as a state.

Part of what I will talk about today are the areas, the policy levers that we need to flip so that we ensure we meet those goals. Even at that it will be a challenge.

Complete College America has focused us in on this issue of the skills gap. We know that by 2020, 58 percent of jobs in Nevada will require a degree or certificate of value. We are at 30 percent now, so the gap is 28 percent.

The Georgetown Center for Education and the Workforce has given us this number and talks about actual positions [slide 8 (Exhibit H)]. They have projected job growth from 2010 to 2020. For Nevada, the greatest growth will be in the area of positions that require a degree or credential of value. What is most interesting about that is when you look at postsecondary, the biggest growth, 45.3 percent, is in certificates. That is an area we have done a great deal of work on, but more work is needed.

One of the things that Complete College America has drawn our attention to, and we knew before, is this issue of the achievement gap. It is not so much a victory, because we cannot declare victory on the achievement gap because it

still exists. They show our accomplishments in the past ten years as well as what we still have before us in terms of a challenge.

If you look at the enrollment gap and go back to 2002 and compare our enrollment by the percentage of minority students versus the percentage of white students, you can see that there was approximately a 38 point gap. We have narrowed that down to 7 points. I expect that within the next ten years, maybe even within the next five years, the gap will close even more.

It is a different story on the achievement side. In all of the awards conferred, we have made a lot of progress. We have gone from a gap of almost 50 points to a gap of about 30 points. We are closing that gap, but it is still something that we cannot ignore. If we do not close that gap, long term, we will not hit our goals for Complete College America, and we will not move that college attainment needle.

Here is a little bit of good news. Awards conferred by race and ethnicity, again a ten year comparison, have had a 64.7 percent increase. For minorities in general, it is a 158 percent increase. There are obvious areas where we need to do work, and one of those areas is for American Indians or Native Alaskans; 15 percent is not good enough. Going from 92 to 106 awards conferred is not good enough. We have done well with our Hispanic population, but where is much of that work occurring?

The slide on page 11 of my presentation (Exhibit H) shows the breakout of awards increase by race and ethnicity, and we can attribute a lot of our success to community colleges in terms of increase of awards conferred. What is really important to remember is that it does not include the skills certificate. It only includes certificates that are 30 credits or greater. All of this data is what we report to the National Center for Education Statistics and our Integrated Postsecondary Education Data System (IPEDS) warehouse.

Until recently we did not report on skill certificates, the certificates that are less than 30 credits. Today, for the first year that we counted them system-wide, we awarded almost 2,500 skill certificates. That is not included in any of the national figures for Nevada because it was inconsistently reported to IPEDS. Only one institution was reporting them, and they were not reporting on all of the ones we have identified since then. There was an outcry that came partly from the performance pool. The community colleges were saying, wait, we have this huge body of work that we are doing in certificates that are less than 30 credits, and we are not getting credit for it. One of the first things we had to do was figure out how we count what counts. We worked with the institutions to identify those skill certificates that lead to a state, national, or

industry certification. There are about 80-plus of them. They include things like heating, ventilation, and air-conditioning training, auto repair mechanics, phlebotomy, certified nursing assistant training, data networking, and other information technology types of certificates. This is all training that leads to a state, national, or industry certification. We are now including these in our performance pool metrics. We are including them in our accountability metrics, and the best news is that we are including them in our Complete College America goals. That is something they recommend.

Assemblywoman Swank:
In reference to the awards conferred by institution type by population 10 years apart, how much is attributable to the general increase in the number of American Indians, or Alaskan Natives that are living in a certain area? Say in 2002, we had a number of American Indians living in a certain area, but it is a greater number in 2012. How does this take that into account?

Crystal Abba:
It does not. I actually do not have a way to gauge that because we do not link outside of college attainment, but there are no college attainment numbers broken down by race and ethnicity. College attainment is the proportion of the population that has the degree or credential. You are asking a great question. That data is just not out there.

Assemblywoman Swank:
So the percent change could just be attributable to an increase in population and not an increase to awards conferred, correct?

Crystal Abba:
That is really optimistic for a state that does not have a college-going culture. I do not think that is the case. You could attribute some of it to increase in population, but if you look at the hill we have to climb, there is no way we would have made the progress we did, especially in the past five years. Maybe it would help if I showed you the percent changes for just the past five years when we started to flip the switches on all of these. I can provide that to you. You have an idea of what our focus is and how we measure it. Obviously, we are very focused on graduating more students, and the needle we want to move is the college attainment needle, which is a hard needle to move.

Now I am going to talk about some of the policy levers. These are all levers that are recommended by Complete College America, and I will tell you that we have been incredibly aggressive. If they say do it, we give it the old college try. All of these levers have one thing in common—to improve the number of students we are graduating.

One of the first things we did was a policy to limit the number of credits required for an associate's or bachelor's degree to 60 and 120 credits, respectively [slide 14 (Exhibit H)]. There are, of course, exceptions to that. You cannot get an engineering degree in 120 credits; it is more than that. Going back seven or eight years ago, many of our programs were 124 or 128 credits, and you cannot do that in four years. We want to get these students out in two or four years. That was the impetus for that credit requirement. If you look across the nation, they were doing the same thing. Many states have adopted policies that have this type of limitation.

The second item is the low-yield policy. We have been asked what we are doing to keep an eye on our programs. How do we know our programs have integrity? What we refer to as the new program and the existing program review require institutions to review programs on a regular basis in the context of degree productivity. Institutions must develop a plan for increasing productivity or eliminate the low-yield program. New programs are reviewed at the first, third, and fifth years and, basically, it is a litmus test. For new programs we are trying to see if we brought in and graduated a certain number of students as predicted, and if that is actually happening. Then we have an existing program review performed on a ten-year cycle, and in many cases, the institutions bring in external groups who do that review. I cannot adequately stress the importance of these reviews. They are what ensure the integrity of our programs.

In the past five years, through a recommendation of Complete College America, we took it a step further. The Board of Regents adopted the low-yield policy. What that basically says is that the institutions have to do the very difficult job of evaluating programs, and if they are not meeting certain productivity yields, then they either need to come up with a plan to increase those yields, they need to merge the program with something else, or they need to eliminate it. What we have asked the institutions to do, again, with the eye on graduating students, is if you have a program and you are not meeting those thresholds, you have to tell us why, then you have to take the steps to remediate it.

Finally, the policy that no one likes is the excess credit policy. I refer to it as the tough love policy. What we are basically saying is that if you are a student and keep changing your mind and keep hanging around, you are going to pay more money. We have aligned this with federal financial aid policies, which begin to wane at about 150 percent. If you accumulate 180 credits for a 120 credit degree and have not figured it out by the 150 percent mark, then you are going to pay a 50 percent surcharge. The students hate it. When we look at every record of students who have complained about this, they are the students we are targeting.

There is a positive effect from this, however. When this policy went into place, the Board was very stringent in saying to the institutions that they must let the students know when they get close to that threshold. What we have found is that many came forward and did not know they were close to graduating. We had a slight uptick in our graduation because they were realizing that if they did not graduate soon, it would mean more money out of their pocket.

There are two components to performance-based funding, and we have done a great deal of work in this area. The first is a base formula driven by course completion.

Assemblyman Flores:
Do you have any data that demonstrates if you are reaching the limit of taking too many credits, how many students have dropped out as a consequence? I am not saying that it is happening; I am just wondering if it is happening.

Crystal Abba:
I cannot tell in the data if the reason they dropped out is because of the excess credit fee or if they dropped out because something in their life got in the way. Particularly at the community colleges, many of those students are going part time. The data that I do have and shared with the Board when the policy was adopted showed the number of students that were getting close to the limit or at the limit. I do not remember what those numbers were, but I would be happy to share with you the data we gave to the Board of Regents. They are not great numbers.

I talked about the base formula, and then there is the performance pool. The key with both of these is that for the first time, we are talking about outputs instead of inputs. Approximately seven or eight years ago a presentation was given to the Board of Regents focusing on graduation rates and how pathetic they were. The reason given was that the institutions were not being incentivized to graduate students; they were incentivizing the institutions to enroll students and there was no reward for graduating them. The entire conversation on that has changed [slide 15 (Exhibit H)].

With the performance pool we have selected metrics. They are metrics measuring how the institutions are doing. These metrics are aligned with institutional mission; the state's goal is to graduate more students, and the Board of Regents' goal is to graduate more students. Again, it is all about moving the college attainment needle.

You have heard the criticism before that the challenge with the performance pool is that it is all carrot and no stick. That is because it is a carve-out, not

new money. We have set targets for four years. For the first year of the performance pool, all of the institutions except two achieved it. For the second year, all of the institutions except one achieved their goals. There is a provision in the performance pool that if you miss your goal in the first year but exceed your goals in the second year by the amount you missed it by in the first year, you can get those additional dollars back. The two institutions that did not hit their targets in the first year did earn that money back in the second year. If it turns out in the second that you do not earn that money back, we take that money and distribute it across the system for need-based financial aid.

During the pre-session budget hearing, Assemblywoman Swank asked a question of the Chancellor, and I found it incredibly thought-provoking and have given it a great deal of thought. The question was what are the most significant barriers for students between matriculation and graduation? I cannot remember what the Chancellor said, but I will give you my answer. Then I am going to give you Complete College America's answer.

If you look at the statistics for our system, there are a lot of factors that contribute to why we do not get students out at the rate we want. One of the most significant factors is it is a considerable challenge when students enroll in our institutions and are not prepared for the rigors of college-level coursework. It is disingenuous when we put them there unless we can fix that problem. That is an area we have to work on and have been working on. We are seeing some success, but we need to do more.

The second piece relates to a time when Nevada led the nation in terms of part-time students. I do not know where we are on that now, but we have a lot of part-time students. The challenge we have with part-time students—a statistic no one likes because we always like to make excuses for why students need to attend part time—is that part-time students do not graduate at the rates they need to be. I am going to show you data that is incredibly disturbing in what those numbers look like.

What does Complete College America say on why we are not graduating students as a nation (Exhibit H)?

Number one, it is the new normal—nontraditional students juggling family, jobs, and school. It is not like when I graduated from high school and my parents drove me to college, dropped me off, and four years later I was finished. No questions asked. Most students today do not necessarily matriculate right after high school, and for those who do, they go part time. They go part time because they are struggling to pay for themselves and often are supporting a family. This is a huge issue in terms of affordability.

The second part is students of color and the issue of the achievement gap. We need to do more to support those students who have a number of challenges. Students are taking too much time to complete because they keep changing their mind, but more important than that, they are going part-time. It is really hard to graduate in four years when you are taking six credits a semester. That is part of the beauty of the 15 to Finish campaign. One of the pushbacks we have encountered is that students do not know that if they do not take 15 credits they are not going to graduate. That is the message we are trying to convey to students.

Given the challenges we have, our big areas are affordability, remediation, and enrollment intensity. Those are all policies and programs we are working on.

Assemblyman Hickey:
If remediation is the challenge that it is, and we have shifted from inputs to outputs—in other words, we are no longer just saying we are successful by the number of students that enrolled, rather we are only going to be successful by the number of those that graduate—then one of the barriers to reach those graduation levels is that students are not prepared enough for college. An obvious solution to that is to raise academic standards or admission standards for college. Have we done that? Are we serious about not just thinking it is about access, but it is about getting students to complete?

Crystal Abba:
There are two parts to that. One, in the last decade, we have increased admission standards at the university level. I cannot remember what the exact grade point average (GPA) range is, but yes.

The second part to that is that access institutions do not have admissions criteria. There is a provision for the community colleges that those students must come to our doors with a diploma. However, part of the philosophy of a community college and an open access institution is that all citizens have the right and opportunity for that education.

Remediation, in some respects, is a necessary evil because if you look at our remediation rates and set aside recent high school graduates, a big chunk of those that we remediate are just like you and me who decide to go back and get, for instance, a dental hygiene certificate and need some mathematics for it. If I did, I can tell you, I would be in a remediation class. It is a different story with recent high school graduates, though. The way the dialogue is changing is that, we are no longer focusing just on the remedial rate because if you look at the enrollment rate, we were right at about 33 to 35 percent. If I used that old methodology today, that rate would have dropped to 27.8 percent. I could

declare victory, but it is misleading. That number did not capture the actual students who were identified as needing remediation. It was only the students who were told by someone that they needed remediation and then enrolled.

Part of the way we are changing the dialogue on that is making sure we get students, not necessarily through remediation, but get them through the gateway course. What we know from the data is that students who complete the gateway courses, especially in mathematics, within one year are significantly more likely to graduate. That is the way we are changing the dialogue. That is a completely different conversation than we have been having for the past 15 to 20 years on remediation as we all wondered why the rate is staying the way it is. We thought we were doing something better. We had the wrong pieces of data.

Part of the reason we reported it the way we did is because that is what the Legislature asked for in 1997. In 1997 that was the only data we had. Today, our data systems have improved and because of that, instead of giving you a portrait picture, I can give you a landscape picture [slide 18 (Exhibit H)]. I can capture things in that data that I never captured before and give you a more accurate picture. The 55.6 percent is not flattering, but at least now I know what I am dealing with.

Assemblywoman Diaz:
Why do we have so many part-time students in Nevada? We assume many things, but what are the students themselves telling you? Why do we have so many, and what percentage are minority students?

My next question is on slide 16 of your presentation (Exhibit H). You had a component that said you need to focus on the achievement gap by supporting underrepresented student populations. What are we doing in order to satisfy that recommendation?

Crystal Abba:
Let me start with your last question. A good source for that is our diversity report. This report is available on our website, but I will send it to you directly. I will not take time to articulate all of the contents, but in that report at the very back of it, it includes a summary of all the types of programs that institutions have in place and what they have in terms of plans to support students of color and underrepresented populations.

Why so many part-time students? The biggest and most significant reason we hear from students is they cannot afford to go full time. They have to support themselves or their families. Some of it is cultural. There is an expectation in

some cultures that they need to work full time. When you are working full time, it is going to make going full time to college that much more challenging.

Your question in terms of the demographics of part-time students is an excellent question. We have that information on our website, and I recently went back and looked at the overall population, then looked at the percentage of part-time students. It actually mirrors the overall population. When you look at the whole system, about 50 percent of students are minority. If you look at it for full-time students and for part-time students, it is about 50/50. You do not begin to see variation in that until you look at it at the institution level. For example, College of Southern Nevada's part-time population has more minorities. They have 60 percent minorities. Again, that mirrors the 60 percent of the overall population. Another example that is a reflection of a service area is Great Basin College in northeastern Nevada. Their percentage of part-time students that mirrors the overall minority population is 28.7 percent. I can put more information on my website.

I have spoken to this Committee before regarding a bill in the last session. There is a difference between the base registration fee. When we have a conversation in this state about affordability, historically it has been on the base registration fee and we whip out the Western Interstate Commission for Higher Education (WICHE) median and we say, look at us compared to western states, we are affordable. That is misleading because the conversation of affordability is not about the base registration fee. When you talk to most part-time students, it is not that they cannot afford $84.50 per credit to go to a community college; they cannot afford to forgo the wages they will need to forgo so they can go full time. That is why, for an honest conversation about affordability, you have to talk about the total cost of attendance and not just about the base registration fee.

To put that into perspective for you, the annual total cost of attendance is $18,000 for the student living off campus attending a community college. That is a lot different than the $2,500 we compare ourselves to in the WICHE tables.

The other issue with affordability is it is purely subjective. What is affordable to me may not be affordable to you. That subjectivity comes in the fact of the variation of income levels. The equalizer for all of this is financial aid. We can put everybody on even footing and ensure that college is affordable through financial aid.

A statistic that is probably not shocking is participation rates increase by income levels and by college graduation rates. You are more likely to graduate from college if you come from a family with higher income.

I cannot stress enough the issue of affordability—perception is everything. What does that mean? If you are a student from a low-income family, chances are your perception of the price tag is wholly inaccurate and you have bad or no information about financial aid. What do you do? You do not decide that you are going somewhere else; you decide not to go, versus a student from a middle-income family, who is more likely to have someone at home that will provide them better information about financial aid. When they think they cannot afford, they do not say they are not going to go like the low-income student did, they say they say they are going somewhere less expensive. They may not go to a university and instead go to a community college. Affordability is about changing perceptions, and you cannot change perceptions unless you give people good information.

If you compare Nevada to the U.S. average on the percentage of income when you are just looking at the price tag, we look good, especially for two-year institutions—4 percent is below the national average. However, it is misleading.

Now we are changing the conversation to the total cost of attendance. The difference is when we consider the total cost of attendance, less financial aid, the net price. Are our access institutions affordable? The answer is no. We are last in the nation, the least affordable in the country. What I want to draw your attention to are the colored boxes on the side of slide 27 (Exhibit H). We have lost ground through the recession. If you look at this same data for 2007, we were the seventh-least affordable. By 2008-2009, the data I provided last session, we were third, and today we are the least affordable in the country. Why is that? During that time period the median family income went down and tuition and fees went up. Financial aid went up, but it did not keep pace with tuition and fees.

How big of a problem is this? How many families actually fall into this affordability category? This is a difficult question to answer, but if you look at projects like the Working Poor Families Project, they define low income as someone whose income is within 200 percent of poverty. If you look at the poverty level in 2012, it was about $23,000. Within 200 percent would be $46,000. If you look at the families in this state that are below $50,000, in 2012 in Nevada that was almost a half a million households—458,000. It is a legitimate problem.

It gets worse. What is it for families in the lowest income quintile? How much do they have to spend of one year's income to go to a community college? Sixty-two percent. National experts recommend that you spend about 30 percent on your mortgage. Who in their right mind is going to spend 60 percent on a college education? They cannot afford it, so they do not go.

That is why we have a participation rate among low-income families among the least in the nation, 6.4 percent. The reason these students are not coming to our doors is because they cannot afford it, and because their perception of the price tag is so overblown in their head, they do not come. How can we combat that? Through more financial aid and through having a dialogue with these individuals in making sure they are aware of what is out there in terms of financial aid.

Assemblyman Elliot T. Anderson:
Can you give us some context of how the Legislature affects affordability? When we get rid of state support, what happens?

Crystal Abba:
What can you do? A state-supported financial aid program. Many individuals think the Millennium Scholarship is good enough. It is not. It does not come close to covering the costs we are talking about. The states that are leading the way have state-supported financial aid programs. We have fee-generated aid. That means we take a piece out of what we collect in the base registration fee and set it aside for student access. We have targets in Board policy that we have to hit, but that is not, in the long term, a sustainable public policy because we cannot put the affordability issue on the backs of students. We have a responsibility at the state. If you are going to ask us to keep increasing and to move that college attainment needle, there is no way to do it unless you address the affordability issue. You can do that through a shared responsibility model where you ask the student to be responsible for a part, the federal government will pay for a part via the Pell Grant, and the part that is left over, the state will pick up that cost. There are ways to manipulate those models. If you look at the state of Oregon, they have done an incredible job and are leading the nation in this discussion.

Assemblywoman Swank:
When I was a professor at the University of Nevada, Las Vegas, I would give my students two talks. One, study abroad. You can always come back to Las Vegas. The second was take out student loans. The thing I always heard was that a student could not go full time because they would not take out student loans. Even if we had the financial aid, you have an uphill battle and resistance just to get students to consider taking out student loans. I asked them if they had rich parents that were going to pay for this. This is the equalizer. Getting that message across is going to be a big part of solving the problem also.

Crystal Abba:
A student loan is an investment in yourself, but I think we have a problem when we do not graduate those students that get student loans. I have some disturbing data on that. We have started to track cohorts of students where we asked what the federal government's investment was in them in terms of financial aid, Pell Grant, student loans, Millennium Scholarship, and fee-generated aid. Looking at a cohort of students who entered as new students in fall 2007, there were about 7,000 that did not graduate, and guess how much money we invested in those students, including student loans? For only one cohort, we invested $40 million. How much money did we invest in the 2,500 that did graduate? We invested $48 million.

We have a lot of money out there that we are investing in students who do not graduate. That is why we are trying to press those policy levers to get them to the finish line. It is not good enough, and it is disingenuous to say to a part-time student to take a student loan and it is okay to take three or six credits, but we also have to tell them their likelihood of graduating. No one likes that message. I have had that conversation with a lot of advisors across the system.

This brings me to the 15 to Finish campaign, which is an enrollment intensity and student achievement campaign. It is not about every single student in the system going full time. This campaign is very specifically targeted at the 18- to 24-year-olds. I also tell advisors that when you have a single mother who is 40 years old pushing a baby stroller who comes into your office to be advised, you need to have the conversation with her about what her likelihood of graduating is before she takes this on. We need to be more honest with our students. What we know from national data is that students who enroll full time in their first year are more than twice as likely to graduate.

What does it look like for Nevada data? If you do not take away anything from what I say today, please look at the bottom pie [slide 30 (Exhibit H)]. What is the graduation rate for students at our community colleges who enroll in less than 12 credits in their first semester? It is 2.6 percent. That means 97 out of 100 of them do not graduate. If I could get half of that 97 to graduate, do you know what that would do for Nevada's graduation rates? What we know from the data is that if you make school a priority, and it becomes something you are doing full time, you are significantly more likely to graduate. From a community college standpoint, you go from a graduation rate of 2.6 percent to 22.6 percent. That is the message behind 15 to Finish. We want students to graduate on time, and to graduate on time it would help to take 15 credits. There are other ways to graduate. You can go 12/12/6, but the idea is momentum behind 30 credits. There is something magical about that for

students. I do not know if it is suddenly you are a sophomore and not a freshman, but I think some of it is sunk cost. They realize they have hit that magic 30-point mark, and it significantly increases their likelihood of being on the path to graduation. You cannot get there if you walk in the door and say you want to take 3 credits.

Assemblyman Elliot T. Anderson:
The last pie you referenced on slide 30 (Exhibit H), do you have that broken down by demographics?

Crystal Abba:
Does race or ethnicity impact those rates? The answer is no. The color of your skin does not matter. If you take more credits, you are more likely to graduate. The variation is interesting, but the bottom line in the trend is the same.

What are the other factors we looked at? What we know from this data, not only in Nevada, but in other states that have had 15 to Finish campaigns, is that academic preparation does not matter. In other words, if you come in and are placed into a remedial course—this is the proxy we used because I did not have ACT scores or high school GPA—even those students who need help, if they take more credits, they are more likely to graduate. You also have a higher GPA.

How did we get the word out? There is a website with promotional material that we have created. We did posters and T-shirts because the demographic we are trying to attract are the 18- to 24-year-olds. The place to target is student orientation. This message is embedded in student orientation. When Hawaii did this, they said their weak link was advisors. You have got to change the attitude of advisors and make sure they are on point with this message. At the system level, we said we will help the institutions carry that burden, and we held eight or nine advisor workshops. The best thing that happened with those workshops is that the people who were the biggest opponents to this, by the end, became our biggest supporters once they understood the data.

Slide 34 (Exhibit H) is a poster that was created by University of Nevada, Reno. Part of their way of getting the word out is they went around to students and asked what 15 to Finish meant to them. One student said she was in 15 to Finish so she could be a role model for her siblings and the next generation. The other said she was taking 15 credits so she could travel while she was young. I do not make this stuff up. They get it and embrace it. These students are on their way to graduation.

Finally, has all of what we have been doing mattered? Yes. If you look at the list of what we are on slide 35, and look at the change in degree productivity for the first three years of Complete College America only, we were sixth in the nation with a 21 percent increase. The really impressive thing about this is it does not include the skill certificates. If you put the skill certificate into this number, which we will do going forward, we would be even higher on that list because we are ahead of other states in terms of reporting that data to IPEDS.

Assemblyman Armstrong:
Why are we waiting until student orientation to get the word out? Why are we not targeting them while in high school to put this thought into their heads when they are planning for college.

Crystal Abba:
We are. Recruiters were part of that discussion as well. We are getting the message out there pre and post.

Assemblyman Munford:
What do you think about President Obama's proposal for community colleges to be free? There was a time in California when all of the community colleges were free. They were just connected to the high schools, and you just kept on going. California had a crisis after World War II of uneducated people drifting in, and their state legislature decided they had to do something about it. They started educating the people and made the colleges free. The community colleges are the bridges to higher education. The connecting link. What do you think about free college?

Crystal Abba:
I am going to be totally honest. I think the intent behind free community colleges is absolutely laudable, and you are absolutely right if that is a way to maintain access. The challenge, though, is that nothing is free. My understanding of the President's proposal is that it is based on the Tennessee Promise program, and if you listen to national experts, even people in Tennessee, they will tell you that program was a mistake because it benefits the very people that do not need it because it is a last-dollar-in program. What that means is that you look at what the student received in terms of Pell dollars and other awards, then you fill in the gap. When you make it free for everyone, you are benefiting the people who are not getting the Pell awards. For some states where they have put in college readiness pieces, if they had merit scholarships, then you are benefiting people who did not qualify for those programs. It is a wonderful idea, but nothing is free.

Chair Woodbury:
I will now open the hearing on Assembly Bill 111.

Assembly Bill 111: Revises provisions relating to the Governor Guinn Millennium Scholarship. (BDR 34-258)

Assemblyman Randy Kirner, Assembly District No. 26:
The intent of the proposed legislation is to align with some of the information you have just seen. The Millennium Scholarship award is calculated on a per credit rate for a maximum of 12 hours per semester. The unfortunate reality is that a 12-credit cap is working against student success because it encourages the students to take less than the 15 credit hours needed to graduate.

The proposed legislation increases a maximum first semester award to 15 credits. I phased that in over three years as a function of a fiscal note to encourage a timely completion of a student's degree and to support the state's completion agenda.

In addition, the Millennium Scholarship students attending a community college may receive the Millennium Scholarship award by enrolling in as few as 6 credits now, and that would go to 9 credits effective August 1, 2015, and go to 12 credits August 1, 2016.

The university system recommends increasing the maximum funded credits from 12 to 15 and increasing the minimum credit load for community colleges from 6 to 12, thereby again aligning themselves with their enrollment objective or graduation objectives.

The Board of Regents and the Nevada System of Higher Education have embraced the strong completion agenda to significantly increase the number of students who not only complete their degrees or certificates but also complete them on time: four years for the bachelor's degrees and two years for the associate's degrees. You have heard about the 15 to Finish initiative, so I will not go into that.

The benefits of taking 15 credits per semester are not only intuitive but also compelling. Students who take 15 credits per semester are more likely to graduate, pay less in tuition and in living expenses, accumulate less debt, and gain additional years of earning.

You have seen some of the statistics, and I would invite you to go back to slide 30 (Exhibit H) of Ms. Abba's presentation. You can see how important it

is that the system encourages students to take full loads. The disadvantage of not taking full loads is that we are spending Millennium Scholarship money, which is a merit-based system, not a need-based system, on students whose likelihood of graduating is not very high.

Assemblyman Edwards:
I have a question about the reimbursements for the first semester hours. There are some limitations that state that if you are taking 15 credit hours, you will only be reimbursed up to 13 credit hours initially, then 14, then ultimately 15. Since the overall value of the Millennium Scholarship is going to stay the same, why would we put a limit on that since we also want to make sure that they are taking a full load and that it is accessible and affordable? It seems inconsistent to cut out those additional credit hours per semester.

Assemblyman Kirner:
The bottom line is that it is a function of the fiscal note to spread that note out to make sure we can get this accomplished.

Assemblyman Edwards:
Why would we limit the amount of reimbursement to the student if they are taking 15 credits?

Assemblyman Kirner:
There is a total of $10,000 that a student can get. The fiscal note comes from cash flow, and it comes from investment returns. This means that if you went to 15 credits right now, the fiscal note reflects the fact that you would not get investment returns on the money that is in the Millennium Scholarship. That is why I have spread that out.

Assemblyman Edwards:
Do we know how much difference we would need in the cash flow and investment returns to put the reimbursement at 15 credits?

Assemblyman Kirner:
To put it at 15, you would need $6 million.

Assemblyman Edwards:
Would that not fit better into the overall program of making sure?

Assemblyman Kirner:
It would; I just do not have $6 million. I am from the north, so I think about Western Nevada College, Desert Research Institute, and I think about Great Basin. All of those institutions need what they call bridge money. That

has been excluded from the Governor's recommended budget. If we could save $2 million and pass it to Western Nevada College, I would prefer to do that.

Assemblyman Armstrong:
I am under the same impression. I am looking at the fiscal notes on the Nevada Electronic Legislative Information System (NELIS), and it is not showing what the note for NSHE is. If enacted, it appears this legislation would have no impact on NSHE or its institutions. If there is not much of a fiscal impact, why is that unlimited?

Chair Woodbury:
Mr. Armstrong, are you looking at the fiscal impact? No impact on the local government but yes on the state?

Assemblyman Armstrong:
Further down it says there is a projected increase in disbursements from the Millennium Scholarship from $5 million to $6.5 million. Is that separate from the General Fund? Is the Millennium Scholarship outside of the state's control?

Assemblyman Kirner:
The Millennium Scholarship is a trust fund, and right now we have no solid funding mechanism to the Millennium Scholarship. Without additional funding either in this session or future sessions, it would not last forever. At some point we are going to have to have additional funding, like in the last special session when we added $2 million to it. In future sessions we will have to figure out a funding mechanism.

Assemblyman Hickey:
The Millennium Scholarship was part of a trust. It was originally tobacco settlement monies, and we have been whittling it down and are now challenged with making it last as long it can or resubsidizing it. It is part of the reasoning for your Assembly Bill 111. Would it make the money go further, in a sense, if students achieve more quickly the use of 15 credits per year? I know there is a limit of $10,000, but is part of this to make our money go a little further as well as the other benefits of helping with graduation rates?

Assemblyman Kirner:
I think you are asking me if we phase this in over three years, or the community colleges continue phasing the money in over two years, will the money go further? In fact, if the fiscal note is based on investment returns, if you have that money in the bank a little longer, then you have the opportunity to earn money. Yes, it would make it go further.

Chair Woodbury:
Ms. Abba, do you have anything to add to Mr. Armstrong's question?

Crystal Abba, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education:
Thank you, Mr. Kirner, for introducing this bill. We will be testifying neutral on this because our concern is that we cannot predict the impact that going to 13, 14, or 15 credits will have on changing behavior. As you know, most courses are 3 credits. Presently, if you are taking 12 credits, you are getting full funding. If you go to 15 in that first year, you will only get partial funding, one third of that course covered. I do not know if that is enough to change student behavior. We are asking that you go full throttle from 12 to 15 credits. The reason is that 2020 clock is ticking very quickly. This is an investment in students, and we are hoping that it will pay off long term in terms of moving that college attainment needle.

Mr. Kirner is absolutely correct in that this fund is primarily tobacco funds. There is a provision for unclaimed property to occasionally go into the fund. There have been infusions of General Fund dollars in the past, but that money is not going to last forever. The challenge we have right now is when we are telling students to take 15 credits and 15 to Finish, what we hear from them is that their Millennium Scholarship only covers 12 credits. We are trying to eliminate that pushback and align the two programs.

Assemblyman Kirner:
I totally concur with the sentiment that we could require 15 hours, but I am the kind of guy that says we need to be able to pay for it too. My concern is that we do not have the money right now to pay for it. If there were a way to do it now, I would buy into it 100 percent. I am a fiscal conservative.

Chair Woodbury:
How much is in the fund right now?

Crystal Abba:
That is a question for the Treasurer's Office.

Grant A. Hewitt, Chief of Staff, Office of the State Treasurer:
I do not have the exact number of what is currently in the account. I can tell you that if we move to 15 hours under Assembly Bill 111, we run into problems in fiscal year 2019 with funding. If we go full throttle, we will run into problems in fiscal year 2018. Today, with no change to the program, the fund would be depleted in fiscal year 2021.

Chair Woodbury:
Do you have a ballpark figure?

Grant Hewitt:
I will get back to the Committee. I do not want to give you one that is inaccurate.

Assemblywoman Swank:
I am concerned about the phase-in also. Students are going to look at that and say they have one credit covered. They have these 12 credits, and then the 13 credits give them one extra credit. They will be looking for a one-credit class. They will not be thinking about it as one third of a class. It is going to be confusing.

Assemblyman Edwards:
I am always trying to come up with a solution and an alternative. The Governor did mention that he was going to put in $10 million for those who are excelling in school. Could some of that money be used, and if not, does it just become a matter of finding the additional $4 million to $6 million?

Assemblyman Kirner:
This is a budget issue, so this Committee will basically take a look at the policy and decide whether that policy is something you want to support or whether you just want to refer it. The Assembly Committee on Ways and Means will end up deciding. If the Governor has suggested $10 million for this program, and you want to repurpose that to the Millennium Scholarship, that is fine, but that is what happens. We will see what Ways and Means does. We have to put the budget together before we close, and it has to balance.

Assemblyman Elliot T. Anderson:
Recognizing that we are not the Assembly Committee on Ways and Means and that they are going to deal with our bills, why, as a policy committee, do we not just clearly state this is the best policy? I do not know if 15 is the best, but I do not know about 13. It should be in 3 credit increments. Every once in a while you have a *Nevada Constitution* class or a lab that would get you that fourth credit. The policy is good; I just want to make sure that we are not watering it down before sending it to the Assembly Committee on Ways and Means.

Assemblyman Kirner:
I appreciate that. Today, a student will take 15 credit hours, get reimbursed through the Millennium Scholarship for 12. If they take the same 15 credits,

I would encourage them to get reimbursed for 13, then 14, then 15. I do not see a definite downside to that.

Assemblyman Elliot T. Anderson:
On a personal note, I have made myself unnecessarily miserable by doing law school part-time. I really wish I had gotten it over with by now. I would encourage you from personal experience to provide all of the impetus in the world to convince students to get school done more quickly.

Assemblyman Kirner:
I certainly agree with getting school done more quickly since I graduated in three years and have ten years of post-graduate work. I am finished with school.

Assemblyman Armstrong:
I started off part time in law school and then went full time so I could finish more quickly. I am glad I did that.

My question is more for the Office of the State Treasurer. From your fiscal note, it says that the State Treasurer's Office reviewed the bill draft request and cannot determine its fiscal impact at this time. Your testimony seemed to contradict that. If you did have the numbers, why are they not included in the fiscal note?

Grant Hewitt:
The way we see it, the maximum payout never changes. The actual intent of the scholarship at $10,000 has already been accounted for. This is a cash flow issue in 2018 or 2019. In terms of actual impact on the program, $10,000 was already accounted for.

Assemblyman Flores:
In drafting this bill, what is your perspective or analysis of the effects that it could have on working students? Having been someone who worked through my undergraduate work and law school, I obviously had a huge burden and responsibility, and things like the Millennium Scholarship were pivotal to my success. I would not have that success without that support. I think of other individuals who share that sentiment or experience. Changing these requirements for someone working 30-plus hours, and having a mandate by 2017 to be taking 15 credits to qualify for the Millennium Scholarship, I think you must have come to a crossroads and analyzed this to come to this conclusion. I would like to know some of the reasoning.

Assemblyman Kirner:
The goal is to get to 15 hours per semester. If you only take 12, you still get the Millennium Scholarship. It does not say as a minimum you have to take 15. The exception to that is at the community college level. At the community college level it is now 6, which would go to 9 in August 2015, then 12. Perhaps your question is more focused on the community college. We have limited resources; it is a merit-based system, and we want to focus those resources on those students who will complete college. It is all about completing college in a timely manner.

Assemblyman Flores:
I understand. I did not know it was only about completing college. I thought it was also about helping some of our more vulnerable populations.

Chair Woodbury:
I will take testimony in support of A.B. 111.

Grant Hewitt:
We are in support of this piece of legislation. It does match with our mission of ensuring the students get to college and graduate. We are trying to accomplish that through a number of different programs. We do hope the Committee will entertain expanding the amount per hour that the Millennium Scholarship pays per credit hour and in adjusting the amount it pays overall because we should pay for tuition. When the program started, it did cover the cost of tuition. It does not today.

Chair Woodbury:
Is there anyone else in support of A.B. 111? [There was no one.] Is there testimony in opposition?

Frankie Perez, Private Citizen, Reno, Nevada:
Before attending the University of Nevada, Reno (UNR), I was a student at Western Nevada College (WNC). I graduated from there with my associate of arts and transferred to UNR. While at WNC I had the opportunity to be the President of the Latino Student Club, and I saw how hard many of my fellow members worked. Many of these students are not just working for themselves but to provide for their families. I understand that it is not need-based, but if they did the work through high school, I believe they should be entitled to the Millennium Scholarship. It should not be made less accessible to them.

I just would like to be on the record in asking the Committee to reconsider raising the credit hours from 6, to 9, then 12. Thank you.

Astrid Silva, Organizing Director, Progressive Leadership Alliance of Nevada:
I am also in opposition to the provision that increases the amount of credits a student must take. As Frankie Perez mentioned, we have a lot of families that are working that are putting themselves through college, and they have the merit, as Assemblyman Kirner pointed out. Instead of taking that away from them, we should be able to encourage them. Many people do not have the ability to go to college full time. They are working two and three jobs to be able to maintain themselves in school. While I do agree that people want us to be able to spend fewer years in college, not everyone has that opportunity. Instead of deterring people from finishing their education, we should be encouraging them to do so.

Alejandra Romero, Member, DREAM Big Vegas:
Many students who cannot be here tonight would like to say, in opposition to this bill, that they have been facing obstacles and are trying to go to school full time, going through hoops and over hurdles. Not all of us have the privilege to go to school full time. Many of us have to take care of our families and not just work to pay for school. I do believe the dialogue here should be to switch it up to show how we should be providing more resources to expand the Millennium Scholarship and not necessarily make it an obstacle for students to be getting that scholarship.

Blanca Gamez, Cofounder, DREAM Big Vegas:
I am against Assembly Bill 111. As an alumna of the University of Nevada, Las Vegas (UNLV), and having received two bachelor's degrees from UNLV, I understand how important the Millennium Scholarship was to me as a recipient. I would like to address the reference to having the provisions changed, forcing students to go to take more credits. If the provisions were to change creating obstacles for these students, it deters them from attending schools. It was a struggle for me personally having to afford school, and the Millennium gave me that opportunity to continue my studies. I am looking forward to going to law school, and the Millennium is one of the scholarships that helps me continue the path to my future.

Chair Woodbury:
Is there anyone else in opposition? [There was no one.] Is there neutral testimony?

Constance J. Brooks, Ph.D., Vice Chancellor, Government and Community Affairs, Nevada System of Higher Education:
We are neutral on Assembly Bill 111. We are supportive of the overall policy concept. As you saw from Vice Chancellor Abba's presentation, there is

overwhelming evidence to show why this legislation and policy concept are necessary. Where we differ has been the phase-in aspect of the legislation.

Chair Woodbury:
Mr. Kirner, are there final remarks?

Assemblyman Randy Kirner:
No, thank you.

Chair Woodbury:
I will close the hearing on Assembly Bill 111 and will now take public comment. Mr. Eppolito, we have your previous comments on the record so you can just pick up where you left off.

John Eppolito, Private Citizen, Incline Village, Nevada:
We knew that it was illegal for the federal government to maintain a national database. So what the federal government has done is pay the 47 states to create the same databases.

Then an agreement was signed with the two federally sponsored testing consortiums, Smarter Balanced Assessment Consortium (SBAC) and Partnership for Assessment of Readiness for College Careers. With that agreement, the testing consortiums had to make any and all data collected at the state level available to the federal government's Department of Education, or its designated program monitors, technical assistance providers, or research partners and to the Government Accounting Office, and the auditors conducting the audit required (Exhibit I). Basically, any education company who asks for the data can have it.

I believe Nevada specifically is still the only state in the country to take the position that parents would have to pay to get that data on their own children that the rest of the world gets for free. They had to change that because the U.S. Department of Education stepped in.

I have four children, and when I wanted to see the data on my children, I was told I had to pay $10,000. I spent four hours at the Nevada Department of Education going over the data for my children. Every one of my children had erroneous data. My two youngest children had only been in the system for a year, and they had numerous erroneous addresses. My two oldest children, in the 8th and 11th grades now, had over 30 erroneous addresses for each child. In addition to the erroneous addresses, there were several fields of coded data that the Department of Education could not tell me what they were, other than they were related to tests.

The erroneous addresses attached to my children were actually for other children in the Washoe County School District, just not my children. What no one can still tell me about the coded data that is related to the test scores is, do we know for sure that it belongs to my children or the other 30 children with erroneous addresses? We do not know. That is just my children. What about the other 450,000 children in this state? We do not know if this data is accurate.

What the Department of Education said is they do not know of any problem with the system. It does not sound as if they are working to correct anything. If nothing goes wrong, we do not know if the data is correct.

Every day we hear of data breeches. No one can guarantee us this student data is safe once it leaves the local school district, let alone once it leaves Nevada.

Nevada is one of the few states forcing all students to take the SBAC test. My two children in California do not have to take the test, nor do the children in New York. In New York, they are ahead of us in the testing. They had up to 70 percent of students in some schools opt out of the testing. What is the problem with the SBAC testing? The problem with the SBAC testing is it is designed to fail two-thirds of the students. We have children in third grade who will be identified as not college and career ready. The test for fourth graders will take over ten hours spread over four or five days. The results will not be back until next year, so it is useless to the teachers, the parents, and the students.

Another state this week announced they will not fund the SBAC, so the test costs just increased. I know we would have to pay for tests anyway; we think it is closer to $15 million per year for this test. The problem is that there are only about 15 or 16 states in the country using the SBAC. So now we are going to be able to compare our students to about 14 or 15 other states. That is the problem.

It appears the main goal of this test is to collect the student data and penalize teachers.

Again, the federal government and numerous third parties will have access to this data. The big issue is forcing this test on everybody. There are many parents who do not want their children to take this test.

At the moment, the Nevada Department of Education is really playing hardball in not allowing us to opt out. We would really like to see the test gone from the state. I know there are teachers that agree with us.

I do not know if it is too late to get a bill sponsored. I wanted to talk to you about that. Please find a way to allow us to opt out of the SBAC testing or drop it all together. About half of the states that are still in Common Core have already withdrawn from Common Core testing. We are not going to be able to compare Nevada students to everybody. We are going to be able to compare Nevada students to 15 or 16 other states.

Chair Woodbury:
I see no one else here for public comment. Just a reminder about our joint meeting with the Senate Committee on Education on Friday in Room 4100. We are meeting upon adjournment of the Assembly Committee on Commerce and Labor. They said they would probably meet around 1 p.m.; we may even be able to meet by 2 p.m.

[The Chair asked that one additional letter concerning Assembly Bill 111 be included for the record: a letter from Sylvia Lazos (Exhibit J) is on the Nevada Electronic Legislative Information System (NELIS).]

The meeting is adjourned [at 6:42 p.m.].

RESPECTFULLY SUBMITTED:

_____
Sharon McCallen
Committee Secretary

APPROVED BY:

_____
Assemblywoman Melissa Woodbury, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Education

Date: February 11, 2015 **Time of Meeting: 3:21 p.m.**

Bill	Exhibit	Witness/Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 76	C	Caleb Cage, Director of Military and Veterans Policy, Office of the Governor	Memorandum
A.B. 76	D	Caleb Cage, Director of Military and Veterans Policy, Office of the Governor	Nevada Veterans Comprehensive Legislative Reform Report
A.B. 76	E	Kevin Burns, Member, American Legion Capital Post, Carson City, Nevada; Marine Corps League, Carson City Detachment 630	Written Testimony
	F	Dale Erquiaga, Superintendent of Public Instruction, Department of Education	Pre K-12 Overview Nevada Department of Education
	G	Dale Erquiaga, Superintendent of Public Instruction, Department of Education	Report: Nevada at 150
	H	Crystal Abba, Vice Chancellor for Academic and Student Affairs, Nevada System of Higher Education	PowerPoint: Creating a Culture of Completion
	I	John Eppolito, Private Citizen, Incline Village, Nevada	Written Testimony
A.B. 111	J	Sylvia R. Lazos, Latino Leadership Council	Letter