

**MINUTES OF THE SUBCOMMITTEE OF THE  
SENATE COMMITTEE ON EDUCATION**

**Seventy-Eighth Session  
May 7, 2015**

The subcommittee of the Senate Committee on Education was called to order by Chair Becky Harris at 3:33 p.m. on Thursday, May 7, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**SUBCOMMITTEE MEMBERS PRESENT:**

Senator Becky Harris, Chair  
Senator Don Gustavson  
Senator Mark A. Lipparelli  
Senator Joyce Woodhouse  
Senator Moises (Mo) Denis

**GUEST LEGISLATORS PRESENT:**

Assemblyman Ira Hansen, Assembly District No. 32

**STAFF MEMBERS PRESENT:**

Todd Butterworth, Policy Analyst  
Risa Lang, Counsel  
Jan Brase, Committee Secretary

**Chair Harris:**

I will open the hearing on Assembly Bill (A.B.) 421

**ASSEMBLY BILL 421 (1st Reprint):** Creates the Spending and Government Efficiency Commission for public education in this State. (BDR S-1083)

**Assemblyman Ira Hansen (Assembly District No. 32):**

Assembly Bill 421 creates the Spending in Government Efficiency Commission for public education in Nevada. In 2008, the Spending and Government Efficiency (SAGE) Commission was created and the findings were reported to

Governor Jim Gibbons in 2010. Then as now, there was a desire to learn from best practices from other states across the Country. At that time, the SAGE Commission's mandate was to examine the executive branch of State government excluding higher education and kindergarten through Grade 12 (K-12). Assembly Bill 421 focuses the conversation on best practices by establishing the Spending and Government Efficiency Commission on public education in Nevada. Education costs amount to nearly 50 percent of the State's budget and must be analyzed. The original SAGE Commission was created by executive order, but this bill is meant to mirror the commission in statute.

The Commission will consist of 12 members appointed as follows: 6 members appointed by the Governor, 2 members appointed by the Governor from a list of 6 recommendations provided by the Senate Majority leader, 2 members appointed by the Governor from a list of 6 recommendations provided by the Speaker of the Assembly, 1 member appointed by the Governor from a list of 3 recommendations provided by the Senate Minority leader and 1 member appointed by the Governor from a list of 3 recommendations provided by the Assembly Minority leader. The Governor appoints the chair.

Section 1, subsection 3 of A.B. 421 states members of the Commission must be persons with expertise and experience in the operation of a business with no personal or professional conflict of interest. Subsection 9 authorizes the Commission to appoint committees or subcommittees of its members to study means of improving the system of K-12 public education and the Nevada System of Higher Education (NSHE). Subsection 10 requires the Commission to meet quarterly and submit recommendations to the Governor identifying areas in which the costs of the system may be reduced as well as areas for increased efficiencies. If there are no recommendations, the Commission is required to submit a status report to the Governor. Subsection 11 requires a final report be submitted to the Governor and the director of the Legislative Counsel Bureau (LCB) for transmittal to the Legislators serving in the 79th Session of the Nevada Legislature concerning the Commission findings and recommendations. The Commission will sunset on June 30, 2017.

I have submitted a handout ([Exhibit C](#)). Page 2 summarizes funds spent on education in Nevada in 1 year, which is \$4.2 billion or \$8.5 billion over the biennium. The history of per-pupil spending adjusted for inflation as estimated by the LCB is illustrated on page 3 and demonstrates a constant increase in

spending totals over the past 30 years. In spite of dramatic increases in spending, Nevada ranks fiftieth in the Nation for graduation rates. The table on page 5 is the Governor's budget and proposed categorical spending of \$350 million for class size reduction (CSR). This is important because an audit by the LCB in 2014, summarized on page 6 of [Exhibit C](#), found the Department of Education (NDE) was responsible for distributing \$381 million on CSR during fiscal year 2014-2015 with virtually no oversight. The audit found the NDE did not receive information on reducing teacher-to-pupil ratios from school districts. The audit also found the NDE did not require districts to provide plans, including items required by statute. This is not a criticism of the NDE as much as it is a realization of the amount of money being distributed without an accurate accounting of results or completion of performance evaluations. These are the gaps we hope to close with A.B. 421.

Page 7 of [Exhibit C](#) addresses teachers' compensation in Nevada as evaluated by the LCB. The LCB found our teacher salaries are ranked as the eighteenth highest in the Nation. I read all of the Nevada Governors' State of the State addresses hoping to understand the history of the education system in Nevada. I wanted to learn when our current accountability problems began. In the 1980s, Governor Richard Bryan identified challenges. In 1997, Governor Bob Miller said, "I proposed an accountability program ... today when a school is not performing, plans are drawn up, but all too often they never leave the drafting table." Governor Kenny Guinn started the Governor's Commission on Excellence in Education in 2005 to "oversee this unprecedented influx of funding for public education," and mandating a system of checks and balances "to ensure that this funding produces results for our children." Every Governor since Governor Miller has called for accountability and positive outcomes from our education system. However, to date, evidence of results is difficult to find.

The final page of [Exhibit C](#) addresses the Governor Guinn Millennium Scholarship Program. This program allows success to be measured by the improvement of students' academic performance. Millennium scholars are tested when they enter college. Those who do not perform to a minimum standard are required to enroll in remedial courses at the college level. The NSHE reports that in 2013, 46 percent of Millennium scholars, students who have graduated from high school with a B average or higher, were placed into at least one remedial mathematics or English course.

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The average Nevada citizen recognizes the importance of funding education, but many are disappointed by our students' poor performance despite annual increases in spending.

The SAGE Commission was a bipartisan effort to find efficiencies in government. Many of the 44 recommendations of the Commission have been implemented, saving millions of dollars. Assembly Bill 421 provides a similar opportunity for external review of education spending.

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**Chair Harris:**

The hearing on A.B. 421 will be continued in the Senate Committee on Education, which will convene momentarily. The Senate subcommittee on Education is adjourned at 3:46 p.m.

RESPECTFULLY SUBMITTED:

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Jan Brase,  
Committee Secretary

APPROVED BY:

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Senator Becky Harris, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	5		Attendance Roster
A.B. 421	C	10	Assemblyman Ira Hansen	SAGE Report Handout