

**MINUTES OF THE  
SENATE COMMITTEE ON EDUCATION**

**Seventy-Eighth Session  
March 12, 2015**

The Senate Committee on Education was called to order by Chair Becky Harris at 3:30 p.m. on Thursday, March 12, 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.

**COMMITTEE MEMBERS PRESENT:**

Senator Becky Harris, Chair  
Senator Scott Hammond, Vice Chair  
Senator Don Gustavson  
Senator Mark Lipparelli  
Senator Joyce Woodhouse  
Senator Moises (Mo) Denis  
Senator Tick Segerblom

**GUEST LEGISLATORS PRESENT:**

Senator Aaron D. Ford, Senatorial District No. 11

**STAFF MEMBERS PRESENT:**

Todd Butterworth, Policy Analyst  
Beth Ann Reykers, Committee Secretary

**OTHERS PRESENT:**

Tony Sanchez  
Leila Pazargadi, Ph.D., Assistant Professor of English, Nevada State College  
Nicholas Natividad, Ph.D., Assistant Professor, Criminal Justice and Ethnic Studies, Nevada State College  
Sondra Cosgrove, Ph.D., Professor of History, College of Southern Nevada;  
Adjunct Professor, Interdisciplinary Program, University of Nevada,  
Las Vegas

Senate Committee on Education  
March 12, 2015  
Page 2

John Ridgeway  
Nicole Rourke, Clark County School District  
Lindsay Anderson, Washoe County School District  
Bonnie McDaniel  
Mary Pierczynski, Ed.D., Nevada Association of School Superintendents  
Lauren Hulse, Executive Director, Charter School Association of Nevada  
Jessica Ferrato, Nevada Association of School Boards  
David W. Carter, Nevada Legislative Affairs Committee  
John Eppolito, Nevadans Against Common Core  
Mariah Evans, Ph.D., Department of Sociology, University of Nevada, Reno  
Mike Barton, Ed.D., Chief Student Achievement Officer, Clark County School District  
Sarah Audelo, Policy Director, Generation Progress, Center for American Progress  
Jocelyn Torres  
Evelyn White  
Constance Brooks, Ph.D., Vice Chancellor for Government and Community Affairs, Nevada System of Higher Education  
Bruce H. Breslow, Director, Department of Business and Industry  
Terry Reynolds, Deputy Director, Department of Business and Industry

**Chair Harris:**

We will open the hearing on Senate Bill (S.B.) 211.

**SENATE BILL 211**: Revises provisions governing public schools. (BDR 34-426)

**Senator Tick Segerblom (Senatorial District No. 3):**

Senate Bill 211 encompasses two separate issues. Experts will testify regarding each of the two issues. We will address the ethnic studies portion of S.B. 211 first.

Nevada is incredibly diverse. When I visit schools in my district, they look just like the United Nations. There are students from every place in the world, reflective of every color in the universe. Senate Bill 211 is designed to encourage students to learn about themselves and others so that as they grow older and join the economy, they will have respect for cultural diversity and an understanding of different cultures.

Courses in ethnic studies are being added in high schools across the Country. The City of Los Angeles just added a mandated course similar to the course described in S.B. 211 into their high school curriculum. Arizona, incredibly, passed a state law that made it illegal to teach ethnic studies. I think the Nevada course of study for high schools should address diversity and encourage students to learn about their heritage. We want Nevada's students to embrace others—who they are and where they came from—and respect the cultures and heritages of others.

We know there will be an issue about the timing of this and where we can fit it into the curriculum. We understand this course cannot be implemented overnight. We are willing to work with the school districts to implement this over time. We think ethnic studies is an important course for Nevada's high school students. Adolescents need to be able to look in the mirror and be proud of who they are, and articulate their heritage with pride. Teenagers should also learn about their friends' heritage. Through open and honest dialog facilitated by a teacher, high school students will acquire the necessary skills to articulate and value cultural diversity.

We have formed a committee, the Coalition for Ethnic Studies, to study the need for ethnic studies coursework. With me are four experts who will give a brief overview of the ethnic studies portion of S.B. 211 ([Exhibit C](#)).

**Tony Sanchez:**

Senate Bill 211 requires students to complete a course in ethnic studies prior to graduation. It has been consistently demonstrated ethnic studies curriculum, one that reflects the experiences of the diverse fabric of our society, can have a positive effect on student academic engagement and achievement. This is especially true when linked with culturally responsive teaching methods grounded in high academic expectations. These types of courses need to be developed and implemented to provide all graduating Nevada high school students with meaningful, responsive and rigorous curricula where multiple perspectives are presented and respected. I encourage your support of S.B. 211.

**Leila Pazargadi, Ph.D. (Assistant Professor of English, Nevada State College):**

As a professor at Nevada State College specializing in Persian Literature and Ethnic American Literature, I can attest to the fact that teaching ethnic studies

in high schools will create a foundational understanding and appreciation of what it means to be American in our diverse State.

California and Nebraska, where similar measures were adopted, have found a correlation between student high achievement and the delivery of instructional material reflecting students' own cultural experiences.

Recent studies in *The American Education Research Journal* have shown that minority students are encouraged to succeed when they see someone with whom they can identify as a role model. In 2012, a University of Arizona, Tucson study found that Latino students who attended Mexican American Studies courses graduated high school and passed state exams at a higher rate than those who did not. It is astounding then that the Arizona Legislature should ban ethnic studies classes that demonstrate personal, cultural and educational value. Just a few days ago, Superintendent Sanchez from the Tucson Unified School District stated, "It's important for students to see themselves reflected in literature and history, and if they see themselves reflected in literature and history, they are more apt to take charge of their own learning and their own education in a powerful way."

In my position at Nevada State College, both as a professor and co-founder of the Nepantla Program, a program that helps first generation minority students succeed and graduate college, I find that curricular attention to the study of ethnic Americans promotes intragroup and intergroup cultural awareness as we discuss who we are as Americans. Curricula that foster peer-to-peer support and solidarity among students boost achievement among those who identify as ethnic Americans. It also fosters cultural sensitivity among faculty, staff and students. Curricular attention to ethnic studies is also important for understanding and guiding English language learners; teaching sensitivity toward race, class, gender and sexual orientation; and providing a framework and terminology to identify and discuss discrimination.

By 2019, it is predicted that ethnic minorities will become the majority in Nevada, an event that the U.S. Census projected would not occur until 2044. Seventy-four percent of Clark County School District (CCSD) kindergarteners are ethnic Americans. It is important that we create inclusive policies and curricula that will prepare all Nevadans for a better tomorrow. I encourage your support of S.B. 211. As an Iranian American, I am proud to promote this bill as an important first step to address the needs of our diverse students.

**Senator Hammond:**

I agree it is important to know where you come from to know where you are going. Sometimes students can find important answers to questions about their identity through ethnic studies.

**Dr. Pazargadi:**

Coursework in ethnic studies discusses the value of diversity and tolerance in the context of historical significance and impact on American culture. Certainly, women's issues, sexuality and discrimination are intrinsic to coursework in ethnic studies. The framework and methodology by which these issues are discussed—discrimination, equality, and classism—can be learned in ethnic studies classrooms.

**Senator Segerblom:**

School districts celebrate African-American month and Latino month, but this course will be designed to interweave cultural issues and perspectives throughout the social studies curriculum.

**Dr. Pazargadi:**

When we were researching what is currently taught in the schools, we found some of these issues were addressed, but they may have been touched upon only by certain teachers. The entire issue of becoming an American, how population groups have added to the American culture and what the societal ramifications for those populations have been, is not a comprehensive subject taught in our high schools. Students should graduate high school knowing the difference between "colored people" and "people of color."

**Nicholas Natividad, Ph.D. (Assistant Professor, Criminal Justice and Ethnic Studies, Nevada State College):**

I would like to discuss the proposed curriculum and the correlation of high academic success that results from taking ethnic studies classes. Most ethnic studies courses are comprised of four components. The first is history. This includes critical engagement with the events that took place and what the events, struggles and achievements meant for the foundation of this Nation. The second is identity formation, which contributes to our understanding of who we are and the contributions of our ancestors to the development of this Country. This helps with developing cultural awareness and a greater sense of humanity. Community building is the third component. As students learn about their cultural histories, they develop a sense of belonging and responsibility of

service to their community. Finally, race as a concept and recognition of it as a social construct allow open and honest dialogs to occur with students. As an assistant professor teaching criminal justice ethnic studies, race as a concept is a huge aspect of the tension taking place in the U.S., especially with regard to crime, law and violence. Recognizing the origins of race as a social construction allows us to address the perceptions and myths that lead to stereotyping. Cultural sensitivity and the ability to learn to talk openly with others from different cultures are vital to the success of Nevada's students. I encourage your support of S.B. 211.

**Sondra Cosgrove, Ph.D. (Professor of History, College of Southern Nevada; Adjunct Professor, Interdisciplinary Program, University of Nevada, Las Vegas):**

Diversity awareness is important to the economic vitality of our State. If you lived in Nevada in the mid-1990s, you most likely know the story of the MGM Grand lion. When the hotel opened, visitors walked through the mouth of the lion. Not long after the grand opening, the hotel tore down the lion's-head entrance, replaced it with a lion statue and put the entrance door on the side. They did this because tour companies told them that Chinese tourists viewed walking through the lion's head as unlucky and, therefore, refused to stay at their hotel. The MGM learned an expensive and embarrassing lesson that could have been averted if the design company or the main hotel company had someone on staff with knowledge of their customer base from a diversity perspective. The MGM parent corporation is one of the greatest advocates for diversity awareness in the State of Nevada.

Each fall, I teach an introductory Latin American studies course. Enrolled in those classes are students with business administration majors in international finance, international banking, international hospitality management and hotel administration. It is now a degree requirement. Our business community demands global competency as a skill set. Nevada's business community expects the workforce to be educated in ways that improve its bottom line. I urge your support of S.B. 211.

**John Ridgeway:**

I am in support of the awareness portion of S.B. 211, but I am afraid it does not go far enough. I think that ethnic awareness could be expanded by offering daily words of encouragement from all religions. Instead of excluding religion, it should be included.

**Nicole Rourke, Clark County School District:**

The Clark County School District (CCSD) opposes sections 2 and 3 of S.B. 211, not on the basis of the value of such a course, but based on the fact that we cannot fit it into the course requirements without extending our current school day or eliminating other requirements. In answer to Senator Hammond's question, the Nevada Academic Content Standards for History covers ethnic studies. Approximately 28 standards are infused throughout required courses being taught. It would be difficult to estimate the time currently spent in the classroom teaching these standards because ethnic studies are so integrated into the content.

By adding a required course in ethnic studies, we would take away from the ability of students to take additional courses, including many electives. The CCSD's priority is to have more students complete college and career-readiness courses such as advanced placement and career and technical education. The CCSD values ethnic studies and has proposed an amendment ([Exhibit D](#)) to incorporate cultural diversity into the elementary curriculum under social studies.

We have spoken with the sponsor and understand his focus is on high school. The CCSD believes it has more room in its elementary curriculum and can incorporate it there.

**Senator Hammond:**

From my experience as a teacher for 16 years, it seems like there has been one mandate after another placed on students. Ethnic studies have a place, along with other subject matter. There are many things children should learn, but if a child does not feel the need to learn it, the child has a hard time learning the material.

**Senator Lipparelli:**

What is the difference between a mandated or compulsory class and an elective class?

**Ms. Rourke:**

The ethnic studies course would be required for graduation under S.B. 211. I am not sure whether an art class is required for graduation. The CCSD does offer ethnic studies courses as electives.

**Lindsay Anderson (Washoe County School District):**

The Washoe County School District (WCSD) echoes Ms. Rourke's testimony and supports the amendment. We agree incorporating ethnic studies into the earlier grades is a better option.

Current social studies course content for Grades 7–12 includes such topics as global human rights issues; how the environment, regional conflicts and health issues affect nations differently; and how the contemporary political climate has changed personal and national security post September 11, 2001. These are only a few examples of course content in Grades 7–12 that are woven into our social studies classes. We would be happy to strengthen the content. We could also add more elective classes in ethnic studies. The WCSD is not in favor of adding more graduation requirements at this time.

**Bonnie McDaniel:**

I am opposed to portions of the S.B. 211 only because I do not believe it includes enough topics. I believe the course should be structured in a way that allows students and their parents to select the cultures they want to study. Cultural awareness and the respect for cultural diversity education should start in the home. I support cultural diversity education beginning in the elementary school with electives offered at the high school level.

**Mary Pierczynski, Ed.D. (Nevada Association of School Superintendents):**

We are opposed to S.B. 211, as written. We appreciate the amendment offered by CCSD and think it is a workable solution. We are open to working with Senator Segerblom on the amendment. We understand the importance of ethnic studies. Senator Hammond expressed it well when he outlined the issue in the context of graduation requirements for high school students.

**Lauren Hulse (Executive Director, Charter School Association of Nevada):**

The Charter School Association of Nevada (CSAN) is opposed to the S.B. 211, as written. We are not opposed to the concept of ethnic studies, but opposed to the additional curriculum mandate for the same reasons enumerated by the CCSD and the WCSD. The additional graduation requirement would require a longer school day or the elimination of a course currently required for graduation.

The CSAN just learned of the amendment proposed by the CCSD; it needs to be presented to our board of trustees for their consideration.



**Jessica Ferrato, Nevada Association of School Boards**

We are opposed to S.B. 211, as written, and echo the concerns previously expressed by our colleagues. In addition, we are concerned about finding qualified teachers in this subject matter area. Rural districts often have trouble recruiting teachers. We are concerned we will not be able to find teachers with this subject matter expertise. We support the amendment offered by the CCSD.

**David W. Carter (Nevada Legislative Affairs Committee):**

I am opposed to S.B. 211. The course should be offered at a much younger grade level. If we are going to change perceptions and influence ethnic relations, instruction should begin in late elementary or middle school. This course could help stop some of the problems that occur in high school if offered earlier in a child's education.

**John Eppolito (Nevadans Against Common Core):**

I live in a community that has a very small high school, probably one of the smallest high schools in the State. Our high school is excellent. We have fewer than 300 students, but offer at least 15 advanced placement courses. Adding another class to our extremely tight schedule is problematic. Our principal would rather have an economics class than the class being proposed.

**Senator Segerblom:**

As a beginning, I am in favor of adding an ethnic studies course as an elective in the high schools. Nevadans should recognize that we are quickly becoming a majority-minority state. We must make the necessary changes to our social studies curriculum content to address the needs of our increasingly diverse student population.

**Chair Harris:**

We will now hear testimony regarding the second portion of S.B. 211 regarding start times for schools.

**Senator Segerblom:**

A study was brought to my attention during the interim that showed high school-aged children do not wake up and get going until after 9 a.m. ([Exhibit E](#)). I wondered why we have children going to school in direct opposition to the times when they seem to learn best. Research shows young children learn best in the early morning; middle-school children learn best in the late morning; and high school-aged children learn best in the late morning and early afternoon.

This portion of S.B. 211 is designed to address school start times in an effort to improve student learning and performance.

I know there will be problems, particularly with bus schedules and after-school commitments. There will always be a million reasons why we cannot change something. If our goal is improved student learning, and research shows us changing student start times will result in students who are better prepared to learn and retain information, then it is worth looking at a paradigm shift. I realize this is a dramatic change and cannot happen overnight.

**Mariah Evans (Ph.D., Department of Sociology, University of Nevada, Reno):**

Few things we know will help the delivery of education, and even fewer things are relatively inexpensive to implement. Changing start times for schools is probably the highest value education intervention that we know about. It produces measurable and substantial gains in test scores, particularly for children from disadvantaged backgrounds. The research has mainly been completed in England by Dr. Paul Kelley ([Exhibit F](#)). The evidence is compelling. Research shows attendance is improved for high school students, whose classes start later. The London-based Wellcome Trust has recently funded a 100-school study, which is a very large study in terms of an educational study. There is a clear link between enhanced academic performance and later start times for high school-aged children. The changes proposed in S.B. 211 are sensible and feasible.

**Chair Harris:**

Not only are we compared to other states regarding educational performance, we are also compared worldwide. Can you offer any perspective as to how those higher-performing countries deal with start times for education?

**Dr. Evans:**

There are many differing factors to consider when comparing educational systems from one country to another. I do not have the information to provide a comprehensive answer. Some countries rank well using certain criteria, but do poorly when measured in other areas.

**Senator Hammond:**

I agree high school students do much better starting later in the day. Parents still have control over the bedtimes of younger children. I think this is a change that should be studied and will have to happen over time. I support this change.

**Chair Harris:**

I will now invite those testifying regarding the second portion of S.B. 211 to come forward.

**Ms. Rourke:**

The CCSD is not opposed to the concept of S.B. 211, but opposes the mandate. We have been looking at this issue for some time.

**Mike Barton, Ed.D. (Chief Student Achievement Officer, Clark County School District)**

I will be referencing my presentation, "Late Start Times for Schools" ([Exhibit G](#)). As discussed by previous testifiers, some of the research about sleep and later start times for high school students is compelling. The CCSD needs more information on this topic. There is support for potential federal legislation called the "Zs to As Act" that is looking at the issue of later start times and its effect on the educational, social and healthy development of children.

In the CCSD, the majority of elementary schools start after 8 a.m. The majority of CCSD middle schools start during the 8 a.m. hour. The majority of the CCSD high schools start during the 7 a.m. hour. We have some late-start pilot programs within the CCSD. We want to collect data on student attendance, tardiness and performance. It is too early in the pilot process to have any outcome-based data.

The CCSD has considered four options to expand these late-start pilot programs: Option One is a complete readjustment of bell times; Option Two rearranges the elementary schedules with the secondary schedules based on a three-tier system; Option Three shifts all school start times; and Option Four expands the pilot program to the feeder schools aligned with the secondary school.

Option One looks at abiding by the American Academy of Pediatrics' recommendation of starting all schools at 8:30 a.m. The cost of implementing Option One in the CCSD is approximately \$208 million. The cost of implementing Options Two, and Three could be budget neutral. Option Four may have a budget impact, but until schools are selected, it is unknown.

There are other factors to consider. If elementary school students are the first cohort to start school, 6-year-old children could be waiting for morning buses in

the dark. After-school activities and athletics could be affected. School staff could be impacted dramatically by a change in bell schedule.

The CCSD is working with parent groups and stakeholders to expand pilot programs with later school times. We are in the process of selecting the high schools now, with selection of the feeder schools to be determined subsequently. We want to know how switching bell times in the three-tiered system will affect our students, families and staff. The CCSD is beginning to align itself in anticipation of federal legislation addressing this topic. We know expanding the pilot program to feeder schools, Option Four will cost CCSD about \$205,000. We are interested in the data we will glean from the pilot expansion. We know there will be a decrease in tardiness. What we want to know is if it will positively affect student achievement.

**Ms. McDaniel:**

I am opposed to S.B. 211. It is too early for small children to be waiting for a bus, and if the elementary school children get out of school at 1 p.m., it will cost parents more money for daycare. The system now allows older children to be home to care for younger children after school. Early start times for high school students afford them the opportunity to work. Many high school students need to work to save money for college.

**Ms. Anderson:**

The WCSD has considered changing its school start times. We have also examined the data. We support S.B. 211 in concept, but not as a mandate. The WCSD changed its school calendar 2 years ago. At that time, we also looked at changing start times across the District. Parental groups and other stakeholders were not in favor of the change. We also explored the possibility of starting all schools later. A consensus was never reached, so the issue was dropped.

I know we are talking about student achievement, but we should not minimize the impact a change like this would have on our teachers and staff.

**Dr. Pierczynski:**

Both the Douglas County and Carson City School Districts have looked at the issue of changing school start times. They conducted many meetings regarding this topic. The response from the community was so mixed that they could not institute a policy change of this magnitude. Even if the studies in the CCSD show increased student performance as a result of later start times, the rural

school districts will need flexibility to implement this change gradually as it would simply be too expensive otherwise.

Changing school start and stop times is not just a school district issue; it is a community issue. The Boys & Girls Clubs, latchkey programs, day care centers and entire communities could be impacted. Gradual implementation is important. Finally, White Pine County has a bus route that is 75 miles long, one way. They bus multiage groups on that bus. It would be costly to run three separate buses traveling that route twice a day. We oppose S.B. 211.

**Ms. Ferrato:**

We echo the testimony of the CCSD, the WCSD and the Nevada Association of School Boards. We would also like to see some of the outcomes of the studies and pilots from other districts before we implement such a change.

**Senator Segerblom:**

I think the consensus is the ideas outlined in S.B. 211 are both great ideas; implementation is just a question of money.

**Senator Hammond:**

It is a matter of money and the issue of a mandate.

**Chair Harris:**

I will now close the hearing on S.B. 211 and open the hearing on S.B. 215.

**SENATE BILL 215**: Makes various changes relating to student loans. (BDR 18-933)

**Senator Aaron D. Ford (Senatorial District No. 11):**

Let us review a few facts about student loans. Forty-million borrowers are carrying \$1.2 trillion in student loan debt, nationwide. According to the Center for American Progress, the total amount of student debt for Nevada residents is currently approximately \$7.2 billion. There are 262,000 Nevadans with student loan debt.

Refinancing student loan debt, like refinancing a mortgage, is a logical way to save Nevadans real money. Most students apply for education loans as young adults with little to no income. Ideally, those students graduate or complete their vocational or work-training programs with a steady job and a healthier

credit score. It only makes sense that when they get to that point, they should qualify for lower interest rates.

Nevadans who take advantage of the opportunity outlined in S.B. 215 could save thousands of dollars. By offering this innovative program, we are not just creating an educational opportunity, but also creating an economic and workforce development opportunity because we incentivize people to stay and work in Nevada. Additionally, the more money people save, the greater is the potential they will put it back into their local economies.

I will summarize the provisions of the current iteration of S.B. 215, which makes various changes relating to student loans.

Section 2 of this bill requires the Director of the Department of Business and Industry (B&I) to adopt and implement a program by which Nevada residents may refinance their student loans. This section authorizes the director to make refinancing loans alone or in conjunction with private lending institutions, at rates of interest that are as low as practicable, while still sufficient to pay the cost of the program.

Section 3 authorizes the director, alone or through the State Board of Finance, to provide money for the program through the issuance of revenue bonds that would be payable solely from loan repayments or other available money.

Section 4 of the bill requires the director to compile and publicize information about private lending institutions that make student loans to residents of Nevada. As far as practicable, the director must rank those institutions according to the interest rates they charge and whether their repayment policies are determined to be more favorable or less favorable to borrowers. The director is required to post and update this list on the Department's Web site.

Under section 5 of S.B. 215, the director is required to prepare informational material about student loans for current or prospective students. Among other things, this material must provide information about strategies for managing debt, options for prepaying student loans and the consequences of defaulting on a loan.

Section 5 also requires each institution of the Nevada System of Higher Education (NSHE) and each postsecondary educational institution licensed by

the Commission on Postsecondary Education to provide a copy of the informational material to each applicant for admission. These institutions and any private lending institution would generally be barred from processing a student loan application or collecting a fee for such an application without a record of the applicant's having received a copy of the material prepared by the director.

Section 6 of S.B 215 requires annual reports to the director from each of the educational institutions containing information about the indebtedness incurred for student loans during the previous year by students attending the institution. The director, in turn, would be required to compile this information, analyze it and submit a report to both the Governor and the Legislature. This report must set forth, at a minimum, the statewide average amount of indebtedness incurred for student loans during the previous year. The report must include a comparison of that amount with the national average of indebtedness incurred for student loans during the same period, and it must compare the Nevada statewide average with the statewide average of the state having the lowest ratio of student loan debt to per capita income.

Section 8 of the bill authorizes the director to adopt regulations to carry out the program.

Sections 9 and 15 require each private and public postsecondary educational institution in this State to provide certain financial information to each applicant for admission. If the applicant is a minor, the information must also be provided to his or her parent or guardian. The required information would include: the total annual cost of attending the institution; information about the amount of any financial aid that the applicant will receive from the institution; the amount of indebtedness that the applicant will incur over 4 years if all the costs of attending the institution were paid with student loans and the amount of the monthly payment required to pay that debt; information about interest rates and repayment plans for student loans available to students at the institution; and the default rate among students who have left the institution during the preceding 10 years.

Finally, certain provisions of existing statute created the Higher Education Student Loan Program under the auspices of the State Board of Education in 1969 to provide student loans to Nevada residents attending colleges and other postsecondary educational institutions. However, the program is inactive.

Accordingly, section 18 of this bill repeals the relevant statutes and eliminates that Program.

There are several aspects of the S.B. 215 that I would like to change and I suggest amending it accordingly: First, I believe this program should have clear residency requirements. I propose amending the bill to require that an applicant either have established Nevada residency for the prior 3 years or have attended a NSHE institution or institutions falling under the Commission on Postsecondary Education and have maintained Nevada residency for at least 1 year after completion.

Second, I propose amending S.B. 215 to include a completion requirement. We want to ensure that this program is as open and viable as possible. We also want to make sure this program is a good investment for the State. By including a certificate or degree completion requirement for eligibility, we are better positioned to ensure that we are refinancing loans responsibly. This also doubles as an incentive for students to complete their higher education.

Third, the bill directs the Department of Business and Industry to administer the refinancing program. After some initial discussions with the director, it is clear that B&I is well equipped to issue the bonds. We are continuing to work with B&I to explore models for administering the refinancing program that might best serve our needs.

Finally, upon further reflection, I have determined that all requirements placed upon NSHE for dissemination of information should be removed from S.B. 215.

**Sarah Audelo (Policy Director, Generation Progress, Center for American Progress):**

I will now read from my written testimony ([Exhibit H](#)).

**Senator Lipparelli:**

What does S.B. 215 allow students to do?

**Senator Ford:**

In simplest terms, S.B. 215 allows students who graduate from NSHE schools to refinance their student loan debt through modification of the terms and rates on their existing student loans.



**Senator Lipparelli:**

Do student loans allow for early repayment?

**Senator Ford:**

That is up to the original lender. I believe it varies.

**Senator Lipparelli:**

As long as students meet the residency requirements, would they be eligible for this program?

**Senator Ford:**

Yes. Originally, S.B. 215 had no residency requirements; however, we want NSHE graduates to stay and work in Nevada. I believe the proposed amendments address this issue. I am open to any additional requirements this Committee suggests.

**Senator Hammond:**

Would you please re-explain the amendments proposed pertaining to program eligibility?

**Senator Ford:**

The amendment to S.B. 215 would require an applicant either to have established Nevada residency for the prior 3 years or to have attended an NSHE institution or an institution falling under the Commission on Postsecondary Education and have maintained Nevada residency for at least 1 year after completion. An amendment to S.B. 215 will also include a completion requirement.

**Senator Harris:**

How does this dovetail with the Western Interstate Commission for Higher Education resources-sharing program? Would those program completers be eligible for this program?

**Senator Ford:**

I will get that information for you.

**Senator Harris:**

Are we anticipating that if a student earns an associate of arts or sciences degree, he or she could refinance the student loan, then refinance again after

the completion of a baccalaureate degree and then refinance again after completion of a graduate degree?

**Senator Ford:**

I have not looked at the ramifications of what you are suggesting. I shall research the scenarios you described and provide additional information to the Committee.

**Senator Lipparelli:**

Why are financial institutions not refinancing student loans?

**Ms. Audelo:**

There are more banks getting involved with school-loan refinancing. However, the terms are not consumer-friendly. Interest rates have been as high as 12 percent.

**Senator Lipparelli:**

I am concerned there may be some prepayment penalties. I am wondering why the private market is not serving this market.

**Senator Ford:**

Banks and lenders are in business to make money. This program will be self-sustaining, but it is not designed to make money.

**Senator Harris:**

Will Nevada be competing with private business? How would we be able to ensure that we have a lower rate than private lenders?

I agree that the Department of Business and Industry is a better place for the administration of this program than the Department of Education. The Office of the State Treasurer might also be a good place to administer this program. They are already administering the College Savings Plan and the Millennium Scholarship programs.

**Ms. Audelo:**

Lenders are trying to make money. This program will be self-sustaining, but the primary goal will be to help Nevada residents lower their student debt. In addition, banks will only refinance student loans for those people with great

jobs and great credit. This program will work for recent graduates of Nevada schools who reside and work in Nevada.

**Senator Woodhouse:**

This is an excellent bill. We need to do something to help our students when they graduate to assist them in paying for the cost of college.

**Senator Ford:**

To paraphrase former Michigan Governor Jennifer Granholm: Our biggest export should not be our best and brightest. We have an opportunity to ensure, through this program, graduates from Nevada's colleges stay here. This program is an incentive to get our best and brightest to stay and work in Nevada.

**Senator Denis:**

I am surprised no other state has considered a program like this. This is something that is needed.

**Ms. Audelo:**

California has a small program addressing private-lender debt for college graduates, and Vermont has a similar bill pending in its legislature.

**Senator Denis:**

How many Nevadans could be assisted through this program?

**Senator Ford:**

There are 262,000 Nevadans with student loan debt totaling approximately \$7.2 billion dollars. Potentially, this is the number of people S.B. 215 could serve, as we will refinance the debt through revenue bonds.

**Jocelyn Torres:**

I support S.B. 215 because it is the right thing to do for Nevada's residents and economy. We are excited Nevada could be one of the first states in the country to enact a policy like this.

I entered college with no college savings plan and no debt. I worked three jobs to pay the cost of my college. After 3 years, my husband lost his job, and we were forced to depend on student loans so I could finish my degree. We were not irresponsible. We could not foresee the downturn in the economy. We made

a financial decision for me to finish school. Now we are dealing with the debt as best we can, but it does affect the financial decisions we make as a family.

I am one of the 262,000 Nevadans with student loan debt. I have tried to refinance it. I was able to shorten the term. I am on a 10-year repayment plan to repay almost \$45,000 in student loans required to finance my bachelor's degree. I was paying over \$1,000 a month in student loans. I am now paying \$516 a month in student loans. This amount has a huge impact on my family and how we spend our money. Access to a program described in S.B. 215 would improve the quality of life for my family.

**Senator Lipparelli:**

What is your interest rate?

**Ms. Torres:**

I have six different loans with interest ranging from 6.85 percent to 4.4 percent. Just lowering the interest rate, one-half percent would make a huge difference in my payment.

**Evelyn White:**

I will graduate from the University of Nevada, Las Vegas this spring with a degree in public administration. When I graduate, I will have incurred over \$28,000 in student loans. I contacted my lender and its representative said refinancing my student loans could not be considered until 6 months after I graduated. I encourage you to support S.B. 215. It will help Nevadans.

**Constance Brooks, Ph.D. (Vice Chancellor for Government and Community Affairs, Nevada System of Higher Education):**

The NSHE supports S.B. 215. I have worked with Senator Ford to develop this bill and its amendments. Anything that will help our students better afford their college experience has the support of the NSHE.

**Bruce H. Breslow (Director, Department of Business and Industry):**

We met with Senator Ford earlier this week. Senate Bill 215 is an amazing idea. When we get amazing ideas, we take the time to research them to see if we can obtain bonds, who would buy the bonds and things like that. It is too early for me to tell you whether it is a feasible idea as far as revenue bonds. However, if that is not a possibility, there may be other alternatives.

The purpose is extraordinary. We do not have a plan for implementation because no other state has done it yet.

**Terry Reynolds, (Deputy Director, Department of Business and Industry):**

The Internal Revenue Service (IRS) allows qualified funding bonds under IRS section 150d, and those can be provided by nonprofits exclusively for student loans. Student loans can also be acquired from a secondary market. The second part of the IRS Code that allows qualified student loan bonds is Section 144b, section 1. This only provides bonding for new student loans, but there is the ability to do both under the IRS Code. There have been IRS changes as recently as November on private activity bonds restricting the use for student loan refinancing. We have to be somewhat careful.

From a structural standpoint, there are varied models across the United States. Two that are particularly salient could be done in Nevada. One is the student loan authority model that has been used in Washington, Arizona and other states throughout the Country, where it is actually a state-sponsored loan authority, but it may or may not receive an appropriation. Some states receive an appropriation for start-up capital and a small budget for administrative costs. Others do not receive an appropriation of any amount; they receive revenue from the bonds and/or the servicing contract for those student loans. The second type of program is established through a nonprofit. The nonprofit acquires the bonds and makes the proceeds of the bonds available to finance and refinance student loans. New Mexico and Maine have this type of program. Both programs have been long running and successful.

Divisions within B&I have experience establishing nonprofits and acquiring bonds for housing. We do that by either repurchasing mortgages or instituting new mortgages for people who are purchasing their first homes. One of the components of the program mandates consumers to enroll in an online course before they apply for a loan. They have to complete the course before they can go forward with the loan. We find there is real lack of information about what is available in the market and what types of approaches can be taken in order to pay off the loans. That is the same issue with student loans. Students do not know all of options available to them for repayment of student loans. I am personally aware of the challenges parents and students face in financing college today.

Senate Committee on Education  
March 12, 2015  
Page 22

I think we can work with this Committee and Senator Ford to develop a program in Nevada to refinance student loans.

**Senator Ford:**

Thank you for hearing S.B. 215. We have an opportunity to help many Nevada college graduates, and I look forward to further conversations to move this bill forward.

**Chair Harris:**

I will close the hearing on S.B. 215 and open the work session on S.B. 200.

**SENATE BILL 200**: Revises provisions relating to enrollment of pupils in charter schools. (BDR 34-183)

**Todd Butterworth (Policy Analyst):**

I will read the summary of the bill from the work session document and the proposed amendment ([Exhibit I](#)).

SENATOR LIPPARELLI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 200.

SENATOR DENIS SECONDED THE MOTION.

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

\* \* \* \* \*

**Chair Harris:**

I will close the work session on S.B. 200 and open the work session on S.B. 205.

**SENATE BILL 205**: Revises provisions relating to plans to be used by a school in responding to a crisis or emergency. (BDR 34-404)

**Todd Butterworth (Policy Analyst):**

I will read the summary of the bill from the work session document and the proposed amendment ([Exhibit J](#)).

SENATOR HAMMOND MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 205.

SENATOR LIPPARELLI SECONDED THE MOTION.

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

\* \* \* \* \*

**Ms. Rourke:**

The Clark County School District "Good News Minute" for today is that Canyon Springs High School was recently honored by the GRAMMY Foundation with the 2015 GRAMMY Signature Schools Enterprise Award. As an economically underserved school, Canyon Springs High School is being recognized for its commitment to music education and has received a grant of \$5,500. Canyon Springs High School is one of only 13 schools in the United States honored with this prestigious merit award. Of the more than 20,000 candidate schools considered by the GRAMMY Foundation, Canyon Springs High School is the only school in Nevada that was recognized as a Signature School for 2015.

Senate Committee on Education  
March 12, 2015  
Page 24

**Chair Harris:**

There being no further comment or business before the Committee, the meeting is adjourned at 5:44 p.m.

RESPECTFULLY SUBMITTED:

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Beth Ann Reykers,  
Committee Secretary

APPROVED BY:

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Senator Becky Harris, Chair

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



<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness or Agency</b>	<b>Description</b>
	A	1		Agenda
	B	6		Attendance Roster
	C	8	Senator Tick Segerblom	Slide Presentation
	D	1	Nicole Rourke	Conceptual Amendment
S.B. 211	E	5	Senator Tick Segerblom	Handout
S.B. 211	F	2	Dr. Paul Kelley	Written Testimony
S.B. 211	G	16	Dr. Mike Barton	Slide Presentation
S.B. 211	H	5	Sarah Audelo	Written Testimony
S.B. 200	I	1	Todd Butterworth	Work Session Document
S.B. 205	J	8	Todd Butterworth	Work Session Document