

**MINUTES OF THE
SENATE COMMITTEE ON EDUCATION**

**Seventy-ninth Session
March 9, 2017**

The Senate Committee on Education was called to order by Chair Moises Denis at 3:48 p.m. on Thursday, March 9, 2017, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Moises Denis, Chair
Senator Joyce Woodhouse, Vice Chair
Senator Tick Segerblom
Senator Pat Spearman
Senator Don Gustavson
Senator Scott Hammond
Senator Becky Harris

GUEST LEGISLATORS PRESENT:

Senator Yvanna D. Cancela, Senatorial District No. 10

STAFF MEMBERS PRESENT:

Todd Butterworth, Policy Analyst
Asher Killian, Counsel
Linda Hiller, Committee Secretary

OTHERS PRESENT:

Danny Thompson, Laborers Local 872
Todd Koch, President, Building and Construction Trades Council of Northern Nevada, AFL-CIO
Ed Gonzalez, Clark County Education Association
David Gardner
James Halsey, International Brotherhood of Electrical Workers Local 357

Senate Committee on Education
March 9, 2017
Page 2

Stephen Silberkraus
Tom Morley, Laborers Local 872
Grant Hewitt, Chief of Staff, Office of the State Treasurer

VICE CHAIR WOODHOUSE:

Chair Denis is presenting a bill in another committee, so I will open the meeting of the Senate Committee on Education with a hearing on Senate Bill (S.B.) 173.

SENATE BILL 173: Revises provisions relating to facilities for achievement charter schools. (BDR 34-629)

SENATOR YVANNA D. CANCELA (Senatorial District No. 10):

Senate Bill 173 is a small bill that does some big things. In 2015, the Legislature enacted A.B. No. 172 of the 78th Session, which, among other things, exempted charter schools from Nevada's prevailing wage law. Public schools built or owned by a school district remain subject to prevailing wage, though at a reduced rate of 90 percent of prevailing wage. This is something I would like to see changed, but it is not part of this bill.

The 2015 Legislature also enacted A.B. No. 448 of the 78th Session, creating the Achievement School District, calling for the conversion of certain district schools to charter schools.

Taken together, these statutes create an unintended consequence of a school district building being exempted from prevailing wage compliance, if and when it enters the Achievement School District. For example, Lois Craig Elementary School in the Clark County School District (CCSD) is being recommended to become an achievement charter school. Should a significant maintenance or remodel project be undertaken at that school the day before its conversion, that project would be subject to prevailing wage. However, should the project begin the day after its conversion, the school would receive a prevailing wage exemption, which makes no sense. Because the building was constructed by CCSD and remains its property, I believe this exemption is unwarranted.

Senate Bill 173 addresses this issue by eliminating the exemption of achievement charter schools from prevailing wage requirements. It specifically makes those requirements applicable to a contract or other agreement for the construction, improvement, repair or demolition of any building, structure or property that is used, or will be used, by an achievement charter school. The bill

also ensures that such projects comply with the same local engineering, design, safety and other building standards as district school buildings in the same county.

The Achievement School District statute also provides for the possibility that an achievement charter school could one day return to its status as a school district school. At this point, the school would presumably again be subject to the prevailing wage law. It just does not make sense that a school in the same building, with the same staff, and the same students could gain, and then lose, exemption from prevailing wage simply because of a change in its internal management structure.

DANNY THOMPSON (Laborers Local 872):

Prevailing wage is a law assuring that a standard in a community is maintained. In this case, these school buildings are owned by the school district and then turned over to the Achievement School District once they degrade to a certain level where they can then become a charter school. Ultimately, these schools can be returned to the school district. The potential exists that without this change, one of these charter schools could not be up to the standard of the school district, so when it is turned back to the school district, the district would have to bring those buildings into compliance.

This does not change the 90 percent rule from last Session. It simply says that the achievement schools that are owned by the school district and then become achievement charter schools must meet a standard and that work done on them must be done with prevailing wage and built to the same building and engineering standards that the school district requires.

TODD KOCH (President, Building and Construction Trades Council of Northern Nevada, AFL-CIO)

I support everything Senator Cancela and Mr. Thompson said about this bill and urge you to pass it.

ED GONZALEZ (Clark County Education Association):

We support S.B. 173 and want to highlight the part in the bill about bringing it up to code of the school district where the building resides. As you know, CCSD has many needs—that is why the bond rollover was passed last Session—and if a school returns to the CCSD and additional money needs to be

put in to bring that building up to the standard of the district, that is going to take away money from the district that could be used in other areas.

DAVID GARDNER:

I support this bill. I think this is a slight tweak to the bill that was passed last Session. One of the things we did not look at is the fact that the way the Achievement School District bill created last Session is worded, maintenance is done by the charter school but the capital projects are done by the school district. So right now, we are forcing districts to treat every project they do one way, but to treat anything under the Achievement Charter School differently. That is going to cause confusion and possibly issues with public works compliance. I think this bill cleans that up.

JAMES HALSEY (International Brotherhood of Electrical Workers Local 357):

This bill is necessary to protect the investment and property of the Nevada taxpayers. When, and if, the Achievement School District is finally ready for prime time, it has the potential of taking over five taxpayer-owned schools per year. Our property taxes paid for those schools all of which were accomplished with a high quality local workforce due to prevailing wage.

This is not a union or nonunion issue; it is a quality workforce issue. When a contractor is required to pay prevailing wage, he or she has the ability to hire the best workforce available. If you were having brain surgery, would you select the doctor with the lowest price? Electrical work is not brain surgery, but there are multiple electrical systems in our schools—lights, outlets, fire alarms, clocks, intercoms, temperature control systems, cameras, voice data, wireless systems and more. It is imperative that we maintain these schools at the highest level if it is truly our goal to create a better environment for our school children. Eventually, these schools will be back under the care of CCSD, which is why they must be held to the same standards as the remaining schools in the district.

STEPHEN SILBERKRAUS:

I support S.B. 173 because I believe this was an unintended consequence from the legislation in the last Session. We would like to clean it up, simplify it and make it effective and efficient for CCSD to be able to make sure these properties are well maintained. If any alterations to the properties need to be done while the Achievement School District is in possession of the buildings, we

need to ensure that if and when the property is returned to the school district, it is up to the quality of the district.

SENATOR HAMMOND:

I understand the argument, but who pays for it?

TOM MORLEY (Laborers Local 872):

As far as paying for it, I believe that would be up to the charter school. If the charter school were to do some remodeling to a school building, that charter school would have to pay prevailing wages to make those alterations. It is my feeling that the school district should not have to pay for any alterations unless the charter school is expanded to where it is over capacity and has to do an addition or something of that nature.

SENATOR HAMMOND:

The counter argument I keep hearing is that every time the school wants to do something, someone is going to say they have to pay prevailing wage. Others are worried that someone would demand that certain renovations have to be done to maintain the building and the fear is that the requests will keep coming and coming so the financial burden will pile up on the charter management company. Do you have comments on that scenario?

MR. MORLEY:

If a chiller system were to fail or need replacing, yes, I think the school district should maintain its own property and get that system going again. My concern is whether or not it has been put in the budget. As long as proper maintenance has been done, maintenance is not included.

SENATOR HAMMOND:

Okay, I think I understand. This is uncharted territory, where we are taking an asset that belonged to one entity and all of a sudden it belongs to another entity.

MR. GARDNER:

Under the current statute of the Achievement School Districts, *Nevada Revised Statutes* (NRS) 388B, which I understand does not change from this bill, maintenance and operations are covered by the charter school and all capital projects are covered by the school district.

SENATOR CANCELA:

This is a simple bill about standardization. It just creates the same rules for the Achievement School District that we have for our county school district. I believe this is not only about fairness; it is about making sure our schools have the same standard regardless of their governance.

VICE CHAIR WOODHOUSE:

I will close the hearing on S.B. 173 and open the hearing on S.B. 242.

SENATE BILL 242: Revises provisions governing college savings plans.
(BDR 31-360)

SENATOR HARRIS:

I was contacted by concerned parents who had invested in the Nevada Prepaid Tuition Program and then learned that they were able to qualify for some scholarships, which meant they were not able to use all of their prepaid tuition for their child's undergraduate studies. The parents asked if there was a way to use those leftover funds for graduate school. That is the genesis of this bill.

Section 1 authorizes the Board of Trustees of the College Savings Plans of Nevada to delegate to the State Treasurer any of its administrative powers or duties necessary for the efficient and effective administration of the Nevada Prepaid Tuition Program and Trust Fund.

Section 3 and section 4 expand the authorized use of benefits under a prepaid tuition contract to allow a qualified beneficiary to apply any unused prepaid tuition benefits after his or her graduation with an undergraduate degree toward his or her graduate-level studies.

Section 7 allows the Board to amend the master agreement for the program so it can use prepaid tuition credits for graduate education.

The State Treasurer's Office has an amendment that I consider to be friendly.

GRANT HEWITT (Chief of Staff, Office of the State Treasurer):

The Board of Trustees of the College Savings Plans of Nevada fully supports the idea of being able to take credit hours that are not being utilized during the undergraduate years and roll them into use for graduate school. This way, we do not penalize a student for doing well in high school or getting scholarships,

and they can use these credit hours to the fullest, getting the full amount out of their contracts. We have an amendment ([Exhibit C](#)) that is in two parts. The first part is some cleanup language.

In section 3, we are seeking to strike the concept of money paid into the trust fund and refer to it instead as credit hours. This would be consistent with the nomenclature found in the Nevada Higher Education Prepaid Tuition Program and Trust Fund.

In section 4, subsection 3, paragraph (h), we are changing the terms from money or payments to credit hours.

The second part of our amendment is to add in the investment language considered in S.B. 76 already heard by this Committee. This makes the allowable investments under the prepaid tuition program match our other investment opportunities. That language has already been approved in S.B. 76. We are just bringing it into this section of the statute.

SENATE BILL 76: Revises provisions governing the investment of money held by the State or certain political subdivisions of the State. (BDR 31-431)

VICE CHAIR WOODHOUSE:

Seeing no one else wanting to testify on S.B. 242, I will close the hearing and turn the gavel back over to Chair Denis.

CHAIR DENIS:

I will now open the work session with A.B. 24.

ASSEMBLY BILL 24: Revises provisions governing the tuition charges assessed against certain students within the Nevada System of Higher Education. (BDR 34-165)

TODD BUTTERWORTH (Policy Analyst):

This bill is sponsored by the Committee on behalf of the Governor ([Exhibit D](#)). You heard it in Committee on March 7. It prohibits the Board of Regents from charging out-of-state tuition for certain veterans and members of the military and their families who attend Nevada System of Higher Education institutions. There was no testimony in opposition to this bill.

SENATOR SPEARMAN MOVED TO DO PASS A.B. 24.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

CHAIR DENIS:

I will close the work session hearing on A.B. 24 and open the work session hearing on S.B. 112.

SENATE BILL 112: Requires a course of study in health provided to pupils in certain grade levels in public schools to include certain information on organ and tissue donation. (BDR 34-516)

MR. BUTTERWORTH:

This bill is sponsored by Senators Ratti and Kieckhefer. We heard it in Committee on February 23. It requires a course of study in health for students enrolled in middle school, junior high or high school, to include instruction in organ and tissue donation. This instruction includes how to register as a donor and the rules governing that in Nevada, the societal and individual benefits of donation, and facts about organ and tissue donation. There are no proposed amendments and there was no testimony in opposition to the bill.

I have submitted the work session document for the record ([Exhibit E](#)).

CHAIR DENIS:

I think that this is important. When I heard the testimony, it was clear that health teachers are already teaching these areas, and they will just be adding emphasis on the importance of organ and tissue donation.

SENATOR HAMMOND:

I hate putting more work on teachers but this is teacher-friendly. Teachers are always looking for more curriculum; something that will help them accomplish their job. As we heard in Committee, the curriculum the teachers will be given will actually help them achieve the standards that are already there, so I support this bill.

Senate Committee on Education
March 9, 2017
Page 9

SENATOR HAMMOND MOVED TO DO PASS S.B. 112.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

CHAIR DENIS:

Seeing no one wanting to make public comment, I will adjourn this meeting of the Senate Committee on Education at 4:16 p.m.

RESPECTFULLY SUBMITTED:

Linda Hiller,
Committee Secretary

APPROVED BY:

Senator Moises Denis, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	6		Attendance Roster
S.B. 242	C	3	Grant Hewitt / Office of the State Treasurer	Proposed Amendment
A.B. 24	D	1	Todd Butterworth	Work Session Document
S.B. 112	E	1	Todd Butterworth	Work Session Document