

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

**Seventy-ninth Session
May 29, 2017**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Joyce Woodhouse at 6:52 p.m. on Monday, May 29, 2017, in Room 4100 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.

SENATE COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Aaron D. Ford
Senator Ben Kieckhefer
Senator Pete Goicoechea
Senator Becky Harris

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman Jason Frierson, Vice Chair
Assemblyman Paul Anderson
Assemblyman Nelson Araujo
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblyman Chris Edwards
Assemblyman John Hambrick
Assemblyman James Oscarson
Assemblywoman Ellen B. Spiegel
Assemblyman Michael C. Sprinkle
Assemblywoman Heidi Swank

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Assemblywoman Robin L. Titus

GUEST LEGISLATORS PRESENT:

Assemblyman Justin Watkins, Assembly District No. 35
Senator Scott Hammond, Senatorial District No. 18

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Lona Domenici, Committee Manager
Mary Sullivan, Committee Secretary
Barbara Williams, Committee Secretary

OTHERS PRESENT:

Mike Willden, Chief of Staff, Office of the Governor
Andrew Clinger, Senior Policy Advisor, Office of the Governor
Steve Canavero, Ph.D., Superintendent of Public Instruction, Department of Education
Grant Hewitt, Chief of Staff, Office of the State Treasurer
Lesley Pittman, American Federation for Children
Marcus Conklin, Excellence in Education National, Inc.
Aimee Hair
Tiecha Ashcroft
Frank Holland
Karen Caterino
John Sande IV, EdChoice
Bret Scoggin
Gary W. Olsen
Jeff Johnson
Marcos Lopez, Field Director, Libre Initiative
Jen Hainley
Chris Daly, Deputy Executive Director of Government Relations, Nevada State Education Association

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Ruben Murillo, President, Nevada State Education Association
Holly Welborn, Policy Director, American Civil Liberties Union of Nevada
Annette Magnus, Executive Director, Battle Born Progress
Chet Miller, Chair, NSEA-BATS Caucus
Adriana Martinez
Jana Pleggenkuhle
Julie Woodbury
William Houke
Camille Houke
Tom Pillar
DeeAnn Roberts, Vice President of Advocacy, Nevada Parent Teacher Alliance
Sylvia Lazos, Policy Director, Educate Nevada Now
Lu Ann Pillar
Rudy Zamora
Vicenta Montoya
Kenia Morales
Joyce Newman
Natha Anderson, President, Washoe Education Association
Stacey Shinn, Policy Director, Progressive Leadership Alliance of Nevada
Nancy Stiles, American Association of University Women
Marlene Adrian
Barbara Dragon, Nevada Homeschool Network
Rona Yee

CHAIR WOODHOUSE:

I call this joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means to order. We have one bill on our agenda for this meeting. That bill is Senate Bill (S.B.) 506.

SENATE BILL 506: Revises provisions relating to education savings accounts and education funding. (BDR 34-1101)

We are going to open tonight's hearing on S.B. 506 with a presentation from the Governor's staff.

MIKE WILLDEN (Chief of Staff, Office of the Governor):

I will try to provide some of the history and context that led us to this moment. I want to remind people that, during the Governor's January State of the State

speech, he highlighted his desire to continue the Education Savings Account (ESA) program. In addition, S.B. 506 was introduced on March 27.

Back in 2015, S.B. No. 302 of the 78th Session was passed. It created the ESA program, where grants of money were to be made to parents of children to defray the costs of attending and receiving instruction at schools outside of the public school system. The Office of the State Treasurer was set up as the responsible entity for the implementation of the ESA program.

Legal challenges were filed following the passage of that bill. The Nevada Supreme Court ruled that the legislation was constitutional under parts of *The Constitution of the State of Nevada*. The Supreme Court also found that S.B. No. 302 of the 78th Session did not make an appropriation to support the ESA program, and the transfer of money from the K-12 education budget to the new ESA would violate other portions of the Constitution. This ruling meant that, effectively, the ESA program could not be implemented.

Based upon that legal review, Governor Brian Sandoval asked us to develop a budget to support ESAs. The *Executive Budget* included \$60 million over the 2017-2019 biennium to support ESAs. That included \$25 million in fiscal year (FY) 2017-2018 and \$35 million in FY 2018-2019.

There has been a lot of discussion around what is the best way to fund the ESAs. The funding mechanism could be straight-up appropriations or a mix of tax credits and appropriations. We are happy to continue that discussion.

We have recommended in the *Executive Budget* that a separate budget account be maintained for the ESAs. That is budget account (B/A) 101-1097.

ELECTED OFFICIALS

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Budget Account 101-1097

The Senate Committee on Finance and the Assembly Committee on Ways and Means reviewed that budget account. There are four staff associated with this account as well as the various operating costs. The administrative costs would

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not exceed 3 percent of the total \$60 million allotted for the program. The remaining portions would be available to support ESA grants.

The money committees made the decision to not fund the budget account mentioned previously. They were closed without the staff and the grants funded. Now, the decision to fund ESAs rests within S.B. 506.

There are a few facts I think are important to state before I present this bill. I believe there are about 2,600 applications for ESAs currently in the queue. Those are completed applications. During the time that the Treasurer's Office has been processing applications, I believe over 10,000 applications have been initiated.

To help visualize the program, I find that using a ratio of every \$10 million worth of funding to around 1,700 ESAs to be helpful. The Legislature's Fiscal staff, during the budget hearing, indicated that around 4,100 ESAs to 4,500 ESAs could be funded in FY 2017-2018 with the \$25 million in proposed funding. The FY 2018-2019 proposed funding of \$35 million could service around 6,300 ESAs.

ANDREW CLINGER (Senior Policy Advisor, Office of the Governor):

I have submitted for the Committees' review a document breaking down the various sections and provisions of S.B. 506 ([Exhibit C](#)). I know that this hearing is mostly about the fiscal aspects of S.B. 506, but I wanted to walk through the bill to provide some context.

[Exhibit C](#) is organized in such a way that the left column refers to sections of the bill. The middle column of [Exhibit C](#) contains the language used in the bill. Finally, the rightmost column contains a summary or notes on that particular section. I will now briefly present [Exhibit C](#) to give the Committees a more clear idea of what each part of S.B. 506 does.

ASSEMBLYMAN FRIERSON:

Thank you for presenting this information in such an organized way. I think that it is worthy to note that this proposal reflects a choice that has been extended from the last Session. I also think that there are some concerns moving forward about exactly how the mechanics of this will work.

The first concern I have is with the notion of using public money to provide an allocation that will go to schools that do not have the same kind of accountability and transparency that public schools do. I understand that they are private schools. However, they could use public money in a way that lacks the same accountability as public schools.

We have a structure in place called the Opportunity Scholarship that was passed last Session. That scholarship is not based on direct public money; instead, it uses tax credits from corporate contributions. I think the amount was capped at \$5 million. There was some growth built in as well. My understanding of that program was that it was based on those eligible being under 300 percent of the poverty level. It is a program that was designed to assist poor families. Concurrently, we have a program that is not designed for low-income families that is funded at \$60 million.

My first question is, would it make sense for the ESA program to be closer in parity to the Opportunity Scholarship program? It makes sense to me since we are talking about encouraging choice for everybody. We could measure the success of either one more accurately if they were closer in nature.

I also have a second question. What about the notion of the ESA program being set up in a similar way funding-wise as the Opportunity Scholarship program, especially in light of the Supreme Court's opinion about the use of federal dollars and how that can lead to future challenges?

MR. WILLDEN:

You are correct in your assertions about the Opportunity Scholarship program. It is set up in such a way that tax credits are the funding source. It was originally established at a \$5 million funding level. It has a 10 percent growth clause in it each year. It is funded by businesses that donate to the scholarships. The income requirement is set at 300 percent of the poverty level or below. Last time I checked, there were around 1,200 students who receive scholarships through that program.

We like the structure of the Opportunity Scholarship program. I think it is a good scholarship foundation to follow. However, the Governor believes that people should have choices even if they make more than the 300 percent of the

poverty level. There should be an ability to serve families that do not feel like they are getting their educational needs met universally.

MR. CLINGER:

The only thing I would add to Mr. Willden's comments is that, based on the data we received from the Treasurer's Office, about 30 percent of the applications that have been completed to date fall in the category of 185 percent of poverty or below. When you look at the applications in different income brackets, they are spread evenly across all income brackets.

ASSEMBLYMAN FRIERSON:

I think part of the concern is the spread without regard for need. There is a concern about wanting to utilize resources in this way instead of in a way that reflects need. You may have an affluent family that is not happy with their public school options, and there may be a less-than-affluent family that is equally unhappy with their options as well as not being able to afford school transportation costs or lunches. They may not have a home computer. They may not be able to afford school uniforms. There is a gap in what these families can do when compared to affluent ones.

I recognize that there is a desire to extend choice to everyone. Philosophically, I think there is an appetite amongst many to focus on those who are the neediest as opposed to those who are not in need.

With respect to the Opportunity Scholarships, my understanding is that the cap for contributions was met in a short amount of time. That meant there were people who wanted to provide contributions but were precluded from doing so because the cap was met. One would think that means there are plenty of people and corporations that wanted to contribute but were unable to do so.

Considering the donors providing the support for the Opportunity Scholarships reached the cap within a few months, is it likely that there are others out there that would be able to adequately fund an alternate program such as ESAs?

The Opportunity Scholarship is available for people who make less than 300 percent of the poverty line. We could have a similar structure that could be used for choice that would not take monies from the General Fund. I think it would justify more money being spent.

It is difficult to justify being behind Mississippi in per-pupil spending and then find a creative way to provide public money for people who are not struggling. Finding that balance between wanting to have choice for everyone but acknowledging that we have a system that is not adequately funded makes this difficult.

My question is why could we not replicate the model of the Opportunity Scholarship program in a way that opens it up to more than just 300 percent of the poverty line, but does not offend certain people's sensibilities about being good shepherds of public money?

MR. WILLDEN:

I am not sure what you are suggesting. If you are suggesting that we change the Opportunity Scholarship to have a more forgiving cutoff point, that is something that we have been evaluating on an ongoing basis. We will continue to look at that.

The Governor certainly believes that the Opportunity Scholarship program should be left intact. There is a funding mechanism to do so. Several donors provide scholarships. The ESAs are more unknown. We do not know yet if there would be willing donors. I certainly believe that there will be businesses that will donate or take tax credits for supporting the ESAs.

We have not heard any major concerns about how the model used for the Opportunity Scholarships is working. We are open to looking at that model; particularly how they get the grants funded and how they distribute the grants.

ASSEMBLYMAN FRIERSON:

I was not suggesting that we simply expand the Opportunity Scholarship model. People feel different ways about that program; however, that is not the subject of this bill or this hearing.

However, that option seems worthy of consideration. The ESAs are easing into a model that has been proposed as one of the most expansive uses of public money. If we were not so close to the bottom in educational rankings, this would be a different discussion. Since we are so close to the bottom it seems like we should consider the Opportunity Scholarship funding model as a viable

one for ESAs moving forward. That would expand choice options for everybody in a responsible and measured way.

MR. WILLDEN:

I think that we all believe that more funding is needed in education; however, that need is in a number of areas. We believe in choice options. We have talked about a number of ways to help families receive the education they believe they need for their children. I do not want to leave with anyone thinking that either this Legislative Body or the Governor has not funded public education. Hundreds of millions have been spent on education since Governor Sandoval's election. We have made a significant down payment towards the weighting factors for public schools. We are supportive of additional resources for public schools. We also believe that this choice is an option that many families want.

ASSEMBLYMAN FRIERSON:

I will acknowledge that we did not create this situation overnight. I am not placing blame on the actions of the last Session for us being behind. I just do not like being behind.

ASSEMBLYMAN SPRINKLE:

My question is concerning section 25 of S.B. 506. I am going to first refer to section 27 where you talk about the different priorities and the fact that families with a household income below 185 percent of the poverty level receive 100 percent of the statewide average basic support and all others receive 90 percent.

Keep that information in mind when I ask my next question. In section 25, it talks about prioritization of applications and assigning numbers. I am wondering how that is determined in the bill. When these applications come in, is there a priority? Is it literally first come, first served?

It seems like there is some emphasis or concern regarding certain statements contained in section 27. If it is truly first come, first served, there does not seem to be any priority.

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MR. CLINGER:

In section 27, subsection 5, the bill states "If there are more applications for grants for a school year than there is money available, grants must be awarded in the order of the number assigned to the agreement" pursuant to section 25.

In section 25, the number is assigned. In section 27, the grants are to be awarded on essentially a first come, first served basis.

ASSEMBLYMAN SPRINKLE:

That is how I understood it. In section 25, it really is who gets their application in first. It seems like, from a funding standpoint, the priority is with regard to how much per pupil is spent. The parameters in section 27 are how this is done. However, in section 25, it is literally set out as a first come, first served basis.

MR. WILLDEN:

You are correct that for a low-income child whose household income falls below 185 percent of the federal poverty line or for a disabled child, they get the 100 percent amount of the basic allotment. That is \$5,900. For a non-disabled, non-low-income child, they get 90 percent of that figure.

ASSEMBLYMAN SPRINKLE:

I still am not getting the actual answer. Is there no priority with regard to the number that is assigned to an application? Is that set as a first come, first served?

MR. WILLDEN:

As written, that is correct.

ASSEMBLYMAN SPRINKLE:

My next question involves section 28, subsection 1, paragraph (j). There is a \$750 allotment for transportation. As you break down the different ways that the parents can spend this money, I am wondering if you can explain to me more about what that means?

I have heard from those who are underserved or underprivileged that the transportation aspect, which is the ability to get students across town to a school that is not specifically in their geographical area, has been a major

concern. What do you envision that \$750 will be used for? Is that for cab fares or other costs?

MR. WILLDEN:

We can bring others up to weigh in on this. That number is what we believe families should be able to access to pay for transportation. We are not dictating whether that is bus fare or Uber. What a family chooses determines what that money is used for. I think it is open to many things. If this Body finds that to be too much or too little, we are open to discussion.

ASSEMBLYMAN SPRINKLE:

I am actually curious how that \$750 figure was determined.

MR. WILLDEN:

We had quite a few discussions over the year about these kinds of things and what the ESA grant can pay for. Transportation is one category that we felt needed to be limited.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

My question incorporates several different pieces of this legislation. In section 30, the language says that the participating entity, among other things, can be a parent of a child. Section 33 talks about not being able to limit or constrain a participating entity's independence or autonomy.

Audits of the program will happen annually as set out in section 29. Accounts will be randomly audited. I am wondering how we go about ensuring that the dollars are used in a proper and lawful way as outlined by the bill. How and when would we know if there is malfeasance?

For example, I think of my family. I have four children. Two are not school-aged and two are. If I worked under the assumption that there are four school-aged children and I registered as a participating entity that is not under 185 percent of the poverty line, I would get roughly \$20,000 to educate my children.

At what point would you know that I am using those funds in a judicious and proper way? Would we only know on the backend, when there is an audit? Is there a way to know sooner whether I am actually using those funds correctly?

I could take my four children out of public school, homeschool them and commit them to taking a test at the end of the year. At the end of that year, if all four of them fail, that may be an indicator of not using the money correctly. However, if my account were not picked for auditing, how would you know how I have been spending that \$20,000?

MR. WILLDEN:

I have had discussions with the Treasurer's staff on how the program currently works. My understanding is that when we fund an account, there is a triangle of processes we go through. The family says that they want to make a tuition payment to a school or that they want to purchase something. They log on and indicate that they are ready to make a transaction.

Then, my understanding is that the receiver, the school in this example, logs on and indicates they are ready to receive the transaction. That process is in place. There are also controls to follow money as it goes through the system.

For the cases where this sort of pitch-and-catch relationship may not apply, there are receipts required and other things of that nature. I would note that, in section 29 of S.B. 506, the system of random audits is laid out as well as conditions and authorities for additional auditing if needed. There is the ability to freeze or dissolve accounts if we find there has been misuse of funds. There is also a process in the legislation that allows notice to be given to the district attorney or to the Office of the Attorney General if misuse is noticed. I would assume that is for review of actions to determine whether they are lawful or not, and if they could be prosecutable.

I think there are strong internal controls in place. That is how it was explained to me. There are also strong misuse statutes proposed.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I understand the nature of what you called the pitch-and-catch relationship. For me, it is easier to conceptualize that relationship as between a participating entity and a specific institution such as a private school. You can follow the dollars directly in that case.

I am still curious about when we say we will not encumber or limit a participating entity. Are we saying that they can make the choice they want as

a parent? I am having trouble thinking this through, from an administrative point of view, how that will actually be implemented.

You had mentioned receipts being submitted for review, which sounds good to me. I still worry that we will run into the problem of only discovering malfeasance on the backend, after it has already happened. It would be tempting for parents to remove their children from public education and educate them themselves. There may be some bad faith actors, but even well-meaning parents could potentially be prosecuted if their kids do not pass standardized tests or meet other benchmarks. Would that be cause for a district attorney to prosecute?

I am thinking about the accountability pieces of the legislation. I would appreciate your feedback on this.

MR. CLINGER:

There are a couple of things I want to point out here. I want to make sure the record is clear. Section 28 is the section that lays out how the money can be spent. Parents could not sign up as a participating entity then take the ESA money for themselves. It has to be spent on specific items that are laid out in this section.

The other thing I want to note is, in addition to the auditing that Mr. Willden brought up, in section 31 each participating entity, or the parent in your example, is required to ensure that the child takes certain examinations. They have to take norm-referenced achievement examinations in mathematics and language each year. They do not only have to take those exams, they are required to report the results to the Department of Education. The Department is required to publish the results.

ASSEMBLYWOMAN SPIEGEL:

I have two questions. In section 25, subsection 2, it is stated that a parent may establish an ESA for a child who receives a portion of his or her instruction from a public school and another portion from a participating entity.

My first question is, given that, how does the public school receive funding for the education that it is providing to a child who is not included in their pupil count?

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MR. CLINGER:
Can you point me to that reference?

ASSEMBLYWOMAN SPIEGEL:
It is on page 15 of the bill, lines 34 through 37.

MR. CLINGER:
The way that I understand this provision is that if a student who is registered at a private school wants to take classes that the school does not offer, such as a music class, the student takes those classes at a public school. The amount that student receives under the ESA is reduced because they are taking some classes at a public school. That proportionality is built into the bill. If the student takes a couple of classes at a public school, their ESA distribution is reduced proportionately.

ASSEMBLYWOMAN SPIEGEL:
As a follow-up, I did not see anywhere in the bill where the public school receives money for funding that portion of that student's education. Is there something that I am missing?

MR. WILLDEN:
You may want to ask Dr. Canavero that question. However, my understanding of how this works is that the students who split their education are called nontraditional students. A typical load for school students is six credits. The school would be funded for those credits through the regular formula.

The nontraditional students may take one or two credits through a public school. My understanding is that portion of their education is paid through the Distributed School Account (DSA) in a true up at the end of the year. The schools are paid for those credits and the ESA would be reduced proportionately.

STEVE CANAVERO, PH.D. (Superintendent of Public Instruction, Department of Education):

Mr. Willden is correct. We do this frequently at the end of the year for students who take a proportional mix of courses between public and private schools. There is a proportional adjustment made at the end of the year and a payment

will be made for the corresponding portion of the education taking place at a public school.

ASSEMBLYWOMAN SPIEGEL:

My second question has to do with student hunger. Fifty-two percent of the students in Nevada are eligible for free and reduced-price lunches. My understanding is that private schools do not participate in the federal Free and Reduced-Price Lunch Program. In section 28, I did not see anything stating that fees or funds could be used to address student hunger. I was wondering what the plan is to address students who attend private schools who are not able to learn because they do not have food to eat.

MR. WILLDEN:

That has been a recent discussion. I do not have a plan to present today. However, this has certainly been a topic of interest over the last few days. I would be happy to look into that further.

ASSEMBLYWOMAN SWANK:

I want to clarify something. The payments that are made to the school a child attends are made on a quarterly basis. Is that correct?

MR. WILLDEN:

I do not know when the payments are made to the school. I think the accounts are loaded with funds on a quarterly basis. I do not know if the accounts disburse on a quarterly or annual basis; however, the accounts are funded quarterly.

ASSEMBLYWOMAN SWANK:

I am looking at section 25, subsection 7 of S.B. 506. It says in lines 19 and 20 that the agreement is valid for one school year and may be terminated early. If an agreement is terminated early, the child may not receive instruction from a public school in this State until the end of the period for which the last deposit was made into the ESA.

If a payment was just made, we could end up with a student outside of the school system for the rest of that quarter. As I understand it, they would not be allowed into the public schools according to the language. There are many reasons why kids could end up out of their school of choice immediately after a

payment was made. They could have been expelled, they could have been bullied or the parents may think a school is not a good fit. However, if the payment has been made, it seems to me they are going to be out of school for the rest of the quarter. I am not sure that is good policy. I am not sure if that is legal.

MR. WILLDEN:

My understanding of that language is the same as yours. I will need to look into that. I understand your concern.

ASSEMBLYMAN ANDERSON:

I think it is important that we recognize how this legislation came about. In 2015, we raised a significant amount of revenue to invest hundreds of millions of dollars in the public school system. We had to make choices about things like the Victory and Zoom programs, English learner students, disabled students or career technical education (CTE). We had to balance all of that.

On top of that, we added greater opportunities in charter schools for those who wanted public choice of a different type. We added Opportunity Scholarships, which added a 300 percent poverty means test. All of this was to help parents get their kids to where they thought they needed to be. I think ESAs were simply the next step in that line of thought and that matriculation of choice.

It is an interesting line of thought. When we look at Opportunity Scholarships, we are giving businesses the choice of where to put their dollars. However, we do not necessarily give taxpayers a choice of where to put their dollars. As we follow that matriculation, the ultimate qualifier is "what is a good education?"

My question is how do you see ESAs fitting into the overall educational scheme of Nevada? How do we get our students to rise above Mississippi's, whether it is in the public or private education side?

How do we weigh the choice of a parent for their kids' education versus government or business diverting their money into the education that they think is best?

MR. WILLDEN:

The Governor's position is that he would like to have as much choice as possible for parents. He wants them to help direct their kids' educations. I think you are correct in that we have tried to review the public education system and add accountability measures. I think ESAs can be one of those steps.

I know this is pretty aggressive and bold when compared to how ESAs have been introduced or implemented in other states. As Assemblyman Frierson said, it could be another step towards beating Mississippi.

ASSEMBLYMAN ANDERSON:

As a follow up, I want to say that we took a big hit in 2015. The money available and the potential scale of the ESA program today was founded upon certain fiscal principles that we thought were good ideas at the time.

The idea that we invested in all of the above is akin to building a toolbox. If you are working on your car, it is a lot easier when you have the right tools. As a parent who has had children in public and charter schools, I would want as many choices available as possible. I have four kids who learn differently. Some of them have been on individualized education plans. I have seen the difference between empowerment schools, regular schools and charter schools. Each one of my kids succeeded differently at different times in their education.

Parents should ultimately have the decision-making authority on what is best for their kids. I took that responsibility as a parent. I think we all do when we become parents. That is a precious responsibility. When we, as the government, start taking that choice away, we lose the foundation that we were trying to build.

ASSEMBLYMAN ARAUJO:

I want to circle back to Assemblyman Sprinkle's line of questioning regarding section 28 of S.B. 506. My question is about the travel expenses. The amount allowable for travel is up to \$750. A single parent who is raising a child who is going to be taking public transportation will pay \$65 for a monthly bus pass. For a sixth grader, a parent will have to ride along with the child on public transportation.

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I guess I am questioning the thought process behind that \$750 figure. I am trying to get a firm understanding as to whether we took into account the true, deep-rooted challenges people face in certain communities when it comes to transportation and how that can prevent access to schools.

MR. WILLDEN:

I do not have a lot to add to my first comment about this. We are certainly willing to look at that number. I do not have any detailed comments. Maybe once some of the public comes up to talk about it we can get a sense of whether \$750 is too high or low.

I do not know since I have not been a parent in that situation. From my previous career at the Department of Health and Human Services, I know that transportation is costly. Parents without automobiles can struggle. I am certainly willing to look into it. I just do not have a concrete answer tonight.

ASSEMBLYMAN ARAUJO:

I feel strongly that, if we are going to discuss public dollars going to private institutions, we should also have a conversation around the importance of making sure that compliance comes with the issuance of public money. I say that because, when I look at this bill, I do not see language pertaining to anti-discriminatory policies or anti-bullying policies.

I think it is important for us to talk frankly about whether or not we will be setting the same expectations at the private institutions that will be receiving public dollars. Will they comply with the same laws that have been set forth for public schools?

MR. WILLDEN:

We have had that discussion in the last week. We concur with your statement. We would not want to have children going into a situation as you described. We are certainly willing to look at language along those lines.

ASSEMBLYWOMAN CARLTON:

Mr. Willden, I would like to return to section 25. I am sure I know what the intent here is. I am not sure that intent is as clear in the language of the bill as we need it to be.

On page 15 of S.B. 506, it is stated that the parent of any child may apply to establish an ESA if their child attended a public school in the State pursuant to section 25 for not less than two consecutive quarters of the school year.

I could see someone being in one quarter for two days or two weeks and the next quarter for the same brief period. I am sure the intent here is for attendance to be mandatory for two whole quarters. It does not say that in the bill. I wanted to make sure we address that and make it very specific because we do not want parents saying their child was enrolled for two quarters when they did not attend for full quarters.

MR. WILLDEN:

You are correct in your statement about the intent.

SENATOR FORD:

In response to a couple of comments I have heard, we really made great strides forward for education last Session. We have not put any new money into education. We have restored money formerly lost to public education. I think that is an important distinction to note.

We still have a long way to go. Even this Session, we will not be able to fully fund our weighted student funding formula. I want people to keep that in mind as I continue on to my questions.

This is not an issue of distrust or mistrust of parents. I think it is fidelity to our duty to be certain that we are providing for an appropriate public education for our students. It is an issue of us using public funds for public education.

I want to return to a comment Mr. Clinger made about the population of students who have already applied for ESAs. He had indicated that the Treasurer's Office said that 30 percent of students are under 185 percent of the federal poverty level. However, I want to make something really clear. There is no income verification that is taking place on these applications. We really do not know what that population is.

MR. WILLDEN:

That was my understanding. The Treasurer's Office can verify that. The families that have applied did not have to verify an income level. I think there was still

some data collected on those families. I do not know whether I can say if that figure has been verified. My understanding is that these families are self-attesting their income.

SENATOR FORD:

Does S.B. 506 include a verification process that we can use to make sure that those who are applying fit within certain parameters?

MR. WILLDEN:

S.B. 506 as it is written does not have a limit.

SENATOR FORD:

So, under the bill as written, is there no way we can determine the actual income level of the people who are applying?

MR. WILLDEN:

S.B. 506 does not have a cap. It is a universal ESA. If there is not enough funding to support all applications, it goes on a first-come, first-served basis.

SENATOR FORD:

I am not trying to be combative. I just think the answer to my question is "no." There is no way to verify income under the current iteration of the bill.

I want to return to the topic of school choice. The phrase Assemblyman Anderson used was the matriculation of school choice over the course of time. School choice is an umbrella term. It encompasses magnet schools, CTEs, charter schools, open enrollments and other things. It can also include vouchers and voucher-like programs. I classify this program as a voucher-like program.

However, the moniker attached to this bill is that it is a school choice bill. My question is why not have this bill also offer school choice in the public school context? Where is the funding for our successful public schools, such as magnet schools?

MR. WILLDEN:

There are many choice opportunities. This is the Governor's bill and the ESA bill. If we want to look at other options, we would be happy to do so. We would be

happy to also look at other pieces of legislation and options. It was not our intent to have a massive bill. It was meant to be focused on this particular choice and at this scale.

SENATOR FORD:

I think this is part of the beauty of what has happened here. Many people have co-opted the phrase "school choice" as if to say S.B. 506 is the only form of school choice out there. I think that is a misnomer. I think that label should be used appropriately.

I have said before that we should be able to capitalize on the successes we have already had in our public school choice programs that provide opportunities for public school students.

I have a question regarding a real-life example of school choice. In White Pine County, there is a form of school choice that I support, which is charter schools. White Pine County had to come before the Board of Examiners to get a waiver for textbooks. I believe the amount was for \$13,000. That was because school choice had taken students from the high school. The charter school was at capacity and could not accept more students. However, the students who had no choice but to remain in the public school were left without the fundamental items they needed to be successful. What thought has been given to how to avoid these types of situations? If White Pine County were, for example, to suddenly see a private school come in and take additional students, would the students at the public high school be left with even fewer resources because the per-pupil expenditure money has been sent elsewhere?

MR. WILLDEN:

I do not know the details about White Pine County other than they applied for a waiver that was granted by the Board of Examiners. I would point to one of the tools included in S.B. 506 which is the limiter of 5 percent. You cannot have an exit factor of more than 5 percent.

SENATOR FORD:

I could be wrong, but I do not believe that even a limiter of 5 percent is going to reduce the overhead costs for schools. We still have to run buses and keep the lights on. We have to pay for things that do not necessarily scale with the per-pupil spending. It does not matter if you have 1 student or 100 students in

a classroom. That is one of the issues that many people have with this approach.

It is going to leave students who either cannot or will not capitalize on the school choice with lesser resources. We are already stretched thin in that regard.

MR. WILLDEN:

As I understand it, there are 450,000 school students in the State. In my introductory remarks, we were talking about funding 4,000 students to 5,000 students for the ESA program start-up. That is something like 1 percent of the student population. It is not as if we are trying to make a massive shift. We are talking about a few thousand kids.

SENATOR FORD:

I do not disagree with your assessment; however, I do not think it negates my contention. You still have overhead costs that have to be paid regardless of how many students are in the public school. That is an issue I think we have to continue talking about.

My last question relates to Assemblyman Araujo's line of questioning about anti-discrimination laws. What does this bill do to ensure that students with special needs are not selectively excluded from the admissions process of private schools?

MR. WILLDEN:

I cannot point to a specific section right now. As we have discussed prior to this hearing, this is something we are willing to look at.

ASSEMBLYMAN EDWARDS:

Your last response is a good segue to my question. I want to point out that this has been the most important issue for my constituents in the rural areas and especially in the working-class neighborhoods. I am keenly interested in this.

In meetings during the Interim with the Chief Financial Officer of the Clark County School District, it was indicated that when we add up the various funding sources for students, the per-pupil expenditure is around \$9,500. That being the case, for every ESA we issue, \$5,100 goes to the student and about

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\$4,500 is retained. For every 1,000 students with ESAs, the public schools would actually retain \$4.5 million.

If we were to expand the ESA program to apply to 10 percent of the school population, the public schools would receive a windfall of about \$180 million. In consideration of the taxpayer, if we expanded the ESAs to 100 percent of the student population, we would save taxpayers \$2 billion.

Are any of my numbers wrong? If they are not, the question I come back to is how will this hurt public schools? I do not see how it can hurt public schools if we are letting them reduce the amount of pupils while they retain some of the funding. They may not need as many teachers, and we all know how hard it has been to fill teacher positions as of late. This seems like a huge benefit to public schools.

DR. CANAVERO:

The \$9,500 figure you cited is what we arrived at early in this Session when we provided our budget overview, which included per-pupil funding from the State, the local revenues and the federal dollars together. In some cases, the federal dollars are entitlement dollars that would stay at a school district if a student who was entitled to those dollars left. The one aspect of the funding I can definitely say would remain at the school district, based on the average DSA payment as written in the bill, would be the local share of dollars. The local revenues would stay within the school district.

The exact value of those local revenues ranges from school district to school district. I think in our largest district it accounts for about \$1,000 per pupil.

SENATOR KIECKHEFER:

I want to thank all of you for your commitment to this bill as well as Governor Sandoval. I do not think there has been another governor in our history who has demonstrated a commitment to public education like Governor Sandoval. Over his tenure, he has proposed and we have approved more than \$1.3 billion in new funding for public education. We have targeted that funding places like poor neighborhoods, low-performing schools, schools with language challenges and programs for gifted students. There were also massive new investments special education.

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I think all of that goes towards the idea that we would like to create a public school system that no parent would want their child to leave. The reality is that the best school will still not meet the needs of every student. I think making room within our educational structures for the 1 or 2 percent of students who do not find satisfaction in the public school system is entirely appropriate. I want to ensure that we recognize that.

On the issue over variable costs, there are certainly fixed costs for school districts. In your experience as superintendent, you know that there are variable costs as well. Can you talk about those costs? What is that dynamic like?

DR. CANAVERO:

The largest single variable cost is personnel. Enrollment increases or decreases. I believe over 80 percent of the budget is tied up in personnel. That cost feels variable to me. That is a significant cost.

Rollovers for bonds in order to continue or construct facilities were approved last Session. As enrollment expands across the State, that is another significant cost to the system. That should give you some idea of what I consider education's larger variable costs.

ASSEMBLYWOMAN DIAZ:

I am trying to wrap my brain around this scheme. We will have a director of educational choice who can then hire people under him or her to do this work. We will have accounts that must be maintained by a financial management firm. There will be fees to be collected by this firm. Each child will have an account with this firm. These accounts are going to be audited by certified public accountants, which is an additional expense. We can also contract with a third-party organization to evaluate parent satisfaction.

In my mind, all of those components have a price tag associated with them. There is a cost involved. Have we been able to see hard numbers on what running this program will cost? How much money will we need to achieve all of these provisions?

MR. WILLDEN:

Section 38 of the bill outlines the operating costs. That is constrained by a 3 percent limiter on administrative costs. Those costs total \$723,646 in

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FY 2017-2018 and \$891,444 in FY 2018-2019. That is out of the total cost of \$24,276,354 in FY 2017-2018 and \$34,108,556 in FY 2018-2019.

We presented a budget to the money committees that details how the operational funds will be spent. That money pays for the four staff associated with the new school choice office. A small amount of it goes to IT costs. That is all spelled out in that section.

We do have some concerns about potential for the additional need for outreach. The budget may need to be adjusted for that area. We never had much discussion about those things. The operating budget, as presented to the money committees, also included an Interim Finance Committee payback. That was around \$245,000 that was advanced to the Treasurer's Office to start the program. There was also discussion around a payback provision for legal services that were used in defending the lawsuits. That was all spelled out in the budget presentation of B/A 101-1097. I would be happy to go into more detail if you would like.

ASSEMBLYWOMAN DIAZ:

It just seems like it is not adding up correctly. The price tag does not seem like it is all encompassing. One concern I want to raise is that I think it is ludicrous that we ask our teachers to document how much they are spending for their classrooms. They have to provide the physical receipts before they are reimbursed for any materials. On the other hand, here we are handing out money and only occasionally audit certain accounts.

Along those lines, you had talked about how students have to take certain examinations and that we have to report and publish the results. What I did not find is a hammer. Where is the accountability? For every public dollar we spend in the public system, we are continually asking for more accountability, for data, for return on investment. Are these benchmarks in place for the private schools or for homeschooling? Are we comparing their progress and growth?

MR. WILLDEN:

Maybe I did not do a good job of running through that before. My understanding is that the system works through that pitch-and-catch relationship I mentioned previously. It is not willy-nilly spending of millions of dollars. There are systems, checks and balances in place. I would assume the staff overseeing the program

and the vendors who help develop the systems have those checks and balances as well.

Section 29 of the bill describes the processes that relate to accountability. They are random auditing, which is not different from many of the government programs I have done. You find payment discrepancies and follow trends. We have provided for that here. We have provided for additional audits as necessary. We have provided for freezing or dissolving accounts. We have also provided for legal notice. If we need to strengthen that language, we can look at that. I just do not want to give the impression that we are giving this money out willy-nilly. People have to use the money for the categories as described in the bill. I think there is accountability in the bill.

SENATOR DENIS:

I was going to follow up on a few lines of questioning. My first question is whether this bill is really about giving parents choices or is it about moving the needle on education in Nevada? That will influence my follow up questions.

MR. WILLDEN:

I think it is about both.

SENATOR DENIS:

In section 31 of the bill, it talks about the kind of information that will be gathered. In subsection 2, the language states that the examination results will be aggregated. I also see that, after three years of examination data being collected, it will be made available. Does that mean it will take three years to get a report on whether this program is working or not?

MR. WILLDEN:

I am not overly familiar with those processes. Like any new program, the first year will not have a lot of data to compare. You need at least two years to have a comparison. I am not the education expert in this room. However, I think you use benchmark data and compare to that moving forward. You look for improvements over time. It is about moving the needle. If there is better language, we are happy to include it. The idea is that we will be referencing the same exams that public school students take. We will collect that information over time and look for improvements.

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SENATOR DENIS:

The way I look at moving the needle in Nevada is that we have students who are performing well, some that are performing great and some who are not performing well. We have tended to focus on those who are not doing well. Since that is not a focus here, I do not know how the needle will actually move. Unless the children who are not doing well show improvement, the needle will not move. Are we going to be able to look at that as we evaluate the program?

MR. WILLDEN:

My short answer is yes. I believe that is the intent of the bill. If there is a suggested way to better write that into the bill, we are all ears. I feel a little frustrated that we only have seven days left. I wish I could have had more input earlier on. We could have put forth a potentially better bill draft.

SENATOR DENIS:

I also wanted to follow up on the fixed costs. If, out of a class of 30 students, 2 students move out, we do not pay the teacher less. We do not reduce the amount of electricity or anything like that. The fixed costs do not change much when kids choose to go outside the public education system.

DR. CANAVERO:

In that example, you would still need a classroom. In the beginning of the bill, there are a number of provisions that ensure that a districtwide reduction does not trigger the hold harmless provisions. There is also the 5 percent limiter to ensure that impact is mitigated.

ASSEMBLYWOMAN TITUS:

Dr. Canavero, we are constantly hearing in our budget meetings about the need for funding for the schools and for proper education. Right now, with class-size reductions being seen as important, do we have enough places for all the students in Nevada to attain the goals of class sizes? Are there enough seats out there for every student? Do we have overcrowding?

DR. CANAVERO:

That is a tough question to answer. In terms of physical space, I do not know. I believe that, in some locations, we do not have enough physical space. Given the number of variances we see against statutory caps on class sizes, the majority of classes are beyond the statutory criteria.

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ASSEMBLYWOMAN TITUS:

I am curious if any of you know the full capacity we have in our private schools. I have no idea how many private schools we have. How many spots would be available in those settings?

DR. CANAVERO:

We do not collect information about the capacity beyond what those schools currently serve. We presently have over 150 licensed private schools across the State serving over 20,000 students. That number has remained stable over the last ten years. It typically fluctuates from 19,000 students to 21,000 students.

ASSEMBLYWOMAN TITUS:

I have heard from constituents on both sides. There are some concerns regarding this money being taken and used in a religious school. There are concerns about the separation of private religious schools and public funds. Can you explain how that works? Is that a problem area? What has been decided about the separation?

MR. WILLDEN:

I am not the lawyer in the room. As I understand the Supreme Court opinion, that was not an issue. The only issue they identified was the funding mechanism. The funding mechanism the previous Legislature approved was that, when we funded an ESA, we transferred money out of the DSA to fund the ESA. All the other provisions were found constitutional. The funding mechanism was not. Hence, the fix in this bill.

CHAIR WOODHOUSE:

I know there are probably a lot more questions; however, we are running out of time. Thanks to the three of you for the presentation of S.B. 506. At this point, I am going to call up Assemblyman Watkins to introduce a conceptual amendment ([Exhibit D](#)) to S.B. 506.

ASSEMBLYMAN JUSTIN WATKINS (Assembly District No. 35):

I am a Democrat who supports ESAs. We do exist. I want to start by saying that I realize it is a little bit odd for a freshmen Assemblyman to come here with a proposed amendment for the Governor's bill. I am really honored to be here to present something that I think will bridge the gap between the two sides of this issue. I do not think ESAs are evil. I believe in an all-encompassing approach to

our education system. That being said, education is not my field, and if asked tough questions, you can stump me. I am a lawyer by trade and engineer by education.

I ran on the concept of being pro-ESA as a Democrat. The people of District 35 elected me to try to solve this problem. It was the most popular issue at the polls. When I knocked on nearly 30,000 doors, it was the most popular issue. When it became apparent that the two sides were unable to come to any agreement during this Session. They asked if someone would present what they thought the legislative Democrats could support. I was happy to take the opportunity.

[Exhibit D](#) is a conceptual amendment. I am testifying in the neutral position because I support ESAs, but I do not think that S.B. 506 in its current form will get the bipartisan support it needs to pass. This is not about my personal beliefs. This is about the beliefs that I think can be supported on both sides of the aisle and actually make it to the Governor's desk.

To that end, I want to begin the discussion with the first bullet point of [Exhibit D](#). This is perhaps the most controversial and the toughest hurdle to clear for the opponents of ESAs. That hurdle is how we address the use of public funds for private institutions. It is correct that the Supreme Court of Nevada has said that this is not a constitutional hurdle. It does not violate *The Constitution of the State of Nevada* to use public funds for private institutions, even if those institutions are religious. That does not mean that it is supported by the public.

What [Exhibit D](#) proposes is a funding mechanism similar to the Opportunity Scholarship program. That is, it is funded by private corporate dollars in exchange for a tax credit on a dollar-for-dollar basis under modified business taxes. The tax credits would be capped at up to \$15 million per year. Any additional funding that comes from private corporations would be accepted, but would be considered gifts and not tax deductible.

The structure and the priority of the program would be based on a sliding income scale that is calculated based on a percentage of the federal poverty line. We have these parameters, as discussed in [Exhibit D](#), that would be multiplied by 1.85 of the federal poverty line. That would be the lowest income

bracket. That bracket would receive in excess of the per-pupil spending that exists now. It would exceed \$7,000. That scale would slide all the way down to a bracket at ten times the federal poverty line. That bracket would receive less than \$1,000. It would be \$600 based on the numbers we are talking about now.

The program would be housed in the Office of ESAs under the Department of Education. It would be taken out of the State Treasurer's Office. [Exhibit D](#) would require that the applicants must have been in a public school for at least two full and consecutive quarters. [Exhibit D](#) also outlines a list of parameters relating to which schools can accept ESA applicants. The schools must be licensed by the State and must have been operational for at least one year.

When I first got wind of this part of the discussion, I thought that this might be counter-intuitive. The whole point of ESAs in my mind is to promote innovation. We want new schools in the areas that have been served the least. We want to promote innovative thinking. However, the data shows that most schools fail in the first year. What we do not want to do is provide funding for schools that fail. I think that, while I initially had some apprehension about this, I can support it now. It is supported by evidence. Evidence-based decisions are the best, in my opinion.

The schools must be located in Nevada with the exception of approved online school programs. The schools must have a licensed administrator. [Exhibit D](#) also outlines how the school must use the ESAs. Schools must administer a State-approved, nationally norm-referenced assessment to participating students. I think that means a standardized test. Schools cannot charge ESA students higher tuition or fees than non-ESA students.

For special needs and autism programs, an eligible child will receive an extra \$1,000 above the designated amount, and the private education providers must be approved by the State Board of Education. The schools must administer an annual assessment of each applicant's academic progress and report the results to the student's parents.

Finally, [Exhibit D](#) offers a number of supplementary requirements. The schools must adopt, as Assemblyman Araujo was discussing, non-discriminatory language in their bylaws. The bylaws must be provided as a part of the

program. It retains the accountability measures that currently exist in S.B. 506, specifically in sections 25, 26, 30, 31 and 32. They will be managed by scholarship-granting organizations with requests for proposals going out to new organizations, similar to the Opportunity Scholarship program.

Exhibit D creates an oversight board with members appointed by the Assembly, the Senate and the Governor. It will require an outreach program that is conducted in both English and Spanish. It will cap administrative costs to three percent of the total funding. The funding cap will be based on a proportionate share of students by school district. It will provide redistribution of funds that are not used towards the total for those who do meet the eligibility requirement. It will prioritize students at one- and two-star schools, students with an individual education plan, foster kids, students on reservations, military children and other groups identified in NRS 388.417.

If a child is homeschooled, they will be eligible as long as it is an opt-in family that has agreed to the required testing. Those are the points I have. I understand that there are details still to be determined. My hope is that Exhibit D can provide a bridge between the two parties. I do not think this should be a partisan issue. I do think we can serve all the families in Nevada by providing a resolution of some sort.

Being the only Democrat willing to come up here and speak in favor of ESAs, I do not foresee how we resolve this if we go beyond these parameters. I am happy to answer any questions.

ASSEMBLYWOMAN BUSTAMANTE-ADAMS:

You mentioned the structure would be similar to the Opportunity Scholarships. I am assuming that the tax credits would only be used for the modified business tax. Are there other intentions there?

Additionally, are the tax credits transferable?

Finally, right now we do not report who takes the tax credits. We do not know who is contributing. Would you entertain having that be included here? Could we see what companies are actually contributing to the fund?

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ASSEMBLYMAN WATKINS:

It is intended for the credits to only go to the modified business tax. That tax is calculated based on revenues. Any tax deduction there is highly valued. I think this would be fully funded to the cap in that context. To the extent that we do not have enough private partners to get to that \$15 million cap, then that money will not be spent. It is not an unfunded liability.

I do not see these credits as being transferable. I think that we could discuss reporting. We certainly would not want to inhibit anybody's desire to contribute to this program. I would be willing to discuss this further.

SENATOR KIECKHEFER:

I can appreciate what you have done today. It is not the easiest to be the odd man out, but I find there is comfort in it as well.

I am trying to understand your level of empowerment concerning speaking for your caucus on this topic. Are you saying that the Assembly Democrats would support [Exhibit D](#)? You indicated that it was discussed and that you were the only one willing to speak today. I am trying to figure out what votes [Exhibit D](#) will bring.

ASSEMBLYMAN WATKINS:

That is a difficult question to answer. Without bipartisan support from the Republicans, I do not think there would be sufficient votes for the ESA program. If we have bipartisan support, I think we have the votes to pass this measure.

ASSEMBLYMAN EDWARDS:

My question revolves around the \$30 million biennial limit on corporate contributions. I am curious as to how you landed on that figure, given the fact that last Session, we started the Opportunity Scholarship program and had many companies wanting to contribute. Would it be wiser for us to take advantage of as many companies that want to participate as possible? If we do not remove the cap, could we adjust it upwards?

ASSEMBLYMAN WATKINS:

This is a tax credit against the modified business tax. If you leave it open-ended, everybody can all but avoid the tax by funding the program. We would lose that

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revenue and the opportunity to fund other programs. We have to have predictability in our budgets in order to plan.

I think the \$15 million figure came from comparisons to other states. This would be one of the best, if not the best, funded school choice program in the Country. That says something.

ASSEMBLYMAN EDWARDS:

That is why I was hoping to aim a little bit higher.

ASSEMBLYMAN WATKINS:

Again, this is not about what my personal desires would be. I think you and I could have a wonderful conversation about tens of millions more for ESAs. This is what I think could possibly pass through the Legislature and move to the Governor's desk.

ASSEMBLYMAN FRIERSON:

I hate to put you on the spot for something that I think was a group effort. I want to make it clear that [Exhibit D](#) was a group effort. I appreciate you being able to articulate it. I want to ask a question that points to why you are where you are. As an attorney with a family speaking in support of ESAs, does the notion of your own children being limited by [Exhibit D](#) offend your sensibilities about the value of a program that would be operating such as [Exhibit D](#) sets forth?

ASSEMBLYMAN WATKINS:

Making an assumption based on what you think my income level to be, I will say this: I am very fortunate. I was born and raised in Las Vegas and am a proud graduate of the public school system. I believe I am the first Cheyenne High School graduate to serve in this Body, and I am proud of that as well.

I have school choice. I have the means through which I can choose to live in most any zip code in Las Vegas. I can drive my kids to whatever school they can get into. My kids do attend a charter school. I own my own business and have the flexibility of scheduling. It does not offend my sensibilities that, if I were to apply for an ESA, I would get a fraction of the dollars that somebody who is at or near the federal poverty line gets. That seems appropriate to me.

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They need the help. I support ESAs not for me. I support ESAs for our community.

ASSEMBLYMAN FRIERSON:

Everyone who knows me knows how much I care about this institution and the decorum. I do not think it is appropriate to infer that you are going to the dark side. We talk all the time in terms of right and left. I applaud you for coming forward. I do not put all the weight of this on you. I will openly acknowledge that any question about numbers in my caucus is welcome for conversation. I am in charge of shepherding my caucus. That is not your call or your obligation.

That is not something we shy away from. I thank you for being here; I thank you for taking these questions. However, you are one person in a caucus that I think I have an obligation to shepherd. I welcome that opportunity and that conversation.

CHAIR WOODHOUSE:

Seeing no further questions for Assemblyman Watkins, I will now open the hearing to those who wish to speak in support, opposition and in neutral to this bill.

I also want to follow up on Assemblyman Frierson's comments. We urge everyone to maintain the decorum of this Body and institution.

We will start with those who wish to speak in support.

SENATOR SCOTT HAMMOND (Senatorial District No. 18):

I want to thank Assemblyman Watkins for his support. I want to say that he is not necessarily the only Democrat to believe in making sure kids have a choice. I came across a book not too long ago where Elizabeth Warren said that:

A well-designed voucher program would fit the bill neatly. A taxpayer-funded voucher that paid the entire cost of educating a child, not just a partial subsidy, would open a range of opportunities to all children. With fully funded vouchers, parents of all income levels could send their children and the accompanying financial support to the schools of their choice.

Middle-class parents would be able to live in the neighborhood of their choice or of their pocketbook. Fully funded vouchers would relieve parents from the terrible choice of leaving their kids in lousy schools or bankrupting themselves to escape those schools. We recognize that the term voucher has become a dirty word in many educational circles. The reason is straightforward: the current debate over vouchers is framed as public versus private rift, with vouchers denounced for draining much-needed funds from public schools.

The fear is that partial subsidy vouchers provide a boost so that better-off parents can opt out of a failing public school system while the other children are left behind. The public versus private competition misses the central point. The problem is not vouchers. The problem is parental choice. Under current voucher schemes, children who do not use the vouchers are still assigned to public schools based on their zip codes. This means that, in the overwhelming majority of cases, a bureaucrat picks that child's school, not a parent. The only way for parents to exercise any choices is to buy a different home, which is exactly how the bidding war started.

This was her answer to some of the other problems we have in society. For me, when I presented the ESA idea two years ago, the whole idea was to provide answers to many different problems. This is just one of the solutions that can occur through school choice, whichever form it comes in.

I know we have had a long discussion tonight about different types of school choice. School choice is when you put the power in the hands of the parents and allow them to figure out what works for their child and customize their education. Some may go; others will stay in the public schools. This is a way for us to give choice to parents. It will solve many problems, some of which were not even considered two years ago.

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

We are in support of S.B. 506 even though it removes the program from our office for the purposes of administration. Over the past year or two, we have had the opportunity to get to know the parents who have been seeking school

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choice. We heard their struggles as we moved through our regulatory process. Normally, regulatory hearings draw five or ten people; these hearings were filled to capacity and then some.

We feel that it is important to move the program to the Department of Education to help streamline some of the processes and create data points that are easy to access. I also want to talk about the structure of the program and how the money is served up. It is not a \$5,900 debit card that is handed out. This program is set up as a hybrid system, much like a health savings account.

There are certain expenses that are directly paid from an account to the participating entity. If an entity has to register with the State, they are a direct pay processor. That includes tutors and tuition for private school. If it is an allowable expense that is not a required registered entity, like school supplies and curriculum, those are paid through a reimbursement model. We took the time to look at all of the ESA models used across the Country. The number one question we asked ourselves in designing our program was how to protect the State against fraud.

How do we ensure the safety of the program? One of the key differences between Arizona and us is that Arizona's program is a debit card. Money leaves first. Ultimately, I want to ensure the Committees that the program is designed to protect the money and to ensure it is there. There are the audit provisions as outlined earlier. This is a system where money does not flow freely. Those with low incomes have access to the money as well.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

We have the formal Committee hearing tonight. I think most of us are aware that there are separate dialogues happening on other types of communication online. I want to ask a very specific question.

Has your office given out copies of individual family applications? Have you distributed those?

MR. HEWITT:
No.

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ASSEMBLYWOMAN BENITEZ-THOMPSON:

There are pictures of applications floating around. Those are fake. Those are phony. Are the individual family's application, for the most part, private?

MR. HEWITT:

There has been no distribution of copies or printouts of applications that have been received by our office. I have no way of knowing what was done with them prior to our office receiving them. If there was a registration fair put on by a third-party group, they may have taken pictures of stacks of them. Those pictures did not come from our office.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I think it is important to talk about this. I imagine it would have a chilling effect on families that someone would throw their application around in a public way. I think there is a reasonable expectation of privacy. As the law stands, we do not have specific references to public records. I think there could be an argument over whether or not these fall under Family Educational Rights and Privacy Act protections.

Your office is not handing out copies either way, so families can rest assured that their information is not floating around haphazardly.

MR. HEWITT:

That is correct. The Treasurer's Office does not, and in fact has defended against, providing copies of every application. We are very cognizant that they are private. This is a great opportunity to express why a move to the Office of School Choice is probably a great thing. It will better protect the privacy of these applications. I think that is very important.

ASSEMBLYWOMAN CARLTON:

This program would move from your office to the Department of Education. The Legislature lent the Treasurer's Office \$545,000 from the Statutory Contingency Fund for legal services and an additional \$105,000 in a supplemental appropriation. What are your plans to pay that money back either to the Legislature or to the Department of Education so that those dollars will be used for ESAs appropriately?

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MR. HEWITT:

I would have to defer to the Governor's Finance Office. I believe that, in the budget outlined in B/A 101-1097, there were payback provisions for that money. All of those loans to our office were anticipated to be paid back through revenues that have never started flowing in. They would be paid off in FY 2018-2019 once the revenues start.

ASSEMBLYWOMAN CARLTON:

I do remember in the conversation about your budget that you had asked for General Fund dollars to pay it back. You asked for more money in your budget. I do not think that is appropriate. I think that since the Legislature lent the Treasurer's Office the money to get this job done; and if it is no longer your job, you need to pay back the money either to the Legislature or to the Department of Education so those dollars can be used for ESAs.

Whether I agree with ESAs or not, we gave you that money to do the job. That money has to go towards doing that job. I look forward to the conversation that makes sure the State is made whole.

LESLEY PITTMAN (American Federation for Children):

We are in full support of S.B. 506. We applaud the Governor as well as Senator Hammond for their continued efforts to allow every family in Nevada the ability to access ESA dollars to serve the individual education needs of their children.

MARCUS CONKLIN (Excellence in Education National, Inc.):

We appreciate Governor Sandoval and Senator Hammond for bringing this important issue from the 78th Session forward. We worked with them at that time. We are here again to advance this very important issue and offer our full support of S.B. 506 as written.

AIMEE HAIR:

This issue is very personal to me. I am the mother of five. Two of my sons were adopted from the foster care system of Nevada and have individual education plans (IEP). They struggle on different levels with learning and behavior. Our zoned public school is Estes M. McDoniel Elementary School, a Title I school that offers a dual-language program.

I knew in the beginning when they started kindergarten that the Spanish portion was much too hard for them, so I placed them at a charter school. They have a special education teacher there who works with them out of class. Within two years, they were thriving. Within the third year, the funding at that school became a problem, and the first thing cut was the special education teacher.

Almost immediately, the difference could be seen with their grades and confidence. After meeting with school administration and the IEP team, we all agreed that they needed to go back to where they could be accommodated. Putting them back was one of the worst decisions. James was eight years old and in the third grade. Within weeks, he was ripping up papers and coming home complaining he could not understand his teacher or his classmates.

Several times, I went to the special education classroom at Estes M. McDoniel. I struggled to listen to what the teacher was saying to me due to the amount of children in the classroom and the many different levels of disability shocked me. After one month of being at his own public school, my son told me that one particular afternoon he was hearing voices in his head and that the voices were telling him to hurt himself. He also mentioned this to his teacher. That same day, I called James' doctor, who had James come to his office. James did not return home with me that day.

They admitted my son to Montevista Hospital for Mental and Behavioral Health for 30 days. He missed Halloween that year. At the end of treatment, we met with a team of doctors, and we all agreed that putting James back at the dual-language school would not help with his mental health. The principal at McDoniel did not seem to understand the rationale of why the State pediatric psychiatrist and the head of Montevista recommended an all-English learning environment.

I had to reach out to our zoned area superintendent who advised me to apply for zone variances. I applied at five different public schools, all of which were a reasonable driving distance from me. Six schools denied me. I even met with one of the principals and basically begged her. She apologized and said they could not accommodate any more children in their third grade, let alone a child with an IEP.

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With the help of the superintendent, we were able to work with our principal who agreed to keep James only in classrooms that spoke English. We agreed that he could not be learning in the three subjects taught in Spanish. We were more concerned with his mental health. I urge you: please approve the ESA program.

TIECHA ASHCROFT:

I have submitted a copy of my prepared remarks ([Exhibit E](#)) for the record. I will now read my prepared testimony. Please fund ESAs universally in the way that Governor Sandoval and Senator Hammond intended. Please do not fail our children.

FRANK HOLLAND:

I had the pleasure and the honor to come down last Monday with 12 other pastors that represent over 20,000 people. We are all in support of S.B. 506. We would love to have you consider the health and the well-being of our children. I have been working with the Mayor's office and the Clark County School District for over seven years. We have been trying to make things better.

When I first started, one out of every two kids did not graduate from high school in this State. That should not be the case on our watch. The situation has progressed with a lot of support and help. We know that there are opportunities for choice to help give kids a leg up. I really am thankful to Assemblyman Edwards for pointing out the fact that this is not going to hurt the school district. It is going to help families and children and keep some of the money within the school district. There is a lot of rhetoric around this bill. I feel like this is the time for us to step up and make a good choice for the kids. This is so important.

One of things in this bill is tutoring and mentoring programs. My wife and I started a nonprofit, nonreligious tutoring program that is absolutely free for kids. We have seen these kids progress from F students that could not read in the fourth grade into better students because of one-on-one time. They were able to turn their grades around. We have seen, through this program, kids able to be the most improved students in their classes.

Those kids are our future and our hope. I am asking you to come along side and support this bill. At a meeting at the Mayor's office with school district

leadership, I asked if it was true that, in a week's time, the average teacher only gets seven to eight minutes with a student. In unison, three of them said, "if that." This is an opportunity to help our kids get more education in a better way with smaller classes.

KAREN CATERINO:

I am one of the 2,600 people who have applied for an ESA. I certainly support paying taxes for education. I feel it benefits the community at large. An educated workforce is absolutely essential for the State.

I have a 14-year-old daughter who had been in the public school system up until eighth grade. This past year, I put her into a private school. It was not because she had issues or was a challenge. It was because she is a gifted and talented individual. I live in the Washoe County area, and we spend a little over \$73 million to support special needs children. We spend less than \$10 million on those who are gifted and talented.

For me, the issues that we are facing with overcrowding and with the Washoe County School District currently facing a \$400 million shortfall were signs for me that, in order for my daughter to be successful, I needed to make a choice. I am a working mom, and I am fortunate to do okay. The ESA is an opportunity to help me and my family ensure that my daughter gets the best opportunity for an education.

JOHN SANDE IV (EdChoice):

I want to thank all of you for the thoughtful dialogue you have had and for giving this bill its due consideration. We think this is a very important policy for our State and for all the families that want to take advantage of this. I want to offer our support and any assistance that we can provide.

BRET SCOGGIN:

I have been a public school teacher, a charter school teacher and an administrator. Most recently, I have been the principal of a private school. Specifically, I am the principal of a Catholic school. I can tell you that my story is not about myself, and it is not even really about my school. It is about the issue I have heard over and over, especially from the folks in Las Vegas. It is about our children, and it is about giving children and their families a choice about where they can best be educated.

I can tell you that the people coming to my school are looking for a new opportunity and a new chance for their children to be successful. They all come with the same story, almost even word-for-word. The most recent mom that I talked to said that she was worried that she was losing her child. She was watching her child lose her education slowly every day because her school was not working for her. She was not a special education child; she was not gifted and talented. She sits in the middle somewhere, and therefore, there are not really any programs for her. Public schools, as you know, are overburdened in many ways with a lack of funding and not enough space.

She felt her child was forgotten. The mom knew her child deserved a better educational experience than that. She was looking for an opportunity, but they just did not have the money.

This is about the kids. It is not about Democrats. It is not about Republicans. It is about families. I think we are over with "winning" last place in education. This bill is doing something about it. It is not the only solution. It is just one of them. I appreciate the fact that you are entertaining many different solutions, like expanding charter schools. This is exactly what we need to do. Not every child is the same, and public schools cannot be everything to everybody. This is an opportunity to make sure our children can find a way to succeed.

GARY W. OLSEN:

I am a professional educator and advocate. I am approaching this from a different angle. I was sitting here listening to the questions and the presentation from the Governor's Office. I was really inspired by the exchange of ideas. This is all about building something for the children.

I would like to know what is in it for the deaf and hard-of-hearing children. How many of you know what is required to educate a deaf child? Could some of that money go towards building a school for deaf children in Nevada? We do not have a single one in Nevada, and there are plenty of other states that have schools for the deaf.

You need to ask if services for the deaf and hard-of-hearing children are equal to that for other children. My final point is: what can you do for the deaf and hard-of-hearing children? They are our children as well.

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I have been here for 15 years, and I have been asking these questions. It has been hard to get answers. It has been tough and frustrating. Sometimes, I have to wait for an interpreter to have an opportunity to talk to you. Sometimes, I lose that opportunity because there is no interpreter. Imagine how those deaf children feel about those kinds of challenges.

I would like to see you pass this bill as soon as possible.

JEFF JOHNSON:

I am a concerned parent with two young boys in private school in Henderson, Nevada. We followed the passage of the first ESA bill two years ago. We took care of all the paperwork, took both boys out of private school and put them in public school for 100 days. One child did an online school; the other went to an actual brick and mortar school. My younger child went to the actual school. When he came home from school in the first couple of weeks, he said, "Dad, they are trying to bully me all the time."

I said, "Are you kidding me?"

He said, "No."

I asked what he was going to do about it. He said he stood up to them and took care of it. I hear a lot of talk about bullying here. There is no bullying at our private school. I do not know where the idea that bullying is just a concern on one side of the education system comes from. It is not.

I got a text earlier today that this hearing was happening. I did not have very much time to prepare. We are here to show support for the ESA as all these other parents have done. They are for the children. They are for a better education system in the State. I think it is a big step in the right direction. I hope you vote for ESAs quickly.

MARCOS LOPEZ (Field Director, Libre Initiative):

I have submitted a copy of my prepared remarks ([Exhibit F](#)) for the record. I will now read from my prepared remarks.

We were collecting petitions from parents and citizens that were in support of ESAs. We got over 800 signatures in just 5 hours. I think that is amazing. There

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are so many people in the community that were not able to make it to this hearing who are in favor of the ESAs. I really hope that you listen to your constituents. Please pass the legislation that will do wonders for helping Nevada's Hispanic population.

JEN HAINLEY:

I have submitted a copy of my prepared remarks ([Exhibit G](#)) for the record. I will now read from my prepared remarks.

We were not lucky enough to win one of the lottery spots for a charter school, and the school that we are zoned for is too overcrowded. Our son cannot concentrate in large crowds and becomes very withdrawn. Because our public school was not the right learning environment, we applied for an ESA to expand our options. We made the financially difficult decision to put our son in private school.

I can tell you that in his private school, the kids take standardized tests at the beginning and end of every year. The results are reported to the State. Education Savings Accounts are vitally important for our State. These accounts will let Nevada parents, including me and my fellow military families, decide how and where our children are educated.

CHAIR WOODHOUSE:

That will conclude our hearing of testimony in support of S.B. 506. We will now hear testimony in opposition.

CHRIS DALY (Deputy Executive Director of Government Relations, Nevada State Education Association):

I have submitted for the record a copy of my prepared remarks ([Exhibit H](#)). I am the point person for the vouchers hurt public schools campaign. Our campaign has been engaging your constituents across the State for the past few months. We have knocked on about 25,000 doors and collected hand-signed letters against the use of public funds for private schools. I have submitted these letters to be included in the record of this hearing ([Exhibit I](#)).

I have had the chance to talk to most of you directly about the problems with private school voucher programs, of which there are many. Most importantly for the money committees, every dollar spent on a private school voucher is a dollar

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lost to meet the basic needs of our public education system, which still ranks forty-seventh in the Country for per-pupil funding.

The question before you should be simple. Is \$60 million better spent on private school vouchers for a few thousand students, or is it better spent to improve public education for the 473,695 students in our public schools?

If only it were that simple. We know that a majority of the legislators are on record against school vouchers. We have heard that some politicians have threatened to vote against the budget, veto unrelated bills or withhold staff work if the majority of this Legislature did what you thought was the right thing: vote against any voucher scheme. That is the unfortunate and Machiavellian political reality that this issue now lives in.

It is in this reality that the Nevada State Education Association appreciates the work of Democratic leadership and the Democratic caucus to craft a framework that technically honors our call for no public money used for private schools, enacts common-sense accountability mechanisms for private schools receiving funds and creates a sliding scale to address the issue of lower-income students and families. The Nevada State Education Association supports [Exhibit D](#). We will support the bill if amended. We will reserve our right to return to this Legislature and argue that any money, including private tax dollars, going to private education should actually go to our public schools.

RUBEN MURILLO (President, Nevada State Education Association):
I have submitted for the record a copy of my prepared remarks ([Exhibit J](#)). I will now read my prepared testimony.

As a public school teacher, I have had many conversations with other teachers about the impact in the classroom when these children leave.

HOLLY WELBORN (Policy Director, American Civil Liberties Union of Nevada):
The American Civil Liberties Union of Nevada opposes any use of taxpayer dollars, whether through vouchers or tax credits, to fund private schools engaging in discriminatory conduct. If this bill passes, Maine, Vermont and Nevada would be the only states with a voucher program that does not have any explicit non-discrimination language written into their statutes.

As you are well aware, unlike Nevada's public schools, private schools exclude students based on religion, sexual orientation, gender identity, immigration status and disability. Many private schools, unlike public schools, overtly exclude or strongly disfavor students of other faiths. They can require applicants and their parents to sign statements of faith or charge more in tuition for students of other faiths. Many private schools in Nevada will reject or disenroll a student who is LGBTQ or whose parents are. As one private school puts it, "students must refrain from participating in homosexuality or other sexual perversions."

Another private school would refuse admission to any student simply for supporting or condoning homosexual activity. Moreover, many private schools refuse to accommodate students with special needs, making these schools off limits for students with disabilities. For example, one school specifically states that it does not provide IEPs or 504 plans and does not have a resource room, special education case manager or the capacity to offer individualized instruction for students who may need additional support for learning or behavioral needs in the regular education setting.

Another private school states candidly, "while we love delinquents and emotionally unstable children, this school is not equipped to meet their needs." This is in stark contrast to Nevada's public schools, which are open to all students regardless of religion, sexual orientation, gender identity, immigration status and disability. If Nevada is going to create a system of funding private education, it must ensure that private schools do not shut their doors to students solely based on those characteristics. Nevada has a compelling interest in stopping discriminatory behavior, especially in an educational setting. Requiring the Board to adopt non-discriminatory language in their bylaws is insufficient for meeting this goal.

For these reasons, we oppose both S.B. 506 and the proposed amendment.

ANNETTE MAGNUS (Executive Director, Battle Born Progress):

We represent 15,000 subscribers in our statewide network. I am here to oppose S.B. 506 in its original form. We appreciate Assemblyman Watkin's work on [Exhibit D](#), and we are supportive of the concept of no public money going to a private school.

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We know that S.B. 506 in its original form is a dangerous voucher scheme promoted by extremists like Betsy DeVos and the Koch brothers. It is an attempt to privatize our public schools. We have been opposed to any voucher scheme since the 2015 unconstitutional bill and have been incredibly outspoken about why this scheme is dangerous for Nevada.

As a product of the Clark County School District and as a taxpayer, I cannot support any tax dollars being used for purposes other than our public education system. I find it unacceptable that my mother's Title I school has to fight to buy toilet paper weekly while we are considering giving away millions of dollars to private schools that do not struggle in this way.

If this bill moves forward with [Exhibit D](#), we will reserve our right to change our position if key provisions are made that address the possibility for discrimination at these private schools, critical transportation issues and ensuring that there would be sunset placed on this policy.

CHET MILLER (Chair, NSEA-BATS Caucus):

Vouchers are a scheme that has been implemented in various states across the Country since the eighties. Guess what? The results are in, and they do not work.

From Wisconsin to Arizona, voucher programs have been tried to help students escape from bad schools. However, studies have concluded that students who attended private schools using vouchers showed no greater growth than their counterparts in public schools. When we speak of counterparts, we mean students who are socioeconomically well off attending private and public schools. They do the same on measurement exams. Students who are not well-off attending private schools do not perform any better.

If the reality is that vouchers do not provide that escape that proponents are seeking, why do we continue to push for their implementation. It is because there has been an intense and vocal assault on public education by groups such as the American Legislative Exchange Council for decades now. We who have been doing the work of educating children are tired of having to defend it because what we do is due to the decisions that you make in the Legislature.

Ask those people who are seeking to leave the public school system for their reasoning. We heard them. The class sizes are too large, the school is unsafe, and the child is not getting individualized attention. As educators, we feel for these people and their children. However, these issues can be resolved if you do what you are supposed to by infusing the public education system with money.

If you want to talk about quality education, look at the number of Merit Scholarships that come from Clark County School District. If you want to make the argument that parents need a choice, I say fund the public school system so we can offer the exact same product. I can tell you this; Pepsi does not give Coca-Cola money because they want to make Pepsi a better product.

ADRIANA MARTINEZ:

If my memory serves, the Legislature passed a form of vouchers in 2015 during a last-minute deal that was rather hush-hush. I have often wondered if folks had the opportunity to read the bill. The deal smacked of an unwilling compromise at the end of the Session.

The Legislature has continually underfunded K-12 education. They want to take money from low-income, minority children and special needs children in public schools by shifting public tax dollars into private schools. Some legislators are willing to disenfranchise English learner (EL) students. I must mention that EL students are not only from Latin-American countries. I have children in my classroom whose first language is Chinese, Arabic and Somali.

We cannot compromise or cede one single cent to vouchers. Here are the reasons why. The majority of voucher applications come from wealthy areas of Summerlin and Green Valley, where the schools are top-rated. Yet, parents are making a choice to send their children to a private school. Rural schools get the shaft by having public education money diverted to private schools. Private schools are nearly nonexistent in the rural areas of Nevada. Those areas matter too.

Vouchers are ripe for fraud. There is no accountability for our taxpayer dollars in private schools. Random accountability could mean one audit for every 1,000 students. Less than half of Nevada private school teachers are licensed. They are not required to report teacher qualifications.

The national report card gave Nevada an F grade in funding distribution. We are well below the average in comparison to other states in the Country. We have no business giving public money to private schools. Private schools can refuse children with special needs as well as EL students. This is discriminatory. There is nothing we can do about it. Many children will go hungry since they will not get free or reduced-price lunches.

From the testimony given by the Governor's Office, I believe this bill is vague and incomplete. Mr. Willden has no answers. On those grounds, the bill should be rejected.

JANA PLEGGENKUHLE:

I am a product of the Clark County School District (CCSD), and I have been a teacher there for 25 years. I am here tonight as a parent and as a taxpayer. This bill continues to have components that are troublesome. There are no income limits. These ESAs can be used at private schools that are not required to accept all children.

Without income limits, ESAs do nothing to ensure that students that need assistance the most are the first to get additional help. As a taxpayer, I do not believe my dollars should be used for private education. I was glad to hear about [Exhibit D](#).

When my oldest son was in kindergarten, I wanted him to attend a full-day program. At the time, CCSD did not have one. I made the choice for him to attend a private school. I chose to do this, and I incurred all the costs. It was my choice. We now have many choices within the CCSD, including magnet programs, CTE programs, virtual programs, Zoom and Victory schools, and charter schools.

I have a friend who spent considerable money to put her child in a private school so she could have smaller class sizes. Unfortunately, her daughter got further and further behind, and the school did nothing to address her struggles. My friend ended up taking her child out of the private school and into a zoned school. At that school, she received the services that met her needs and helped her catch up. The public school offered better programs than the private school.

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I am also concerned about the lack of accountability and where the money from ESAs goes. Private schools do not have to follow the same guidelines as public schools. Once again, I will conclude by saying that tax dollars need to be used to make our public education system better. The money that is being considered for the ESAs should be used to improve education for all by increasing programs that are proven to work, not given to some families that get approved.

If Nevada would finally appropriately fund education so that public schools could provide all children with a quality education, then we would not be discussing the need to use public money for private education.

CHAIR WOODHOUSE:

We are going to suspend the hearing of testimony in opposition momentarily so that those in Elko can testify. We will start with those in Elko who wish to testify in support.

JULIE WOODBURY:

I have submitted a copy of my prepared remarks to be included in the record ([Exhibit K](#)). I will now read from my prepared remarks.

WILLIAM HOUKE:

I am for S.B. 506 as written. It needs to stay universal. We support Governor Sandoval. [Exhibit D](#) is wrong for Nevada. It would mean that working families like mine would not be able to receive any benefit from the ESA program. We have one son in tenth grade. Two years ago, we made the decision to send him to private school. What that meant for a working family like ours was that my wife and I had to stop all contributions to my retirement account. We tightened our belts, and we are getting by. It is working.

However, we also have another son we would like to send to private school next year. There is no way we can afford to do so without an ESA. [Exhibit D](#) would not allow us to send our second child to private school. He would not get the same education that our oldest son is getting. Right now, he is in the public school and struggling. He is in a classroom with 40 students. They have classes out in trailers because the classrooms are overflowing. Without the ESA as originally written, we will not be able to send our second son to private school.

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CAMILLE HOUKE:

I am also a proponent of the bill as it is written. Governor Sandoval spent a lot of time on this bill along with his advisors. I heard a lot of talk tonight about the education system. I am in full support of both private and public schools. The reason we chose private school is that my child made the choice. He thrives where he is. He wants to be there. He is a very active proponent of education. I would also like to send my second son there, and without an ESA, I will not be able to send both of them.

CHAIR WOODHOUSE:

Seeing no one else in Elko wishing to testify, we will return to testimony in opposition.

TOM PILLAR:

I am here as a parent. I am strongly opposed to vouchers. I have always believed in the mission and the philosophy of public education. We have never adequately funded our public education. I would love to see an emphasis on that type of funding.

We have heard comments saying that vouchers give a lot of choice for families like ours, who hover just above the poverty level. In response, I would say there is not truly a choice to give up time from work to go to other schools. There are many problems involved in that.

DEEANN ROBERTS (Vice President of Advocacy, Nevada Parent Teacher Alliance):
The Nevada Parent Teacher Alliance is opposed to S.B. 506, as vouchers are not equitable and take money from public schools to give to private schools. These private schools are not held accountable in the same way as public schools. They may push a religious agenda and discriminate against certain groups.

In the states that have vouchers, there is no evidence of improved student achievement. Vouchers do not improve opportunities for poor students, as they do not cover all of the tuition. In addition, the students may lose access to transportation, meals, books, supplies and special education if they attend private schools on a voucher.

We ask you to oppose vouchers that will harm our Nevada public schools.

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SYLVIA LAZOS (Policy Director, Educate Nevada Now):

Our position is that *Schwartz v. Lopez* has determined that universal vouchers are unconstitutional. It is our view that this is not legal. As to the question whether the First Amendment issue was determined or eliminated through the State Supreme Court decision, we do not read the case that way. We would reserve the right to challenge any voucher program on First Amendment grounds if we determine that the legislation that was passed should be so challenged. I would add that we would not spend \$545,000 of public funds to undertake such a challenge.

A statement was made that vouchers are wonderful for Latino families. I got myself into this predicament of thinking about how public education helps Latino families. I have seen firsthand that most Latino families have to go to Title I schools because they do not have a choice within their neighborhoods for a four- or five-star school. The blanket statement and assumption that private schools are automatically four- or five-star schools is not borne out by the facts of the data. There is simply no transparency to allow us to know whether private schools are automatically five-star schools.

Senator Hammond, I want to say that I did take a course from Senator Warren. It was one of the reasons I became a law professor. I would note that Senator Warren supports vouchers that fully fund private education. Senate Bill 506 does not present a fully funded voucher program. That is a very different proposition and not the proposition that was presented here.

The reason that we are in this fight about vouchers is that we have come to believe that vouchers hurt public education. I truly believe, after reading the Constitution drafters' comments on common schools, that they believed that public education needed to be supported because that was the way the citizenry of Nevada was lifted and became true representatives able to engage in civic politics and engagement. I believe that when we take from public education, we take away from what Nevada is.

I have also submitted additional testimony for the record ([Exhibit L](#)).

LU ANN PILLAR:

As a family, we are against vouchers and the program that exists before us today. I have submitted a copy of my testimony to be included in the record

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([Exhibit M](#)). I will now read from my prepared remarks. Please fund public schools; they are worth it.

RUDY ZAMORA:

I am here as a father and as a CCSD graduate. I am here to ask you to oppose S.B. 506 as written. This bill will hurt communities of color and students that attend Title I and Zoom schools. We need to keep public money away from private schools. I appreciate [Exhibit D](#).

We need to ensure that this will not be a slippery slope towards privatizing our school system. I want to reiterate my testimony in Spanish, as I know that there are many of us here today.

VICENTA MONTROYA:

I am a resident of Senate District 10. I am adamantly opposed to S.B. 506. I am a product of the CCSD's public and private education. My daughter was a product of private and public education in CCSD as well. My parents made a choice for me to go to Catholic school. They sacrificed, they paid for it and they did not expect a subsidy.

I made a choice to send my daughter to private school. I sacrificed for it, and I did not expect to be subsidized. I do not believe that we should take public dollars and give them to private enterprises. I believe this undermines public education. I would sincerely like to ask those who support ESAs to remember what they said. They talked about overcrowded schools. They talked about underfunded schools. Those are the reasons why we have an F grade every time our education system is graded.

I am not sure how many people have read those reports. I have read them. Some of the things considered we have no control over. We do not have control over parents who do not have a high school education. We have no control over a lack of Pre-K availability for low-income people. The number of low-income children who qualify for free lunch is another factor we cannot control. We have overcrowded classrooms and underfunded schools. Those are all factors as to why we continue get an F on those reports.

Some of those things we can take care of. We could adequately fund our education system. Personally, I am very tired of hearing Governor Sandoval

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being touted as a savior of education. I clearly remember the massive cuts that were made to education. I am glad that Senator Ford pointed out that we barely brought the funding to the level it should be. I believe that this is robbing public education for private education. I think it is abhorrent and not something we need to do as Nevadans.

Strengthen the schools we have. Give more funding to Zoom. Give more funding to the programs that really work.

KENIA MORALES:

I am a proud graduate of CCSD and a proud public school parent. You have heard many folks talk about school choice. As a first-generation American parent and a parent of a Title I Zoom school student, I want to talk about how limiting the choice framework affects parents like me.

When I began my public education in preschool, I was pulled out of class to receive wraparound enrichment EL services. I became bilingual. My daughter, due to her last name, has received EL assessments as well. This is due to public education's best practices that seek to ensure that all students who enter their buildings receive the best education possible. My child attends a school that is overwhelmingly EL and offers free and reduced-price lunch to students. Her teachers work very hard every day to stretch every dollar to guarantee a rich education for all their students.

I believe that this bill harms children like mine and her classmates. I believe that this bill disproportionately affects first-generation Americans who will benefit from additional wraparound services that I myself received. They even prepared me to be able to speak this evening. This bill diverts public money to private schools that are not even mandated to offer EL services like public schools. I oppose that deeply.

Earlier this Session, we had debates about weighted funding, Zoom and Victory schools and class-size reduction. Meanwhile, this debate lingered. In summary, I am a Title I, Zoom school parent. I am a public education Latina parent. I am bilingual. I am a CCSD graduate. I ask each of you on the Committees to oppose S.B. 506. Public dollars should go to public education.

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JOYCE NEWMAN:

I have lived in Nevada since 1969. I pay my taxes gladly to fund public schools even though I have no children who have lived in Nevada. I want to emphasize what other people have said. Public money, in my view, should go to public schools, not religious schools and not for-profit schools. When I heard about [Exhibit D](#), I thought nobody would have time to read and understand it. I heard talk about donations businesses could make to an account to help fund ESAs. Those are not really donations. They are tax credits. That is money being diverted from somewhere else. That money could go to the public schools.

I have submitted data and prepared remarks to be included on the record ([Exhibit N](#)). I will now read from [Exhibit N](#).

NATHA ANDERSON (President, Washoe Education Association):

Most of what I wanted to say has already been stated. I will instead return to comments made earlier in this hearing from Assemblyman Frierson that have to do with funding. We are below Mississippi. We are a stronger community and a stronger state, yet, we are not funding our schools like we need to.

I ask that, instead of diverting funds, we keep our public funds going to our public schools. I have testimony from two teachers that were not able to speak tonight that I would like to include in the record of this meeting ([Exhibit O](#) and [Exhibit P](#)).

STACEY SHINN (Policy Director, Progressive Leadership Alliance of Nevada):

Much of what I wanted to say has already been said. I want to reiterate a few things: no to the Trump agenda; no to public money for private schools; no to discrimination for LGBTQ kids; no to discrimination to students with disabilities; and no to handouts to the rich. Finally, no to a scheme that is founded on racism.

NANCY STILES (American Association of University Women):

We are 170,000 people strong. Research has proven over and over again that private schools have not served students any better than public schools. We oppose any vouchers. I am asking that we also oppose S.B. 506.

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MARLENE ADRIAN:

Although I do not speak for the American Association of University Women, I am a member. I am speaking in opposition to S.B. 506. I am requesting that the Committees and all legislators recommend not using taxpayer dollars to fund private schooling, homeschooling or religious institutional schooling for those who would otherwise attend public schools.

This request is based upon the following facts. It is the mandate of government to provide a free public education to all. Our strong, free public education system is weakened by ESAs and vouchers. These programs always mean less money for public education. Separation of church and state is a constitutional premise, and should not be ignored or misinterpreted. A strong, free public education system is the foundation of a democratic society. Research analyses into the results of such programs overwhelmingly prove that those who can afford private schooling benefit far more from ESAs than poor families and rural families do.

It is not the government's role to provide money for nonpublic education. Society as a whole, notably corporations, foundations and private schools, should be encouraged to fund more scholarships, including free rides if students had to rely on their own funding resources. It is evident from tonight's hearing and all the comments about how this voucher program would work that we are not ready for the State to manage and fund two systems. It is not ready to go into effect. We are not ready to even think about doing this now. I have submitted my testimony to be included in the record for this meeting ([Exhibit Q](#)).

CHAIR WOODHOUSE:

That will conclude the portion of the hearing for those speaking in opposition. We will now hear testimony from those in neutral.

BARBARA DRAGON (Nevada Homeschool Network):

I want to rectify an inconsistency that happens constantly. In section 25, subsection 2 of the bill, it specifically states that a parent may not apply to establish an ESA who will be homeschooling. Homeschoolers fall under NRS 388D. I noticed that, in [Exhibit D](#), that the word homeschool was used. This is where there is always confusion.

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Homeschoolers are private and self-funded. We do not want the money. We want our homeschooling law to stay as it is. It is an option for parents to provide a home-based education. I know that for some people this is seen as quibbling. However, we have fought for 25 years for the freedom to educate our children as we see fit. We worked with Senator Denis back in 2007 when this Body unanimously passed the Homeschool Freedom Bill.

We would really appreciate if the word homeschool was removed from the bill and from [Exhibit D](#). We are not asking for that money. What is in [S.B. 506](#) is to allow parents to use tutors and things like that. We are a different program. We are not testifying in any way on that issue.

RONA YEE:

I live in Las Vegas and have five children. I am in a neutral position because, even though I do like some parts of ESAs, I am not in support of the entire bill. Specifically, I do not agree with the 100-day rule for public school students. My children currently attend private schools. We are excluded from the ESA program.

Our family believes that education opens up opportunities. It provides upward mobility. We are not rich in any way. We have to take loans to send our kids to private school. I believe that a college degree means more income potential than a high school degree. We wanted to be proactive rather than reactive. If my kids have a good education, they will have an easier time finding a living-wage job. They will be able to afford housing and are more likely to avoid incarceration. They can be self-sufficient.

Our kids' success is our success. It is the community's success. We can avoid problems in the future if we support their education now. There is a lot of talk about private and public schools. If there were no private schools, can you imagine how much more public education would get in funding? Having both systems is a good thing, and the two systems support each other.

My point is that I hope you take a look at the 100-day rule.

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CHAIR WOODHOUSE:

That will conclude our hearing on S.B. 506. I want the record to include all of the written testimony we have received, both in support of S.B. 506 ([Exhibit R](#)) and in opposition to S.B. 506 ([Exhibit S](#)).

Remainder of page intentionally left blank; signature page to follow.

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CHAIR WOODHOUSE:

That will conclude the business of the Committees. I adjourn this meeting as of
10:06 p.m.

RESPECTFULLY SUBMITTED:

Colby Nichols,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	29		Attendance Roster
S.B. 506	C	10	Andrew Clinger / Office of the Governor	S.B. 506— Education Savings Account Summary
S.B. 506	D	2	Assemblyman Justin Watkins	Proposed Amendment
S.B. 506	E	2	Tiecha Ashcroft	Testimony in Support
S.B. 506	F	1	Marcos Lopez / Libre Initiative	Testimony in Support
S.B. 506	G	2	Jen Hainley	Testimony in Support
S.B. 506	H	1	Chris Daly / NSEA	Testimony in Opposition
S.B. 506	I	1,576	Chris Daly / NSEA	Letters of Opposition
S.B. 506	J	4	Ruben Murillo / NSEA	Testimony in Opposition
S.B. 506	K	2	Julie Woodbury	Testimony in Support
S.B. 506	L	1	Sylvia Lazos / Educate Nevada Now	Testimony in Opposition
S.B. 506	M	1	Lu Ann Pillar	Testimony in Opposition
S.B. 506	N	3	Joyce Newman	Testimony in Opposition
S.B. 506	O	2	Phillip Kaiser	Testimony in Opposition
S.B. 506	P	2	Susan Kaiser	Testimony in Opposition
S.B. 506	Q	1	Dr. Marlene Adrian	Testimony in Opposition
S.B. 506	R	17	Public	Public Comments in Support
S.B. 506	S	74	Public	Public Comments in Opposition