

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
April 8, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:04 a.m. on Monday, April 8, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Marilyn Dondero Loop, Senatorial District No. 8
Senator Marcia Washington, Senatorial District No. 4

STAFF MEMBERS PRESENT:

Alex Haartz, Principal Deputy Fiscal Analyst
Julie Waller, Senior Program Analyst
Tom Weber, Committee Secretary
Jennifer McEntee, Committee Secretary

OTHERS PRESENT:

Kent M. Ervin, Ph.D., Nevada Faculty Alliance
Doug Unger, Chair, Council of Faculty Senate Chairs, Nevada System of Higher Education

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Abby Peters, Ph.D., Faculty Senate Chair, Nevada State College
Kyle Dalpe, PH.D., Nevada System of Higher Education
Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association
Zanny Marsh, Executive Director, American Red Cross of Northern Nevada
Matthew Helmers, Board Member, American Red Cross of Northern Nevada; Director, District Operations, Southwest Gas
Bart J. Chambers, State Fire Marshal, State Fire Marshal Division, Nevada Department of Public Safety
Greg Esposito, Public Relations and Government Affairs Director, Plumbers, Pipefitters & Service Technicians Local 525
Sarah Adler, Silver State Government Relations; Charter School Association of Nevada
Vikki Courtney, President, Clark County Education Association
Lindsay Anderson, Director, Government Affairs, Washoe County School District
Mary Pierczynski, Nevada Association of School Superintendents
Natha Anderson, President, Washoe Education Association
Elizabeth Campbell, Director, National Board Certification Programs, Clark County Education Association
Ed Gonzales, Liliam Lujan Hickey Elementary School; Robert L. Taylor Elementary School
John Vellardita, Executive Director, Clark County Education Association

CHAIR WOODHOUSE:

Our first order of business will be two bill draft request (BDR) introductions.

ALEX HAARTZ (Principal Deputy Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau):

Bill Draft Request S-1164 makes a \$1 million appropriation to the Interim Finance Committee (IFC) for allocation to relocate the National Atomic Testing Museum in Las Vegas.

BILL DRAFT REQUEST S-1164: Makes an appropriation for the relocation of the National Atomic Testing Museum. (Later introduced as Senate Bill 501)

CHAIR WOODHOUSE:

The Museum is currently in the Desert Research Institute (DRI) building, and DRI now requires the space. I will entertain a motion to introduce this BDR.

SENATOR PARKS MOVED TO INTRODUCE BDR S-1164.

SENATOR CANCELA SECONDED THE MOTION.

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

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MR. HAARTZ:

Bill Draft Request 40-1202 revises provisions governing financial support for assisted living facilities. This is a budget implementation bill relating to the Nevada Department of Health and Human Services, Aging and Disability Services Division, Tobacco Settlement budget.

BILL DRAFT REQUEST 40-1202: Revises provisions governing financial support for independent living services. (Later introduced as Senate Bill 500)

HEALTH AND HUMAN SERVICES

AGING AND DISABILITY SERVICES

HHS-ADSD - Tobacco Settlement Program — Budget Page DHHS-ADSD-16
(Volume II)
Budget Account 262-3140

SENATOR KIECKHEFER MOVED TO INTRODUCE BDR 40-1202.

SENATOR GOICHOCHEA SECONDED THE MOTION.

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

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CHAIR WOODHOUSE:

Next we will hear Senate Bill (S.B.) 214 which authorizes the Nevada System of Higher Education (NSHE) to create a faculty compensation system that includes regular in-rank salary increases.

SENATE BILL 214: Authorizes the Nevada System of Higher Education to create a faculty compensation system that includes regular in-rank salary increases. (BDR 34-382)

KENT M. ERVIN, PH.D. (Nevada Faculty Alliance):

I represent the Nevada Faculty Alliance (NFA), an independent faculty association at all eight NSHE institutions. We work to empower faculty to become fully engaged to help our students succeed. My comments will follow along with the NFA presentation titled "Senate Bill 214" ([Exhibit C](#)).

Senate Bill 214 arose out of recommendations from the Committee to Conduct a Study Concerning the Cost and Affordability of Higher Education (HEC) created by Assembly Bill (A.B.) No. 202 of the 79th Session to address higher education issues. One of their charges was to study how our faculty compensation system effects the recruitment and retention of high-quality faculty and how we could improve it. The HEC had a full day of hearings on May 8, 2018, to address compensation for faculty. Various experts—NSHE, NFA, an external consultant on compensation and an expert from our affiliate the American Association of University Professors—attended the event to discuss how to recruit and retain our best faculty.

The policy presentation that we gave in the May 8, 2018, HEC meeting is attached in the appendix of [Exhibit C](#). I will provide a brief overview of that policy presentation and focus today on the fiscal and budgetary aspects of S.B. 214. On page 2, the HEC vote was unanimous and bipartisan to approve recommending a BDR to address this issue and put the structure of a comprehensive faculty compensation system into statute. The comprehensive system would include ranks, steps and a performance or experience-based system of salary advancement, along with institutional flexibility so that our various units—colleges, universities and the research institutes—will have the flexibility to meet their own needs.

A brief history of the faculty compensation system is provided on page 3 of [Exhibit C](#). From the mid-1980s to 2009, the State generally funded cost of living adjustments (COLA) and steps for both classified staff and faculty at NSHE. There were some bad budget years that were not funded due to budget issues, but most were funded up until 2009. When the Great Recession occurred, all of us took cuts and furloughs. In 2015, COLAs resumed for State employees and that is now funded through the Board of Examiners mechanism.

Classified annual step increases also resumed in 2015. Faculty steps were funded once, in 2015, and have not been funded since.

I will distinguish the funding of those salary steps from how they are budgeted. There are more details in the appendix of [Exhibit C](#). Until 2009, both classified steps and professional merit for NSHE faculty were included in the adjusted base budget; it was part of the normal operating procedure and the year-to-year base budgets were adjusted to include those items. With the Great Recession and the Financial Crisis, these items were still included with the base budget, but they were removed through negative enhancements. Since fiscal year (FY) 2015, the classified steps have resumed being considered part of the adjusted base budget, but the professional merit has been entirely dropped from the Executive Budgets.

The faculty compensation system was based on a 1987 Letter of Intent on page 22 of [Exhibit C](#) which lasted 3 decades. There was also a 1990 study of these issues. A link to the study is provided on page 20.

Page 4 of [Exhibit C](#) provides a graphical summary of the history. On the left, 2009 is displayed. If a faculty member had just been promoted to a certain rank such as an associate or full professor, the blue bars represent the legislatively funded relative net—basically take-home salaries—for that person assuming average performance and an average level of merit steps. There was only one instance where the merit was funded and that is represented by the bump in FY 2015.

The orange bars represent classified employees that started in their grade in FY 2009. They had a gap of a number of years of cuts and furloughs without step increases, but their increases resumed in FY 2015. This is an expanded scale, showing that a classified employee after 12 years in the grade has only received 7 steps and is only 11 percent ahead. That is much less than what you would expect in a normal decade for the classified compensation plan.

Because the step system did not resume, faculty are 15 percent below after inflation and the other adjustments budgeted for the upcoming biennium. The consequence is that the individual's salary has declined relative to inflation.

Because the academic market is competitive, finding and hiring new people is becoming increasingly difficult. When we are able to find new hires, these

individuals come in at market salaries. The new people are then making more than those who have been in the system and doing well in the system. This creates not only a morale issue, but a retention issue. Our star employees speak to their colleagues across the Country, and they can obtain an offer elsewhere. Then they come back to NSHE and request a retention package. The administration can ad hoc salaries in those type of situations. The employee either stays through that negotiation process or they go.

Either way, it is a big waste of productivity. The academic interview process takes months. It is like writing a couple of large grant proposals—which they could have been doing. It is not a good system. There is national evidence research that shows retention-based compensation systems, which is what we are becoming without a regular in-rank salary advancement system, causes equity issues. On a national level, professional women are as likely to request salary increases, but they are less likely to get them. This evidence was submitted to the HEC. The appendix of [Exhibit C](#) contains links to those reports.

That concludes the brief policy discussion, and I will now address S.B. 214. This bill is the product of the HEC discussion with bipartisan unanimous support as summarized on page 5 of [Exhibit C](#). It authorizes NSHE to establish a comprehensive compensation system, including in-rank salary advancement. That means that between promotions there is a mechanism of some kind if you are doing well and obtaining on-the-job experience or credentials—whatever system NSHE puts into place—that is authorized in statute.

The bill provides the structure and budgeting process, but it does not provide funding. There is no fiscal cost for this biennium. Funding decisions will always be up to future legislators no matter what we do. However, if funded, this bill states that in-rank salary increases will be part of the base budget. This is similar to the classified employee pay plan contained in *Nevada Revised Statutes* (NRS) 284. The statute advises the Nevada Personnel Commission and the administrator of the Nevada Department of Administration Human Resources Division (DHRM) to consider competitive data and what is required for the different classes in the compensation system to set the salary scale. Those steps then go into the base budgeting mechanism and are not acted upon unless necessary. Negative enhancements were used in FY 2010 through FY 2014 because funding was not available. This budgeting mechanism for NSHE has to be a bit different because of the structure of the system than the classified employee pay plan. That is addressed later on.

The key part of the bill is section 1. Section 1 subsection 1 encourages NSHE to have a compensation system of titles and ranks for academic faculty and administrative faculty, which are professional staff that are not part of the classified system and not on the tenure track. A key item is subsection 1 (a) 6 to establish the policies for an in-rank salary system based on performance, credentials, job experience, training and so forth.

Subsection 1 (b) would make recommendations to the Legislature on how to fund this in-rank salary system. This language is adapted from NRS 284 for the classified employee pay plan, looking at the normal items to be addressed in a big enterprise for differences in compensation necessary to maintain an equitable relationship between and within ranks of similar positions.

Subsection 2 provides transparency to address concerns that because the Board of Regents are authorized under NRS 396.280 to set faculty salaries that the salary spending would not be evident. This provides full reporting, position by position, of all salaries and how they change from year to year. That applies to rank-and-file faculty—applicable to this bill—all the way up to head coach salaries and maybe up to the chancellor.

Section 1 subsection 3, described on page 9 of [Exhibit C](#) begins the mechanism for implementation. The reporting and pay plan will be presented by NSHE to the IFC particularly for the in-rank salary advancement. In the even-numbered calendar year, IFC is charged with indicating if the actions are reasonable; there is no funding commitment yet. It is the feedback mechanism between NSHE and the Legislature.

Section 1 subsection 4 contains provisions whereby if the IFC does certify that the requests are reasonable, they will be put into a base budget mechanism. This will be a little different than what any of us expected, but it is the way that the Legal Division of the Legislative Counsel Bureau (LCB) drafted it. It could not be in statute similar to the compensation plan that directs the Personnel Commission because of NSHE's status. This would have the mechanism similar to those in NRS, and there is confirming language later. There is a mechanism for the Public Employees Retirement System of Nevada (PERS) and a couple of other agencies where the funding is reserved, but the Legislature must say "yay" or "nay" or adjust it as a future Legislature would see fit.

This process is intended to work regardless if Assembly Joint Resolution (A.J.R.) 5* is enacted by voters in 2020. This is a key point as to why this mechanism was chosen.

ASSEMBLY JOINT RESOLUTION 5: Proposes to amend the Nevada Constitution to remove the constitutional provisions governing the election and duties of the Board of Regents of the State University and to authorize the Legislature to provide by statute for the governance, control and management of the State University and for the reasonable protection of individual academic freedom. (BDR C-60)

A discussion of the fiscal impact is on page 11 of [Exhibit C](#). We expect that NSHE will work through the shared governance and possibly the collective bargaining process in the future for input to the policies, but any fiscal impact is fully determined by future Legislative decisions. Background information and additional details are available in the appendices within [Exhibit C](#).

SENATOR KIECKHEFER:

I served on the HEC and certainly support the BDR submitted as a result. It addresses an issue I support. I do have some issues with how the bill was drafted. Can you discuss the need to circumvent the State Budget Act in terms of the submission of these increases? The only other agencies allowed to circumvent that process are the Tahoe Regional Planning Association, a bi-state compact approved by Congress; the two other branches of government; and PERS, a trust fund that is in the *Nevada Constitution*.

DR. ERVIN:

I am not a legal expert. We had concerns, as did NSHE, when the language first came out. We spoke with Mr. Asher Killian from the Legal Division of LCB about why it was drafted in the manner that it was. It seems the comparative system that we are aiming for is the classified staff pay plan which simply in statute directs the Personnel Commission and the administrator of DHRM to set up the salary scales. Those just become part of the base budgeting system.

Because of the current NSHE structure, there was no way to put it in statute. Maybe it could be done that way in the future depending on if A.J.R. 5* passes or not. This was the mechanism they came up with to ensure these funds would be part of the base budget and reserved from the General Fund. Of course, the Governor uses the rest of the General Fund appropriations and can

take that into account when the budgets are built. Functionally, that is the same as when classified steps get put into the base budget. The process is a bit different, and I would have to defer to the Legal Division beyond that.

SENATOR KIECKHEFER:

Maybe Mr. Haartz can correct me if I am wrong, but I am under the impression that the Governor could still back out the step increases included in the adjusted base budget before submittal to the Legislature. Under this system, he would not be able to do so for NSHE.

ALEX HAARTZ (Principal Deputy Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau):

Under the current system, you are correct. In building the budget, any of the base budget expenditures could be backed out. With regard to the passage of S.B. 214 in its current form, the Governor may not be able to because it is outside of the normal budget-building process.

SENATOR KIECKHEFER:

That is my concern. I understand what NSHE is trying to do, but this goes too far. You stated that the future Legislatures will decide whether or not to approve future funding. We have previously had this issue of trying to back out the adjusted base budget last Session with a calculation error potentially in how the Executive Branch ultimately backed out these increases. Is there anything in here that would clearly spell out what those amounts are so that, if the Legislature was to determine it was not fundable for whatever reason, there would be some clarity over what was included?

DR. ERVIN:

It may be even clearer because it would be a separate amount reported to the Legislature. The process prior to 2009 included the amount in the adjusted base budget which is less transparent—to my understanding.

SENATOR KIECKHEFER:

Your expectation is that any report that comes to the IFC for that certification process will include a flat dollar amount, x per year, which would be included?

DR. ERVIN:

The way I read the statute, there is some flexibility for what NSHE brings to the IFC. I would hope, and as faculty representatives we will help, that NSHE

ensures the report and request has the proper documentation and backup with the appropriation comparative studies and so forth to justify any request. As far as the mechanism, it is my understanding that the request would be either on a percentage basis or as a flat dollar amount. Then the Legislature through the IFC will have a back-and-forth opportunity to determine if it is reasonable. If the IFC does not certify that it is reasonable, then the request does not go forward. In this manner, NSHE has an incentive to make it reasonable.

SENATOR KIECKHEFER:

In the Senate Committee on Government Affairs meeting on April 4, 2019, we discussed collective bargaining for NSHE employees and faculty during the S.B. 459 hearing.

SENATE BILL 459: Provides for collective bargaining by certain state employees.
(BDR 23-536)

I asked several questions about how those bargaining agreements are spread across the system. It seemed like there was consensus that the bargaining for that purpose needs to be vertically integrated within an institution. This looks like a system whereby things will be instituted laterally across the entire system. Would that not create an inherent conflict between what you are asking for in terms of collective bargaining certainty and this system that would lock in salaries on a systemwide basis?

DR. ERVIN:

We expect this process to work with or without collective bargaining and with or without A.J.R. 5*. If all of the bills go through, they will work together. Remember that in the collective bargaining process, although faculty could join Statewide in a bargaining unit if they so choose under S.B. 459, we do think that there are more important local issues to address individually. We are negotiating with NSHE as the employer at the top level. They will certainly be stating that there would be an amount systemwide that could be requested. The flexibility, possibly through shared governance, especially for the universities that do not have collective bargaining, will be how to set up the step system. This will be on the basis of performance and how that process works in terms of the negotiation and the policy.

CHAIR WOODHOUSE:

We will now hear support for S.B. 214.

DOUG UNGER (Chair Council of Faculty Senate Chairs, Nevada System of Higher Education):

We are in a crisis at our colleges and universities. Faculty are leaving over stagnant salaries and substandard health benefits. We support S.B. 214 and my written testimony has been submitted ([Exhibit D](#)).

ABBY PETERS, Ph.D. (Faculty Senate Chair, Nevada State College):

I would like to speak from the management perspective, as I am a professor of management at Nevada State College (NSC). I would like to echo Mr. Unger's remarks. Many people do not know that the search process cycle can take more than a year. I gave my first interview in July 2013, came to the NSC campus to interview in September 2013, was offered and accepted a job in October 2013 and I started the job in August 2014.

It is an incredibly long and expensive process. Many people on campus are involved; it takes staff away from our other duties. It is necessary to grow a program, but it is very expensive to do unnecessarily due to turnover. I have learned in my five years here in southern Nevada how complex the Nevada economy is for a variety of reasons: the international nature of hospitality, gaming and significant migration in and out of the city. There is a long learning curve working with our students. To retain faculty is to reward that growing institutional knowledge.

In management, we know that money is not everything, but it is important. If people are not just generally compensated for what they are contributing as valued by the market, then they are likely to leave. They do not have to make the most money; they will accept other things in that place. Without basic rewards consistent with the market, they will leave. It is not only a matter of saving money, it is a matter of serving our students. At NSC, we do hear from students that they want more full-time faculty. Those faculty are on campus and provide value to students by being in more than one class and available in other settings. I am speaking in support of S.B. 214 which will reward the increasing value that we bring year over year.

KYLE DALPE, PH.D. (Nevada System of Higher Education):

I am in support of S.B. 214. We will continue to work through any process developed using the shared governance model. We are pleased to be at the table with the NFA and the Faculty Senate leadership to talk about what this might look like going forward. This puts us on par with other states that have a

structure in place where faculty can see a salary progression. They are not just hoping for a COLA or carrot to show up every other year in the budget. They can see a progression for the course of their careers as they work for the system; they see a pathway.

SENATOR KIECKHEFER:

Is there anything that prevents the system from doing this now? It does not seem as if the system needs us to tell them they are authorized to do it. It seems as if it is perfectly within the scope of the Board of Regents.

DR. DALPE:

We looked at the salary and compression issues over the last couple of years in the interim study. This is an effective way to ensure that it is in a format that everyone agrees on and is available for us all of us to work on. Could they do it? Yes, it has been bubbled up on the campus level. For now, working with the other groups, we believe this is a good way to move forward and get it structured and outlined for future boards and legislators.

SENATOR KIECKHEFER:

Do you see this as a way to deal with the compression issue? That is not the way that I have interpreted it.

DR. DALPE:

If salaries are progressed over a number of years, then the compression issue has a natural progression within it. Levels may consider professors, associate professors and assistant professors and be similar to what some schools currently have and would outline where they would progress up. The funding always has to be available for this to happen, so compression could happen. It is not a sure thing, but it is theoretically a good way to combat against compression as we go forward.

SENATOR KIECKHEFER:

Am I correct that it does not deal with the issues that we currently have?

DR. DALPE:

It does not deal with correcting the past issues.

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

The Nevada State Education Foundation (NSEA) has been the voice of Nevada kindergarten through 12th grade educators for over 100 years. The NSEA spoke in favor of S.B. 214 in the Education Committee and we continue to support the bill to make sure there is a structure for a comprehensive and sustainable faculty compensation system by including regular in-rank salary increases. We would appreciate the Committee's support.

CHAIR WOODHOUSE:

Is there anyone in opposition? Seeing none, is there anyone in neutral? Seeing none, we will close the hearing on S.B. 214 and open the hearing on S.B. 440.

SENATE BILL 440: Makes an appropriation to pay certain costs relating to smoke alarms and home fire safety. (BDR S-1134)

SENATOR MARCIA WASHINGTON (Senatorial District No. 4):

I am here to introduce S.B. 440 which would specifically make an appropriation of \$300,000 from the State General Fund to the American Red Cross of Nevada. My written testimony has been submitted for the record ([Exhibit E](#)).

ZANNY MARSH (Executive Director, American Red Cross of Northern Nevada):

Thank you for giving us the opportunity to discuss the Red Cross relative to its home fire campaign. We are looking for your support to blanket the State with functional smoke alarms, make thousands of Nevada homes safer, offer immediate financial assistance to those displaced and reduce unimaginable pain and suffering from home fire-related deaths and injuries. My written testimony has been submitted for the record ([Exhibit F](#)). Additionally, we have submitted a proposed conceptual amendment to S.B. 440 ([Exhibit G](#)).

SENATOR SETTELMAYER:

It appears that other states handle this situation through their State Fire Marshal. Would it not be better to work with the Nevada Department of Public Safety State Fire Marshal and local fire departments? Also, please discuss the amendment.

MS. MARSH:

The Red Cross throughout Nevada does work with fire professionals. We have had a long-standing relationship with the professional firefighters of Nevada,

municipal and county. We have been installing alongside our firefighting professionals. We supply smoke alarms to firefighters so that they can provide that service. We have been cooperative and collaborative with the Nevada State Fire Marshal. Our request will allow us to expand and enhance our efforts to reach more homes and families. We are currently providing about 3,000 smoke alarms per year and this would significantly increase our impact and make Nevadans safer.

SENATOR SETTELMAYER:

The amendment seems to take it further as 3,000 is not a lot of smoke alarms and \$300,000 will not buy too many. Why do you need the ability to have the funding expanded to also provide for financial assistance, disaster relief, supplies and recovery support services?

MS. MARSH:

The funding we use now to provide those smoke alarms comes from philanthropic support. We are generating enough funds to help us install about 3,000 across the State per year. What we are looking to do—given the number of home fires, injuries and deaths—is to significantly increase the number of smoke alarms that we can install. This funding that will sunset by 2021 will be a significant step to make Nevadans safer.

The American Red Cross fire campaign includes education, fire prevention and preparedness materials delivered by volunteers in the home with residents when we are doing installs. If someone has a functional smoke alarm, but they do not know the last time that they changed the batteries, we will provide new batteries. Given the values and tenets of the American Red Cross, we additionally provide support and supplies when someone has lost their home or been displaced for any length of time.

SENATOR SETTELMAYER:

What year did Nevada adopt the fire code that requires a smoke alarm when building a new home? Also, if it is a residential building for rent, it must have a smoke alarm installed before it can be rented.

MS. MARSH:

It was 1996.

SENATOR KIECKHEFER:

We are speaking primarily about smoke detectors. However, the amendment allows you to use the funds for just about anything.

MS. MARSH:

The funds, particularly as specified here, would be used in order. We would use them to purchase smoke alarms, batteries and educational materials such as those provided with my written testimony, [Exhibit F](#). Any funds remaining would be used for disaster relief and recovery assistance. There would not be a widespread use of those funds; it is spelled out in S.B. 440.

SENATOR KIECKHEFER:

That may be your intent, but that is not how the amendment reads. It can be used for any of those things in any order based on the language that was provided. If that is your intent, we need to clarify if we decide to process the amendment.

CHAIR WOODHOUSE:

I agree with Senator Kieckhefer. If this bill proceeds forward, we would need to identify the prioritization.

SENATOR PARKS:

In regard to the installation of smoke detectors, will there be a program that pursues low- and moderate-income homeowners? Or is it open to anybody? I am assuming that whatever you do, there will be a tracking sheet for a complete accounting of expenditures.

MS. MARSH:

While the American Red Cross serves anyone without regard to financial means, the home fire campaign particularly prioritizes those with low- to moderate-income. The zip codes that are comprised of low- to moderate-income are particularly fire affected. We know low- to moderate-income families have a particularly difficult time getting reestablished should a home fire be suffered or other devastating loss occur where almost everything is lost.

Many fire departments across the State have federal funding that has underwritten smoke alarms. In northern Nevada, we work with local fire protection districts or municipal fire departments, and we are cross-checking zip codes to ensure that we are not duplicating our efforts. We do look particularly

at the most fire-affected neighborhoods in close collaboration with our firefighting professionals. We also have a cadre of volunteers that are blanketing the State to help us with those installations directly.

We complete documentation for each home that we visit with a copy for the resident. This assists in cases of recalls so we can go to an individual home and know exactly where it was installed, and it also provides documentation for our own audits. We also know exactly the number of homes we have made safer, residents we have visited and alarms we have installed.

SENATOR DENIS:

One of my sons worked with the local fire department for a school project. We went into a neighborhood that had been identified as having a lot fires. I remember installing smoke alarms in these homes. Many times the occupants did not have enough money to do that. For these families that do not have a lot to lose, they literally lose everything. I appreciate this effort; it really does save lives.

As I looked at the amendment, I have the same concern with the added sentence to use the funds for anything else. We need to evaluate that.

CHAIR WOODHOUSE:

Are there other individuals to support S.B. 440? If so, please come up to the testimony table.

MATTHEW HELMERS (Board Member, American Red Cross of Northern Nevada; Director, District Operations, Southwest Gas):

I would like to indicate my support for this program; we have seen the value as a company in our giving to the Red Cross. As the gas company and utility, we respond to nearly every fire within our service territory; we see the devastation. It comes down to people when a fire takes a person's life. We want to see this move forward and get more smoke alarms into peoples' houses to help save lives.

SENATOR KIECKHEFER:

The bill outlines the funds going to the American Red Cross of Nevada. However, the website displays two separate organizations: the American Red Cross of Northern Nevada and the American Red Cross of Southern Nevada. Is

that just bifurcated for website purposes or are they actually two separate organizations? It appears there are different boards.

MS. MARSH:

Both the southern and northern Nevada chapters hold charters with the American Red Cross nationally. They are two separate organizations. We work in concert with one another. With this effort, we are looking for Statewide penetration for the delivery of this program.

SENATOR KIECKHEFER:

Who would the funding go to?

MS. MARSH:

It would go to our regional office and then it would be disbursed Statewide.

SENATOR KIECKHEFER:

Where is the regional office?

MS. MARSH:

We are governed by our regional office that is actually located in Utah, but all Nevada activities are managed separately.

SENATOR KIECKHEFER:

Is there actually a Red Cross of Nevada?

MS. MARSH:

I am speaking on behalf of both of the Nevada chapters.

SENATOR KIECKHEFER:

We cannot donate money to an organization that does not exist.

MS. MARSH:

You certainly cannot. You could easily donate it to the American Red Cross of Northern Nevada, but I assume that my counterpart in southern Nevada would say exactly the same thing. For clarification, any donor that provides dollars payable to the American Red Cross of Northern Nevada or the American Red Cross of Southern Nevada would be honored. Donor intent is always honored and the American Red Cross within Nevada would receive those funds.

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SENATOR BROOKS:

If there is not an American Red Cross of Nevada at all, where exactly does this funding go and what is the process of determining the distribution Statewide?

MS. MARSH:

The American Red Cross of Northern Nevada and the American Red Cross of Southern Nevada hold charters from the national organization. We operate collaboratively, but we are independent organizations. We are governed under a structure that has our regional office located in Salt Lake City, Utah, but we operate independently. Any funds that would go to either of our Nevada chapters is acceptable. The disbursement would be handled the same way as our budgets. We receive an annual budget for Nevada disbursed to the north and the south. These funds would be handled in the same fashion. We would be disbursing the funds based on the smoke alarms purchased and where they are going to go Statewide. Northern Nevada covers 13 of the 17 counties, and southern Nevada has the balance. My budget covers all 13 northern counties.

CHAIR WOODHOUSE:

If we pursue this legislation, we will need an amendment that details how the incoming funds would be received and disbursed. They are two separate organizations that do not really have their "bank account" together.

SENATOR GOICOECHEA:

Is that Mineral County or Esmeralda County that is included with southern Nevada?

MS. MARSH:

Southern Nevada has Mineral County and I have Esmeralda County.

CHAIR WOODHOUSE:

Seeing no one in opposition, please come forward if you would like to testify in neutral for S.B. 440

BART J. CHAMBERS (State Fire Marshal, State Fire Marshal Division, Nevada Department of Public Safety):

I have the answer to the question about when fire alarms became mandatory. The National Fire Alarm and Signaling Code 72 started in 1993 for Nevada. It became a solid footprint in 2012 under the last adoption of the International Fire Code for this State. The International Residential Code is not recognized at the

Fire Marshal's Office. However, local jurisdictions can adopt more stringent requirements and put the code in place.

Information on fire safety and statistics has been provided for the Committee ([Exhibit H](#)) that has information on the last three years nationwide and in Nevada. In 2016, there were 119 fire-related injuries, 20 fire-service injuries and 25 fire-related deaths. The dollar damages for fire loss totaled \$61,568,000. This data is displayed on page 10 of [Exhibit H](#) and the data for 2017 and 2018 are found on pages 11 and 12 respectively. This year, as stated by the Red Cross, we have had three fire-related deaths and we would rather not have any. Working in collaboration with our fire agencies throughout the State and our current standards of code, we have seen that number dwindle. By this time last year, we had already had a dozen fire-related deaths. Getting the message out for fire prevention and education to the public and the work being done throughout the State, rural communities and municipalities has been successful. We cannot control catastrophic events by any means, but the education seems to be working.

Last year, 15 of those deaths could have been prevented. The individuals did not have a fire alarm or did not have a working fire alarm. The majority of the people who succumbed to fire-related deaths were 65 or older. Of the 3 fire-related deaths this year, the youngest was 59 and the oldest was 62. A majority of the deaths are in areas that have high fire-related responses or in the rural communities where the smoke alarms are working but not being maintained. For example, the batteries are not being replaced twice per year and the smoke alarm is not hard-wired into the electrical system.

GREG ESPOSITO (Public Relations and Government Affairs Director, Plumbers, Pipefitters & Service Technicians Local 525):

I am a representative of the Nevada State pipe trades which includes Sprinkler Fitters Local 669. Senate Bill 440 is an amazing bill and the Red Cross does amazing work. It is a great opportunity to speak about residential sprinkler systems and all of this loss of life and property could be severely reduced if sprinkler systems were mandated in residences as they are in commercial buildings and hotels. This is a much bigger conversation, but I would like to work with the bill's sponsor or any other legislator that is interested in making something like this almost unnecessary. Many houses get damaged in a fire because it spreads; a sprinkler system suppresses that down to one room.

SENATOR WASHINGTON:

As a retired fire inspector and now a senior citizen, it is advantageous to have smoke alarms in homes. A lot of seniors do not have them and neither do many low-income families. This would be beneficial. We will work on the wording of the amendment to facilitate funding S.B. 440.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 440. Our next bill is S.B. 324 which revises provisions related to education and provides for teachers' school supplies reimbursement. I will open the hearing.

SENATE BILL 324: Revises provisions relating to education. (BDR 34-683)

SENATOR MARILYN DONDERO LOOP (Senatorial District No. 8):

I am here to present S.B. 324 which revises provisions relating to the Teacher's School Supplies Reimbursement Account. My written testimony has been provided to the Committee ([Exhibit I](#)).

SENATOR KIECKHEFER:

During our budget hearing on this program, we heard that there was some concern that individual school administrators were requiring teachers to make broader purchases when checking out the cards, such as requesting a couple reams of paper be purchased while shopping for classroom supplies. Have you heard that concern and is there a way to prevent that from happening?

SENATOR DONDERO LOOP:

I have not heard that concern. If that was happening, the bill clearly states that it is for classroom supplies.

SENATOR KIECKHEFER:

I think it is clear as well. If an administrator is doing that, it would not only be improper but potentially illegal. I want the intent to be clear; it is for individual teachers to be reimbursed for what is needed in their classroom.

SENATOR GOICOECHEA:

It intrigues me that a school district like White Pine would not use this benefit to the fullest extent—as they typically struggle. Is the message not getting out to the teachers?

SENATOR DONDERO LOOP:

It could be that it was a convoluted process or maybe some teachers did not fully understand that this process was in place. This is my educated guess. We certainly want better participation.

SENATOR GOICOECHEA:

I could see Elko School District, where Jackpot, Wendover and Owyhee are scattered. In White Pine, though, schools are typically in Ely other than Lund and Baker. I would have expected them to use all of the funding.

CHAIR WOODHOUSE:

Individuals to support S.B. 324 please come forward.

SARAH ADLER (Silver State Government Relations; Charter School Association of Nevada):

I am representing the Charter School Association of Nevada in full support of S.B. 324. We appreciate Senator Dondero Loop's recognition that improvements can be made to the process that will encourage and enable teachers to utilize this special revenue fund to be reimbursed for school supplies.

When I became an English teacher in 2002, I took my husband with me to Office Depot and wanted to buy individual white boards for each of my 33 students—and my husband said "no." It was too much money. We found sheets of white board at Lowe's and with a lot of measuring, we were able to create 25 white boards. We paid for it; I do not think a reimbursement fund existed at that time.

That is just one story of activist teachers that are every day bringing in to their classrooms items to motivate their students. It is really important for schools to do outreach to their teachers and let them know that this fund exists, especially the ability to use a debit card rather than fronting personal funds and going through the reimbursement process.

VIKKI COURTNEY (President, Clark County Education Association):

I am here to speak in support of S.B. 324. My written testimony has been submitted ([Exhibit J](#)). Supporting students in the classroom is a process, and it is expensive. This legislation is appreciated.

LINDSAY ANDERSON (Director, Government Affairs, Washoe County School District):

We did have a particularly difficult time getting our teachers to participate in this process, which is surprising. We are here to try a new process to get more teachers to engage and be able to get the resources they deserve. The debit card is a new approach that we did not use this last biennium in the Washoe County School District. We look forward to making this easier and pushing it out to our teachers. We did conduct a public relations campaign stating the funds were available. However, the amount of funds available was not known upfront and that created a challenge. Determining that number at the beginning—and we will let you pick out who should be eligible for that reimbursement—and improving the process is particularly important.

SENATOR GOICOECHEA:

Do you think that there was any apprehension that they would spend the money and not get reimbursed? Maybe this process will go a long way toward fixing this. I could see buying \$150 of supplies and being concerned that when the receipt was turned in that the school would not have the funding for reimbursement.

MS. ANDERSON:

I do think that is one of the many reasons. Another particular challenge is that we did not know how much each teacher was going to get when we pushed the program out. Hopefully, there is enough trust in our government that the teachers would not think they would not get their reimbursement. It was up to \$250 which caused concern. If the final eligible amount was determined to be only \$180, they may not receive reimbursement for the remainder.

The other practical thing that we have heard is that the teachers buy their personal items and school items together. Highlighting the receipt to pick out those school items can be cumbersome, and teachers may not want to go through the trouble. I am hypothesizing based on some of the things we have heard from an implementation perspective. There are probably 10 or 12 reasons why we did not get as much buy-in as we were hoping for.

MARY PIERCYNZSKI (Nevada Association of School Superintendents):

Senator Dondero Loop has produced a good plan to use the purchasing card. When I spoke with rural districts and some of the folks that deal with the receipts, I heard it was a cumbersome process. Many teachers did not even

bother to submit for reimbursement. The clerical staff that had to match receipts and ensure the appropriateness of the purchase had to invest a lot of time in the process. This will be a slicker process and more people will take advantage of it. We appreciate this money for the teachers; it is a recognition of what they do and provide for their classrooms.

CHAIR WOODHOUSE:

Any individuals wishing to testify in opposition may come forward. Seeing none, we will take neutral testimony.

NATHA ANDERSON (President, Washoe Education Association):

I am speaking in neutral because I love the idea of the debit card, but I also think that some of our other licensed education personnel utilize their own personal funds. Counselors, especially in elementary schools where they are also teaching, and teacher librarians should be included. I can speak to Washoe County's low participation rate. We were told that teachers could be reimbursed up to \$250, but last year only \$180 was actually available.

The second issue is that we would buy the supplies in August or September. Because of the paperwork, we would not have that money reimbursed until May. I had a personal experience when we were moving into more nonfiction reading. Most books are fiction in the high school. I decided to get the New York Times monthly subscription that I would share with the other sophomore English teachers. I submitted the order in August which was a \$240 annual fee, and I did not receive reimbursement until May. The debit card is important.

Another issue is the paperwork communication. A school secretary that had time to handle the process would provide the paperwork and several reminders and details about the process. If the school secretary was also the school registrar and the person making sure all the paperwork was in order for various other school tasks, it slipped through the cracks. It was not that the reimbursement program was not important, it was that there was so much work that the school secretaries and paraprofessionals had to get done that it was one more piece of paperwork for them to follow up on. Instead of multiple reminders, there may have just been one request sent out in December. This legislation will streamline the process, and I would like to see the other licensed education personnel included in addition to the teachers.

MR. DALY:

We are in neutral on S.B. 324. We do like the mechanism of moving to a debit or credit card—hopefully early in the school year. It may be worthwhile to investigate whether or not this should be administered Statewide in lieu of district to district for increased efficiency. I would also point out that we are in support of A.B. 237 to expand the education personnel eligible to access the reimbursement account, as there are many other educators who spend their personal money on school supplies for the kids that they are engaging.

ASSEMBLY BILL 237: Revises provisions governing the reimbursement of certain out-of-pocket expenses for teachers and other educational personnel. (BDR 34-608)

We did a survey of Nevada teachers. Of 1,544 teachers surveyed, we found that the average out-of-pocket expense was \$704. About 58 percent of teachers that responded spent more than \$500 per year. However, the average teacher reimbursement rate is \$73. There are issues from district to district with paperwork and the receipt process and just frontloading this as a payment would be most equitable.

We would like to include educators such as counselors, speech language pathologists, long-term substitutes and paraprofessionals. We did survey our paraprofessionals and those who engage with students most spend more than \$150 of their own money annually. This is not as much as teachers spend out-of-pocket, but keep in mind that paraprofessionals get paid less, so the percentage of their income spent on these out-of-pocket items is comparable.

SENATOR DONDERO LOOP:

In concluding remarks, the intent was not to exclude any of our special teachers that face students on a daily basis. The intent was to make sure that all certificated teachers who are in contact with classrooms of students receive reimbursement.

It has been my experience that teachers, no matter what the cost, end up spending the money. Whether they file the reimbursement claim is not something I can speak to, but I can tell you that from the time I began teaching, I spent money on cotton balls or whatever other supplies I needed to run the class. While we looked for the most inexpensive and expedient way to do it, we did it. I do not know many teachers that do not follow through. I would be

happy to work with superintendents if they have other ideas. I would appreciate your support of S.B. 324.

CHAIR WOODHOUSE:

We will now close the hearing on S.B. 324 and open the hearing on S.B. 303 which makes an appropriation for incentives for teachers who received a National Board certification and are employed to teach at Title I of the Elementary and Secondary Education Act schools.

SENATE BILL 303: Makes an appropriation for incentives for teachers who have received a National Board certification and are employed to teach at Title I schools. (BDR S-1070)

SENATOR CANCELA:

My overview of S.B. 303 will be first ([Exhibit K](#)). Then I will hand the presentation over to Ms. Elizabeth Campbell to discuss what it means to be a National Board certified teacher and the impact that those teachers have in our schools.

Senate Bill 303 is for incentives for teachers who have received a National Board certification and are employed to teach at Title I Tier I schools. An amendment ([Exhibit L](#)) narrows the scope of the bill. Originally the bill proposed a \$450,000 appropriation for all Title I schools. By narrowing the bill to Title I Tier I schools, the appropriation becomes \$200,000 in each year of the biennium, and the incentive is up to \$2,500 per teacher per year. There are a number of states that have similar programs. In Arkansas, the incentive is as high as \$5,000; Colorado is \$3,200 per year; Montana is \$2,500; Utah is \$1,500 and Mississippi is \$4,000.

ELIZABETH CAMPBELL (Director, National Board Certification Programs, Clark County Education Association):

Senator Cancela has asked me to explain the importance of being a National Board certified teacher for the Committee. I am personally a National Board certified teacher. In my work as Director of the National Board Certification Programs in Clark County, I hear over and over from teachers, regardless of where they are in their careers, that the process of National Board certification proves to be the most important and impactful professional development that they have gone through. National Board certification improves

teacher quality and that is what we really want for our neediest Title I Tier I schools.

Senate Bill 303 is a teacher-driven bill that has come from some National Board certified teachers who have been meeting over the course of the year to discuss policy, and what is really important for our students. This bill addresses a critical need in Nevada—how to attract and retain high-quality educators to our highest-need schools. At these schools, teaching positions are often staffed by our newest teachers or those who have participated in abridged teaching-training programs, some of whom get only three weeks of training before entering a classroom.

The additional salary incentive proposed by S.B. 303 will attract National Board certified teachers to our high-need schools and keep them there. In turn, this will create a core of teacher leaders in those buildings which will promote the culture of continuous improvement that our districts desire. The friendly amendment allows the work of the bill to laser focus on the neediest students in Nevada by cutting the focus to Title I Tier I. In a year when funding is so tight, it will make the fiscal impact of the bill much smaller.

I have provided the National Board for Professional Teaching Standards research brief ([Exhibit M](#)). It demonstrates that over the last 15 years there have been many studies across the Nation that show the impact of National Board certified teachers on student outcomes. Generally, that is an increased growth of one to two months both in Mathematics and English language arts. Also included is a comparison of the 11 states that have already enacted this type of legislation ([Exhibit N](#)). The final statistic I would like to share is a South Carolina study on teacher turnover. The researchers found the South Carolina rate to be 7.7 percent annually, whereas the turnover rate for National Board certified teachers was found to be 1.9 percent. That statistic in itself speaks to what we want for our neediest schools.

SENATOR KIECKHEFER:

How do you characterize a Tier I school within Title I?

SENATOR CANCELA:

Title I schools are defined and then within that, Tier I schools have a different poverty level and standards. I can get the specific information from the Nevada

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Department of Education and get back to you. We are targeting the highest-need Title I schools.

CHAIR WOODHOUSE:
How many teachers would qualify?

SENATOR CANCELA:
As of today, there are 106 teachers in Title I schools. We believe there will be 74 teachers that will receive the certification and teach in Title I schools. Those are overall Title I schools, and we are working on the numbers specific for the Tier 1 schools.

CHAIR WOODHOUSE:
Please share that information with Fiscal Division LCB staff when it is received.

If you are here in support for S.B. 303, please come forward.

ED GONZALES (Liliam Lujan Hickey Elementary School; Robert L. Taylor Elementary School):

I am a member of the organizational team of the Liliam Lujan Hickey Elementary School on the east side of Las Vegas—a Title I Tier I school. I also sit on the Robert L. Taylor School organizational team in Henderson which is also a Title I Tier I school. The school organizational team for the school site councils make decisions on budgets. To address Senator Kieckhefer's question, my understanding for the Title I Tier I school is 75 percent free and reduced lunch.

I am supporting S.B. 303. When we talk in terms of teacher retention, this is one of the best ways to go moving forward. In general, we have trouble getting teachers at these schools. As I said, one of them is on the east side of Las Vegas by Sunrise Mountain. We are excited if we get a new teacher or a teacher that comes in with four years of experience. The National Board is a three-year process. If I am a new teacher, it takes me three years to go through the process. I have noticed that teachers going through the process improve their practice and they are more active. These results are seen in the classroom.

This is a good idea, especially targeting the Title I Tier I schools. I committed a year ago to testify to the Committee when I first heard the phenomenal idea. We have also seen in Clark County that we are trying to get more experienced teachers into the classrooms. We have a \$10,000 incentive to go to the middle

schools. My guess is that we are going to see this more at the elementary school program. It will help with programs like Read by Grade 3 as we will have more experienced teachers who know how to address some of these problems.

JOHN VELLARDITA (Executive Director, Clark County Education Association):
To Senator Kieckhefer's and Chair Woodhouse's question as to how many potential applicants, we project 62 in Clark County and another 18 Statewide. The potential population in this biennium is 80, and that is why we proposed the amendment to reduce the fiscal impact assuming the maximum amount of \$2,500 per teacher.

Tier I under Title I is more than meeting the poverty threshold at the 75 percent free and reduced lunch. We find that there is a higher concentration of the bottom quartile of student proficiency. The idea is to get the best of the best to go in to these buildings and to stay in these buildings. Staying in these buildings is the additional incentive that this bill would provide.

SENATOR KIECKHEFER:

Is midyear turnover an issue in these schools and is that lessened or exacerbated by having National Board certified teachers in these schools?

MR. VELLARDITA:

Part of the effort that we are doing as an organization is trying to concentrate on getting the best of the best—National Board certification being one measure—educators in to these buildings. The highest vacancy rates in these at-risk Title I buildings is almost at 78 percent. We currently have about 500 vacancies districtwide in Clark County and approximately 400 are in these buildings. We have learned in the last two years by embarking on a process focused on economic incentives and differentiation pay to attract, retain and keep educators longer in these most at-risk buildings. The evidence is starting to show some progress, but it is clearly too early to tell. If S.B. 303 passes, it will provide another project. We think it will pay off because of the national experience in other states.

SENATOR KIECKHEFER:

Do teachers leave these schools midyear or does turnover usually happen at the end of the school year?

MR. VELLARDITA:

If people are leaving midyear, they are quitting. They are more or less leaving the school district. There is only one opportunity and it is very rarely used where someone can leave one school midyear. There is a window during a school year to make a change for the oncoming school year. However, if someone exits, they are generally exiting their employment.

CHAIR WOODHOUSE:

Is there anyone in opposition of S.B. 303? Is there anyone in neutral? Seeing none, we will taking closing remarks.

SENATOR CANCELA:

I was honored when a group of National Board certified teachers approached me about this idea. I have learned so much about what it means to be a National Board certified teacher, and I hope we can move this forward to encourage more of those teachers into our schools that need the best teachers.

SENATOR GOICOECHEA:

We are reducing the amount of the appropriation from \$450,000 per year to \$250,000 per year?

SENATOR CANCELA:

Yes, that is correct. In narrowing the scope to Title I Tier I schools, it reduces the potential allocation.

CHAIR WOODHOUSE:

That concludes the hearing for S.B. 303.

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CHAIR WOODHOUSE:

Seeing no one to provide public comment, this meeting is adjourned
at 9:56 a.m.

RESPECTFULLY SUBMITTED:

Jennifer McEntee,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
S.B. 214	C	24	Kent M. Ervin / Nevada Faculty Alliance	Presentation
S.B. 214	D	1	Doug Unger / Council of Senate Chairs Faculty	Written Testimony
S.B. 440	E	3	Senator Marcia Washington	Written Testimony
S.B. 440	F	8	Zanny Marsh / American Red Cross of Northern Nevada	Written Testimony
S.B. 440	G	1	Zanny Marsh / American Red Cross of Northern Nevada	Proposed Conceptual Amendment
S.B. 440	H	12	Bart Chambers / State Fire Marshal	Statistical Information
S.B. 324	I	3	Senator Dondero Loop	Written Testimony
S.B. 324	J	1	Vikki Courtney / Clark County Education Association	Written Testimony
S.B. 303	K	3	Senator Cancela	Written Testimony
S.B. 303	L	1	Senator Cancela	Proposed Amendment
S.B. 303	M	2	Elizabeth Campbell	National Board Impact Brief
S.B. 303	N	3	Elizabeth Campbell	National Board Certified Teachers Incentives