

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON EDUCATION**

**Seventy-Third Session
March 28, 2005**

The Committee on Education was called to order at 3:54 p.m., on Monday, March 28, 2005. Chairwoman Bonnie Parnell presided in Room 3142 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4401 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Ms. Bonnie Parnell, Chairwoman
Mrs. Debbie Smith, Vice Chairwoman
Mrs. Sharron Angle
Mr. Kelvin Atkinson
Mr. Joe Hardy
Mr. Brooks Holcomb
Mr. William Horne
Mr. Garn Mabey
Mr. Mark Manendo
Mr. Bob McCleary
Mr. Harvey J. Munford

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Marcus Conklin, Assembly District No. 37, Clark County
Assemblywoman Heidi Gansert, Assembly District No. 25,
Washoe County

STAFF MEMBERS PRESENT:

Kristin Roberts, Principal Deputy Legislative Counsel
Carol Stonefield, Committee Policy Analyst

Rachel Pilliod, Committee Manager
Gregory Sharry, Committee Attaché
Kate Andrews, Committee Assistant

OTHERS PRESENT:

Mary Kaye Cashman, CEO, Cashman Equipment, Las Vegas, Nevada, and
Chairwoman Business Education Coalition of Nevada

Stephanie Hughes, Member, Business Education Coalition of Nevada

Denise Brodsky, Trustee, Clark County School Board, Las Vegas, Nevada

Deborah Wescoatt, President, Board of Trustees, Nye County School
District, Nye County, Nevada

David Bobzien, Private Citizen, Reno, Nevada

Elisa Maser, Member, Nevada Business Education Coalition

Ken Lange, Executive Director, Nevada State Education Association

Christina Dugan, Director of Government Affairs, Las Vegas Chamber of
Commerce

Joyce Haldeman, Executive Director, Community and Government
Relations, Clark County School District, Las Vegas, Nevada

Anne K. Loring, Legislative Advocate, representing the Washoe County
School District

Randy Robison, Executive Director, Nevada Association of School Boards

Doug Thunder, Deputy Superintendent, Administrative and Fiscal
Services, Department of Education, State of Nevada

Frank Brusa, Legislative Advocate, representing Nevada Association of
School Administrators (NASA)

Curtis Jordan, Superintendent, Esmeralda County School District,
Goldfield, Nevada

Andrew Heilman, Event Coordinator, Nevada Commission for National and
Community Service, Fallon, Nevada

Dr. Dotty Merrill, Assistant Superintendent, Washoe County School
District, Reno, Nevada

Dr. Craig Kadlub, Director, Government Affairs, Clark County School
District (CCSD), Las Vegas, Nevada

Jonathan Reynolds, Intern to Assemblywoman Angle

Janine Hansen, President, Nevada Eagle Forum, Sparks, Nevada

John Wagner, President, The Burke Consortium of Carson City

Deidre Hammond, Private Citizen, Reno, Nevada

Ricci Rodriguez-Elkins, Executive Director, Center for Charter School
Development, Sparks, Nevada

Don Calley, Member, Citizens Commission on Human Rights,
Las Vegas, Nevada

Duncan Guertin, Private Citizen, Las Vegas, Nevada

Caroline Calley, Member, Citizens Commission on Human Rights,
Las Vegas, Nevada

Larry Perna, Private Citizen, Las Vegas, Nevada

Keith W. Rheault, Ph.D., Superintendent of Public Instruction, Department
of Education, State of Nevada

Bill Hanlon, Regional Director, Southern Nevada Regional Professional
Development Program (SNRPDP)

Chairwoman Parnell:

[Meeting called to order and roll called.]

- BDR 416—Provides immunity from civil liability to employers for disclosing certain information concerning concurrent or former employees to school districts and charter schools. (Assembly Bill 516)
- BDR 1354—Directs legislative commission to conduct interim study regarding enhanced compensation to attract and retain teachers, and regarding expediency of test results on high school proficiency exams. (Assembly Concurrent Resolution 14)
- BDR 1353—Revises provision governing high school proficiency examinations and requires reporting of certain information regarding high school teachers for math and science. (Assembly Bill 513)
- BDR 937—Makes appropriation for pilot programs providing alternative educational settings for disruptive pupils. (Assembly Bill 514)
- BDR 936—Requires certain employers to grant leave to parents and guardians to participate in certain school conferences and activities. (Assembly Bill 515)
- BDR 1352—Makes various changes concerning innovative educational Programs. (Assembly Bill 525)
- BDR 377—Revises provisions concerning incentives to teachers in hard to fill subject areas and the national school lunch program. (Assembly Bill 526)
- BDR 157—Renames University and Community College system of Nevada as Nevada System of Higher Education. (Assembly Bill 527)

- BDR 606—Authorizes school districts to extend mandatory attendance requirements to children younger than mandatory school age, but who are enrolled in school and to remedial programs provided to pupils without charges. (Assembly Bill 518)
- BDR 414—Changes the definition of immorality as used in the provisions governing discipline of school personnel. (Assembly Bill 517)

ASSEMBLYMAN MANENDO MOVED FOR COMMITTEE INTRODUCTION OF BDR 416, BDR 1354, BDR 1353, BDR 937, BDR 936, BDR 1352, BDR 377, BDR 157, BDR 606, AND BDR 414.

ASSEMBLYWOMAN ANGLE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairwoman Parnell:

We have four bills on the agenda today. I will open the hearing on A.B. 222.

Assembly Bill 222: Requires periodic review of school districts to evaluate compliance with certain financial management principles. (BDR 34-10)

Assemblyman Marcus Conklin, Assembly District No. 37, Clark County:

I am here to present Assembly Bill 222 as part of the solution to improving public education in Nevada. Public education is one of the most, if not the most, important service that government provides. The well-educated citizenry is a critical component of the state's economic well-being, because a well-educated workforce is vital to attracting and keeping new businesses.

[Referred to Exhibit B.] Education spending in Nevada for grades K through 12 accounts for nearly 34 percent of the State General Fund; that is over one-third of all state appropriations. According to the data from the National Center for Education Statistics, total education spending in Nevada for both state and local funds is over \$3 billion. That is in one year, so if you double that, it is larger than the State General Fund appropriation for a biennium. Despite spending \$3 billion, Nevada ranks forty-eighth in the "Resources Spending" category in the 2005 issue of "Quality Counts," published by *Education Week*. The rating was based on Nevada spending an average of \$6,380 per pupil, when the national average is \$7,734.

There are other proposals before the legislators this session to address the adequacy of our spending on education, and I wish them well. Whether the level

of spending has increased or stayed the same, it is more important to know that our education dollars are spent wisely. In the 2003 Session, I sought to limit the number of administrators in the Clark County and Washoe County School Districts to a number that meets the national average for like-size school districts. That attempt was unsuccessful. After the 2003 Session, I searched for other ways to ensure that our education dollars are well spent and looked to other states for ideas. Two states, in particular, caught my attention: Florida and Texas. Both states have aggressive audit programs designed to reduce waste and make more effective use of education dollars. Ultimately, I decided the Florida model had the most to offer because of its structure and consistency.

[Assemblyman Conklin, continued.] The Sharpening the Pencil Act, passed by the Florida Legislature in 2001, requires all 67 school districts to undergo a "Best Financial Management Practices Review" every five years. Florida's 67 school districts are like Nevada's in that they are organized by county boundaries and are a mix of large urban districts, small rural districts, and some in between. The Office of Program Policy Analysis and Government Accountability (OPPAGA) are responsible for issuing requests for proposal (RFPs), selecting a consultant, and overseeing the reviews. Although there is an auditor general in Florida, OPPAGA reports directly to the Florida legislature—much like Nevada's Legislative Auditor in the Audit Division of the Legislative Counsel Bureau (LCB). Best Financial Management Practices for Florida schools were developed by OPPAGA and the Florida Auditor General, in consultation with education finance experts, professional organizations, and educators in Florida and from other states. The reviews look at whether school districts are using the best financial management principles and other ways that districts can save money.

Florida school districts implementing the Best Financial Management Practices are given a "Seal of Best Financial Management Practices" and are exempt from the next five-year review. According to the folks at OPPAGA, the consultant contract for a large district in Florida, about the size of Clark County, costs approximately \$500,000, while a mid-sized district of 60,000 students, the size of Washoe County, costs approximately \$325,000. The reviews in Florida have paid for themselves. In its January 2003 fiscal impact report, OPPAGA announced its school reviews have generated a potential cost savings of \$2.1 billion. Manatee County alone implemented 68 of the 69 action plans in its review and substantially complied with the best financial management principles, thereby saving more than \$14.7 million.

According to the consultant's report, the Dade County School District could experience a positive fiscal impact of \$510 million over five years if it

implemented the recommendations and Best Financial Management Practices. To put that in perspective, the cost of the audit was just over \$500,000, and the return on investment was potentially \$500 million over a five year period. I have a copy of the audit that was done in Broward County, which has about 20,000 students less than Clark County. This is a comprehensive audit that we are talking about in this particular program. I will leave this—and a copy of the LCB audit of Clark County—with the committee manager for the rest of the week. If you have questions regarding the types of audits and you would like to see one first hand to compare the contrasting styles we have referenced here, I will leave that with the secretary so people can view it as they wish. Having said that, some examples of saving recommendations from schools include:

- \$2.6 million by reducing the number of assistant principals and deans
- \$20 million by implementing a multi-track, year-round calendar
- \$2.6 million through direct deposits
- \$7.8 million by implementing value engineering and a standardized design manual in construction
- \$2 million by applying an allocation factor to reduce the number of assistant principals
- \$6.4 million by reducing custodial positions to appropriate levels in relation to square footage, and so forth

[Assemblyman Conklin, continued.] These types of audits are incredibly detailed, and they cover a variety of areas. If done appropriately, they compare our schools to other like-size schools around the country in providing best management practices to help our schools spend their money in an efficient manner. I would also like to point your attention to the other two handouts that you were given ([Exhibit C](#) and [Exhibit D](#)). One is a comparison of an LCB-type of audit with the type of audit we have been discussing in A.B. 222. I have also provided you with a cost-benefit analysis from MGT of America. MGT of America was one of the first organizations selected to do audits in Florida, and they have also done audits throughout the country. What you have here is a list of the types of audits that they have done and the cost-benefit ratio for each. You might point your attention to the note at the bottom: the average school district can show a net savings of \$137 per \$1 in investment. If you spent \$100,000, you would be looking at \$13.7 million in potential savings. I think that is a pretty good return on investment when we are talking about our school dollars.

Assembly Bill 222 is based on the Florida Sharpening the Pencil Act. You may recall that S.B. 8 of the 20th Special Session ordered performance audits of Clark and Washoe County School Districts. Clark and Washoe County audits have been released, but these audits do not go far enough. Unlike the current school district audits, A.B. 222 will result in a regular schedule of audits that

are more comprehensive, include public input, and involve the State Board of Education. The bill calls for performance reviews of each school district every six years to determine compliance with financial management principles. You can find that in Section 4. These periodic reviews will occur in the even-numbered years between legislative sessions and will only be carried out to the extent that the Legislature appropriates funds for their review. This is found in Section 3. The first step will be for the Legislative Auditor to submit a list of districts recommended for reviews, and by a concurrent resolution, the Legislature may approve or modify the list. School districts may be exempted from a six-year review if the Legislature determines that the district is complying with financial management policies; that is in Section 4.

[Assemblyman Conklin, continued.] The Legislative Auditor will then issue an RFP [request for proposal] or RFPs and prepare a list of qualified consultants for the State Board of Education to consider. The consultant selected must not have any conflicts, must not have done any business with the school district, and must be from out of state. The State Board of Education will select a consultant no later than January 1, and reviews must begin no later than February 1.

A school district will do a self-assessment 60 days prior to the review, and the self-assessment will be provided to the consultant. The reviews will address the following nine areas: financial management, facilities management, personnel management, district organizations, employee and retiree health plans, transportation, alignment with public expectations and needs, effective delivery of educational services and programs, and any other area deemed appropriate by the consultant based on their experience in other states.

In addition, I think if a particular school receives money for education and the specific use of the money is within the sole discretion of the school district, then the consultant may track the expenditures and review the decisions concerning that money and its uses. The reviews will look at the following financial management principles within those areas:

- Is the district using cost-effective measures to regularly assess operations?
- Are they carrying out measures to reduce costs and improve service?
- Are they maximizing the efficient use of school money?
- Are they ensuring that resources are safeguarded?
- Are they providing efficiency in staff structure, while also providing excellence in education?
- Are there established benchmarks for productivity and performance?
- Are we making financial decisions that are linked to district priorities?
- Are we financing debt in an efficient manner?

- Are we using investment to earn an appropriate rate of return?
- Are we using debt management and investment policies that are representative of current market and risk profiles?

[Assemblyman Conklin, continued.] The State Board of Education will be responsible for monitoring the consultant's work, along with an oversight committee consisting of:

- A member of the general public appointed by the Speaker of the Assembly
- A member of the general public appointed by the Senate Majority Leader
- A member of the State Board of Education
- A representative of a parent-teacher association appointed by the Governor
- A person appointed by the Nevada State Education Association
- A member of the local school board

The bill requires at least one public hearing during the review process to obtain information from school personnel and members of the public about the operation of the school. It is important for the Committee to understand that because these are done countywide, every county will have its own oversight committee. There is no fiscal note attached to it. For the oversight committee, these are volunteers to help members of their own community and, hopefully, parents with students in any of those individual school districts.

The Nevada Department of Education (NDOE) will provide technical support. Reviews must be complete within six months and a preliminary report must be submitted within 60 days after the review is completed. The consultant's report will contain methods by which school districts can reduce costs and expenses and, if appropriate, a corrective action plan to implement the management principles. The general public and the district superintendent will have a chance to review the preliminary report. After consulting with the school board, the district superintendent shall submit a written response to be included in the final report. The final report will then be submitted to the district's board of trustees, the State Board of Education, the Legislative Auditor, and the Legislature. Within 90 days after the final report, the district's board of trustees shall determine whether to adopt the corrective action plan or not. If the school board elects not to adopt a corrective plan, then the Legislature may require the school board to appear before the Legislature or a standing committee to present testimony.

If a school board adopts the corrective plan, then it shall submit progress reports in February of even-numbered years to the State Board of Education, the Legislative Auditor, and the interim Legislative Committee on Education. In

February of odd-numbered years, the progress report shall be submitted by the school districts to the State Board of Education, the Legislative Auditor, and the Legislature. The Legislative Auditor will review the progress reports to determine the level of compliance with the corrective action plan and prepare a report to the Legislature with his findings. The Legislature or its standing committees may review these reports and hold hearings to examine the failure to carry out corrective action plans or to determine if the school district should be exempt from its next scheduled review. School districts that are granted exemptions must report annually to the State Board of Education, the Legislative Auditor, and the Legislature—or its interim education committee—on their progress.

[Assemblyman Conklin, continued.] To start the audits off, the bill proposes five school districts to be audited in 2006:

- Clark County School District
- Esmeralda County School District
- Lincoln County School District
- Mineral County School District
- Nye County School District.

Those are the five southern counties.

Walking my district in the past several sessions, it has become apparent that education is a priority for most of my constituents. Those same constituents don't believe that our education system spends its money wisely. Why should they? They see outcomes only, not necessarily the process behind them. Yet, what they see is their reality. In the last election, when I was walking my district, one constituent came to me complaining that their next door neighbor, who works for the school district, had a brand new truck in their driveway. They said the truck sits in the driveway and it is never driven anywhere; it just collects dust. That neighbor drives their own vehicle to and from work every day. I will make the assumption that the truck was for maintenance purposes, but when a taxpayer sees something like that, they want to know why a new truck was purchased. Mileage is probably being paid for the truck, as well. Before that, I had an individual who approached me who owns a company that does business with the school district. He charges the school district double what he could charge to make a profit for his product. That is the only way he can receive the bid, and his children come home without books. I throw these out to show the Committee that there may be perfectly good reasons for this, but what the public sees are these types of scenarios. They have an impact on the way they feel public money is spent.

It is my hope that this bill will improve our education system by instilling public confidence in our school districts, making the best use of our education dollars, and most of all, by making a difference in our classrooms. We are rapidly

approaching the day when the state spends \$1 billion on K through 12 education in Nevada, and we have a responsibility as parents, citizens, and businesspersons to make sure that those dollars are spent on what matters most—the children. Given the Florida experience, we can safely assume that school reviews will pay for themselves and, therefore, appropriations for school reviews will be money well spent. To paraphrase a popular inspirational quote: “We can’t do it” never accomplished anything. “We will try” has accomplished wonders. I am hopeful that this Committee will give this proposal a try.

Assemblyman Manendo:

Out of curiosity, have you had anybody approach you with any amendments to the bill? If so, is that the course we want to proceed with the bill?

Assemblyman Conklin:

I have had two amendments proposed, but those may not be the only two. One was proposed by the Nevada Association of School Administrators (NASA). They would like to be added to the oversight committee. My initial thoughts on that particular amendment is, no. The reason for my not supporting that particular amendment is that the administrators will actually be drafting the response to the audit itself. The people I put in the oversight committee are people who would not have input into the audit itself. Those folks will not be involved in the drafting of the response to the audit, nor the corrected actions to the audit. I cannot say that I am particularly excited about that amendment.

The Washoe County School District has also brought forth an amendment that has three items. I would prefer to tackle one of them in Ways and Means because this bill has been concurrently referred to Ways and Means, and it has to do with full funding, although I believe that the bill clearly states that it should be funded by the State. They have some concerns that the language is not strong enough, and I would like to tackle that in Ways and Means. The second part of it covers Section 4, subsection 3(a).

They want to add that the auditors have previously audited school districts. I am in support of that particular language if it is not clearly identified in here. We are looking for auditors who are not your standard business auditors like KPMG or Price Waterhouse; I am looking for people who do school district audits. They need to understand the means of our school districts and the management principles of our school districts. They should also have been around the country analyzing these things for some time; MGT of America is where I got a lot of my information. I am in support of that particular line. There is a line below that where they add a paragraph (d). The review team includes a former educator. I asked that it not be included, because I do not want to lose a good auditor, who

has done a lot of districts, who does not have one on the team. I cannot speak intelligently enough to know whether or not every one of them does.

Assemblyman Manendo:

I just wanted to know, because a colleague has worked hard and long on such an important piece of legislation. A lot of times, people do not bring their amendments to the prime sponsor of the bill and then they don't have a chance to respond, other than outside of the Committee. I wanted to make sure that you had a chance to come up with an evaluation, because he worked so hard.

Assemblyman Hardy:

If we had a \$6 billion education budget and we saved \$100 million, I think that comes to one-sixtieth of \$6 billion. I am starting to run the numbers with the buckets that are in this budget, such as teacher salary, administration, operations, and maintenance, but where did the bulk of the Broward County money come from? Did it come from teachers' salaries, or was it pencils and paper clips?

Assemblyman Conklin:

I am going to have to refer you to the document itself. For me to list everything that is in this volume would be too much. Within the Broward County audit, it was just over \$100 million. There were recommendations for additional funding in there as well. Actually, there were more savings, but there were some areas within the county that the auditors felt were underfunded or running too thin to conduct themselves in an efficient manner. These things could run anywhere from pencils to purchasing techniques. There are some things in here where they had too many purchasing desks for the number of POs [purchase orders] that they had running out. They were required to eliminate a certain number of purchasing agents. That saved them something like \$600,000 a year, but then there were other areas where they were required to add people. There were some areas where they did not meet the requirements for the number of custodial employees on a given campus size. It is highly scientific, if you find the right company that has done this all over the country.

In terms of the budget, you have to recognize that, while the whole budget might be \$3 billion a year, if we could save them \$100 million, how many after-school programs, books, or other things can we provide for our kids? People are making decisions on how to spend money, and the idea behind this is to make sure that we keep our priorities in order when we make those decisions. One of the frustrations that I have had with the administrative levels is that every time we hire an administrator, we forego hiring 4, 5, or 6 additional teachers. That is before you add in the lower level administration that goes with the district level administrator. It is hard for me to question that

particular decision. I have to hope that the school district is making the decision with the end in mind. Yet, as a business person, I understand that I could hire all the chiefs I want, but if I have no one to touch the customer every day, I have no business. The audit is designed to reach out and grab those inefficiencies to help point us in the right direction. It is a tool, and I hope it is used to its maximum potential by the school district, but at the end of the day it is going to be up to the Legislature to make sure it is implemented to its utmost potential.

Assemblyman Mabey:

Addressing the last comment, how did these school districts do after a net five-year savings? Has there been an experience on how the projected savings did work out?

Assemblyman Conklin:

Everyone is different. For example, in my testimony I discussed Manatee County, which implemented almost all of theirs. If I am not mistaken, they got a Best Practice Certification, so they do not have to go through an audit for 10 years, and they save an additional \$14.7 million. If you asked Esmeralda County if we could show them how to save \$14 million—and Esmeralda County has only a handful of students—they would be pleased. There are a lot of things that they could do with that money. You have to recognize that nowhere in the bill am I asking for any money back. That money is school district money, and I am in support of additional funding for our school districts. My only concern is to make sure that we are getting the greatest benefits for the money we are getting.

Assemblyman Hardy:

Do we have smaller school districts represented in this kind of audit? I am looking at the huge school district where you will obviously get the most savings, but are there these kinds of advantages in the smaller districts? In Boulder City, a copy machine costs the same whether we have half as many students or one-quarter as many students as the larger schools, but we still have to buy the copy machine. It is one of my concerns that the smaller districts may not see as much relief as the larger districts. I know you have talked about performance audits focusing on curriculum; is that included in this?

Assemblyman Conklin:

Yes. The audits you are looking at appear to be the medium and larger-size counties. I would like to see if I can get some additional information for you, because Florida used five or ten different audit firms. Every audit was done by a different company, so it is not like having one company come in and do the entire state; that is 67 counties. They may have picked a company that does

rural audits. OPPAGA did do some audits on its own for the smallest counties. My reason for including the rural school districts is twofold. I think if you survey the rural counties, they would like to see how they can stretch their money further. They are smaller, their pools are smaller, they do have to have that one copier, and they do have to have that principal for the 90 students in their school. While that makes the ratio look bizarre, you must have it. They would like the opportunity to see what they might be able to do better.

[Assemblyman Conklin, continued.] Secondly, because there is a State Board of Education person involved, that person should be able to oversee all of the rural audits. My hope is that we will find some commonality in each one and find an opportunity to share resources. It is interesting how we have very large school districts like Nye County where, from top to bottom, it might be 250 miles. Are we bussing kids 150 miles to the only high school in that county when they can go across county lines and be bussed only 20 miles to the nearest school? We do not do that because they do not belong in that particular school district. I do not know the answer to that, but that is the type of stuff that could stretch our education dollars further. We could only do it if we are willing to spend the money in the rural counties and see how we can best help them.

Chairwoman Parnell:

Do you have the information that was requested?

Assemblyman Conklin:

I do not.

**Mary Kaye Cashman, CEO, Cashman Equipment, Las Vegas, Nevada, and
Chairwoman, Business Education Coalition of Nevada:**

Cashman Equipment has offices in Las Vegas, Elko, Reno, Round Mountain, Winnemucca, and Henderson. We have been in business for 74 years in the state of Nevada. For the 74 years, Cashman Equipment has been a leader in our communities as a company that supports education at all levels. I have had the opportunity to see the impact that my company has had on the McCaw Elementary School over the years. For the past 18 months, I have been working with a bunch of businesspeople—in both southern and northern Nevada—on statewide education issues. I have also been working with the Nevada State Education Association (NSEA) on bettering their relationship with the business community.

In building my relationship with NSEA, I have learned that it was necessary to create a Business Education Coalition, which I chair. Our primary focus was twofold: first, to review the legislative audits of both the Clark and Washoe County School Districts, and second, to work to bring more dollars to the

classroom for the students and teachers. After reviewing the LCB [Legislative Counsel Bureau] audit of both districts, I decided to come to this hearing in support of A.B. 222. How many of us are old enough to remember *Room 222* about education? It is nice to see that there is a bipartisan support for this bill in both houses. Education should not be political. Unfortunately, we often make it political. We should all be supporting K-12 funding. After all, these children are the future business leaders, casino executives, and elected officials. The audit completed by the LCB during the interim was a good start, but we have a long way to go. An 85-page audit of these districts does not constitute an in-depth audit. These audits were not intended to prove K-12 institutions are doing something incorrect. It is to see where we, as a community, can make improvements. When I took over Cashman Equipment in 1995, one of the first things I had to do was see how financially stable our company was. That required an audit of our company, and I can guarantee you that our audit, for a family-owned business, was more than 85 pages.

[Mary Kaye Cashman, continued.] I have had the opportunity to review the Governor's suggested request of \$500 million for K-12. I believe that this is a one-shot funding appropriation, not a long-term solution to a long-term problem. I am also not sure that amount solves all of the education issues our state has. In fact, how does one appropriate that amount of money without knowing what the needs truly are, or if there are reasonable ways to save money before we spend \$500 million? In my business, before we make major expenditures, we do an analysis of the needs. We do not spend a lot of money on something and hope it fixes something else. I am well aware that the LCB audits indicate that the districts are running well. That may be true, but what if we had an outside audit company come in, do an in-depth audit, and say that we could save \$300 million in Clark County alone? We could apply those savings directly to the classroom. I am also familiar with the savings that have occurred in Florida. Over the years, I have seen several groups inform the public that we have an education problem. If we do not get the necessary funding at certain levels, we are going to cut programs. These are idle threats or scare tactics used to raise the concerns of the public and put pressure on legislators, to coerce you for the funding. What if we were to find out what the education problem truly is? We need to define it and work from there. Once we do that, we will know if the threats are real.

As a businessperson in this state, I am convinced that if we put our nose to the grindstone and do our homework, we can provide the necessary funding for the future of our education needs in the state. After all, this is Nevada. Nevadans are strong, hardworking people who know how to solve problems and learn from the past. Had my late husband's grandfather and father not taken on the tough issues and shown their leadership through time, Cashman Equipment

would not exist today. In fact, had the Cashman family given up during tough times, I would not be here testifying as CEO of Cashman Equipment.

[Mary Kaye Cashman, continued.] It takes courage to step up and say that we have real problems, and I am glad to see the school districts here today. I hope they are here in support of this legislation. I hope that we all support this legislation. This legislation may cost the state a few dollars, but what are we willing to pay? We are already paying for it in low test scores, high dropout rates, and not having books for every student. In business, we have to spend money to make money, and it is time that we put K-12 funding on the top of our priority list. Let us stop putting a Band-Aid on the K-12 and fund it to the levels that we need. We cannot do this until we do an in-depth analysis of the current financial situation. I have read the InVest plan, and I think it has potential. How we can put \$1 billion into K-12 if we do not know if we need \$1 billion for K-12, and where the funds are going and why? I do not think we can deny an individual an honest day's wage for an honest day's work. We cannot continue to have our elementary students sharing books and lacking the resources they need. In closing, I would strongly encourage you to support the legislation so that we, as a state, can make a difference in K-12 education.

Stephanie Hughes, Member, Business Education Coalition of Nevada:

I would like to first commend Assemblyman Conklin for the way he put this bill together. The most important fact here is that they want to hire an independent auditing consultant who has absolutely no relationship with the state of Nevada education system, nor should they have for so many years after they are done. This is important because it shows objectivity. This person will bring not just objectivity, but expertise to what we need, because he or she has been doing this throughout the country. We want to find someone who has the background to look into this. One of the things that keeps coming up from everyone who has testified, including the Assemblyman, is the fact that it should not be possible in any school district for a child to go to school without a book of their own. How is that possible? It is unbelievable to me. I do not know how this happens, but I know we have to figure that out and solve the problem. When I worked for the district, I had parents come to me and say, "I am willing to pay for my child's book; just tell me where to buy it." I would ask what they were talking about, and their response was that their child had to share books. The child had a test the next day, but it wasn't their night to have the book.

The other thing that was brought up, and I agree with, is that in order for a student to have a well-rounded education, there must be arts and athletics. If you go to any Ivy League school in the country, any good college, children are given a well-rounded education. They have to or they will not let you graduate. How can we start kids off in this manner? Maybe they are idle threats, but

shame on anybody who even thinks about that. I feel that these audits are necessary. I do not believe that anyone intends to do things in an inappropriate manner. I think it is just the way it happens, but it does not mean it is okay. Just because you go to work every day, and everything runs smoothly because it is how you have been doing it for 20 years, does not make it right.

[Stephanie Hughes, continued.] We have a situation in the district—and maybe some of these things have changed since I have not been there the last ten years—but I look at the fact that government seldom changes that quickly. When I was in the district, we tried to do a few things, like acquire band equipment. When Assemblyman Hardy discussed the copier situation, I was thinking about how we were trying different ways to put bids together so that schools without the same funds could have the same opportunities at a different level. Band equipment is a great example. I sat down with a group of band instructors at the high school level, and I asked them how they would feel if I put together multiple levels; I had an A and a B. Their primary concern was that they had matching equipment. They like both Pearl and Yamaha drums. I asked what the problem was because I laid it out on two levels, an A and a B level. A school that does not have the same funds as a brand new school, or an older school that doesn't have the funds, can still get the equipment they need. It may not be at that high level, but they cannot afford that level. The same thing with copiers: we would try to do this type of business, but there was always a reason why we couldn't get it done. I am not exactly sure why this would occur.

When we were opening new schools, there was a problem with setting them up. We were so far behind because there was so much going on. We were opening a large number of schools at one time, but they could not do all the refurbishment of the old schools and get the new schools set up at the same time in order to open classrooms on time. We put in the bids, so the vendors could come in and set up the classrooms and deliver the furniture, which would then alleviate some of the manpower issues we had. It failed, and it was the district that caused it to fail. I am not sure why or what brought this about, but we stayed behind.

The bottom line is that it is very difficult for people to do internal audits and point out that they are wrong. I am sure there are a ton of people in the districts throughout the state who are not happy about this audit bill, because it is a frightening thing to have change occur, but this is a necessary item, and until we find where the problems are and readjust them, we will continue on with kids having to share books and people not having the money.

[Stephanie Hughes, continued.] There is one more thing I would like to bring up and I am not sure how we can approach this, but I know it will be a part of this audit. One of the things we do as a government agency, whether federal, state, or county, we have a zero balanced budget, of which I know you are all aware. There is a flaw in this, and just because everybody does it does not make it right. Somehow, we have to find a better way. At the end of the year, we have some schools where the principal has done a very efficient job running that school, but they have X dollars left. They go out and have to spend every dime of that, because if they don't, the money is taken from their budget in the following year. They are buying things that they neither need nor really want, but they know it has to be done.

Chairwoman Parnell:

That sounds like something you might want to propose as an amendment, to make sure we take a look at the zero balance. That is a more appropriate place for that discussion.

Stephanie Hughes:

The idea is to get the money where it really needs to go: into the classroom. There are little areas, whether it is purchasing or the actual schools, in every department that needs to be looked at. If we can get the money to where it belongs, we have accomplished the bottom line, which is educating the kids. Somehow, we have gotten that wrong.

Denise Brodsky, Trustee, Clark County School Board, Las Vegas, Nevada:

[Distributed [Exhibit E](#).] I am here on behalf of my constituents to testify in support of [A.B. 222](#). When I was elected to the board in November of 2000, I was elected on the promise that I would ensure every child would receive a high-quality education. In my reelection campaign this past November, I continued my commitment to my constituents that the children of Clark County would receive a high-quality education with an added element; we would be fiscally responsible in our efforts, and every dollar possible would be directed back to the classroom where it would generate the biggest return on their investment and increase student achievement.

I have remained committed to that promise and have consistently advocated for reform at all levels of district practices, whether that be in the form of lobbying at the national level for improvements to the No Child Left Behind Act [of 2001], the Elementary and Secondary Education Act [of 1965], or even the Individuals with Disabilities in Education Act [Amendments of 1997]. I have pushed for a stronger measure of success and accountability so that we may better evaluate the performances of our superintendents. I have also introduced new and innovative instructional programs to district officials in the hope to

raise student achievement and reduce our unacceptable dropout rate. I have challenged the districts' operational and management functions, such as facility maintenance, grounds, and janitorial services. I have also touched on recent resource practices dealing with the ever-increasing need for short- and long-term substitute teachers.

[Denise Brodsky, continued.] It has been my experience that the standard response expressed by district officials is that no one can do it better than we can, and we are doing a good job. The district is doing a good job. However, doing a good job is just status quo if you are not being creative and willing to reduce overhead and costs of doing business, to ensure precious dollars go directly to the classroom to benefit the children. After all, that is what we are in business for, our children.

Two months ago, Governor Guinn announced in his State of the State address that he was requesting \$500 million for K-12 funding. Do not believe this is a long-term solution. I want to be sure that money is used in the most efficient way, that will positively impact students and that we are spending the funding we currently receive appropriately. That is why I support A.B. 222. I am sitting here to ask you to look at what the real crisis is. It is not just throwing \$500 million to shut up the teachers' associations, the districts, or the voters. It is about telling these same groups where the funding is going, and whether or not we are being responsible with the funding that we receive. It would be great if we could save \$500 million on our own and put that money back into the classroom where it will have the greatest return. I am not here to tell you that our districts are doing a bad job. I am saying that we need to know if we could be doing a better job. So many people will try to turn this bill into a negative, but I would like to see us turn this legislation into a positive.

You are going to hear from the district that they will support this legislation only if we are not redundant in the audit, and if it does not cost them any financial resources to cooperate with the audit. We have an obligation to our customers to determine if we are spending their dollars responsibly. We have nothing to hide. In order for me to do the job my constituents have hired me to do, I need to know where we can make improvements. I have requested that an item be placed on the March 31, 2005, meeting of the Clark County Board of Trustees for the full board to support A.B. 222 through a resolution. We must support this legislation in its entirety. Our district is audited on a regular basis. Last session, the Legislature passed a bill that required the LCB [Legislative Counsel Bureau] to audit Washoe and Clark County School Districts. Each audit consistently shows, without a doubt, that we follow state policies and procedures, but not one of these audits digs deeper into the way the district carries out its policies and procedures. Are there duplications? Are there

industry standards that can be applied that we should replicate? Would this make us more efficient and save us dollars? This is where there is so much to be discovered. Frankly, the LCB's 85-page audit is not an in-depth audit; it is just a report. I do reports on a regular basis.

[Denise Brodsky, continued.] I recently saw an article in *Education Week* where Bill Gates is quoted as saying, "What is needed in our public school system is institutional reform. We are not doing what we should for these students. Are you willing to make the hard decisions and do what we should for our students?" We need to make the hard decisions. We need to demonstrate leadership and show the parents and students that we are willing to step up, admit where we have made mistakes in regard to management or other practices in our district, and fix the problems that are at hand.

Every day, we as parents and teachers ask these kids to admit when they broke a rule or cheated on a test. Let us see where we are making mistakes and fix them. This should not be punitive; it should be helpful to our growing and struggling districts. Nevada is in a unique time. We are growing at a tremendous rate and have a vibrant economy. Before we spend a boatload of taxpayer dollars on education, let's make sure we are spending the money properly. Let's make sure that we can't be saving money that could go back into the classroom before we throw more money around to create an even bigger problem. Make no mistake; I want more funding for K-12 education in Nevada. I want to have a well-funded and well-rounded program for our children. I do not want a fiscally irresponsible maneuver that creates a burden for our students, parents, and families in the future. I am asking you to support Assemblyman Conklin's A.B. 222, because it is the right thing to do at the right time. I would also support the second amendment mentioned, regarding the type of auditing firm. They must be familiar with school type functions and have no formal ties with the state.

**Deborah Wescoatt, President, Board of Trustees, Nye County School District,
Nye County, Nevada:**

I am here in support of A.B. 222 as well. Our district is geographically the largest one in the state of Nevada. We go from a one-room school house to an urban high school of 1,600. We do have contracts with California and two counties in Nevada where we bus our students. We are trying to be fiscally responsible. At this point, Nye County School District would welcome an independent audit of our school district.

David Bobzien, Private Citizen, Reno, Nevada:

I have some brief remarks to make about the public aspects of this bill. I work in information technology at the University of Nevada, Reno (UNR). While I am not

here today representing the university, I have a strong personal interest in a strong educational system and ensuring that our young people are prepared for tomorrow's jobs, particularly in the information technology field. This is a sector that is vital to our state's economy.

[David Bobzien, continued.] Over the past few months, as a part of the Nevada Business Education Coalition, and after examining the 2004 audit of the Washoe County School District, what our group learned about the management practices of the district and the expertise the members of the group demonstrated in considering implementation strategies for the audit's findings was, in part, an exercise modeling of the public involvement aspects in A.B. 222. As a result of this experience, I support the creation of the audit oversight committee detailed in Section 5, and the prescribed public meeting to accompany each audit proposed in Section 7, as ways to engage the public—and specifically, the business community—in regard to the management of our schools.

Elisa Maser, Member, Nevada Business Education Coalition:

Community partnership is vital and extremely beneficial in these processes. We hope you will support the fully-funded aspect of these audits to allow for that exchange of information between the public, the school, and the auditing experts. We certainly want to see business and parental expertise on the oversight committee and in the process. We would also like to see education expertise in terms of the auditing firm coming to the table.

Ken Lange, Executive Director, Nevada State Education Association:

I am sending around a couple of documents. One is a PowerPoint presentation ([Exhibit F](#)), and the other is something that I emailed to you earlier from John Turcotte, who was the administrator from OPPAGA ([Exhibit G](#)). There are some links that may be very helpful to you, including one that is about thirteen ways to save money. Assemblyman Hardy may find some answers to his questions there.

I think you have heard full testimony on this bill. [Distributed written testimony, [Exhibit H](#).]

Christina Dugan, Director of Government Affairs, Las Vegas Chamber of Commerce:

We have roughly 6,800 business members that we represent, and they employ almost 200,000 individuals. Certainly, one of their concerns is a well-educated workforce, and that we educate students in the most efficient and effective manner possible. That is why I am here today in support of Assemblyman Conklin's bill, A.B. 222. Additionally, I would like to say that

Carole Vilardo, from the Nevada Taxpayers Association, apologizes for not being able to be here. She had some issues she needed to deal with in regard to property taxes, but she is also supportive of the bill.

**Joyce Haldeman, Executive Director, Community and Government Relations,
Clark County School District, Las Vegas, Nevada:**

I am also here to support this bill. I had conversations with Assemblyman Conklin before the Assembly bill was final, and we have supported it from its inception.

I would like to point out we believe that audits are good for all of us. They are good for the taxpayers, they help the school district employees to better utilize the taxpayers' money, and they are good for legislators, because of the way you are funding education is appropriate and being used correctly. I would also like to point out that one part of the bill, which we are especially appreciative of, is the funding that comes with it—not just because we do not want to spend the money for the audit, but also because when we do spend money for audits, they are no longer considered independent audits. They are paid for by the district, and we think it is very important that funding should come from outside of the school district so the audit can be completely independent. We like the provisions in the bill that make the auditor completely independent of the school district and the State of Nevada. We think all of those things are good.

I would like to point out that we have a number of audits already in place. I do this not just because we do not want you to duplicate efforts, but I do not want the Committee to have the misperception that all we have is that 85-page legislative audit that came out recently. In fact, we have a lot of audits, most of which have been mandated, but some are voluntary. I should have brought the complete audits with me instead of the executive summaries, because we probably could have topped that 2,000-page audit from Broward County that was used as an example.

Let me just show you a few of the things we have. This is an audit that is required by NRS to be completed by a certified public accounting (CPA) firm. It is completed on an annual basis, and it is a districtwide financial audit. This particular audit is done by Kafoury, Armstrong & Company, a reputable firm in the state of Nevada. Included in that are audits of transportation, financial management, purchasing, payroll, facilities, federal compliance audits, and reviews of reports, such as the KLBX Communication Group, which is required for them to receive their certification as a corporation for public broadcasting. We also have sub-audits that are performed by outside, independent auditors in selected areas designated by the Board of School Trustees. The audit process includes a management letter, specifying areas of internal control that can be

approved along with those recommendations for action. A follow-up to each finding is conducted during the following year's financial audit to measure compliance. It takes about 60 to 90 days on an annual basis to complete this audit, and the approximate annual cost is between \$100,000 and \$125,000.

[Joyce Haldeman, continued.] We also have an audit that is commissioned by the Bond Oversight Committee. This is a voluntary audit. In fact, the Bond Oversight Committee is a voluntary oversight committee that the Board of Trustees set up to monitor the expenditures of the building program. In the building program, there were concerns about how some of the expenses were being made, so they requested an audit to be paid for out of the building funds, which is run by the Bond Oversight Committee. This is an example of that audit. This particular one came out in 2003. We also have an RFP [request for proposal] out for another audit. We are trying to break up those audits into about five-year segments of the existing building programs, to provide the assurances to the Bond Oversight Committee that the expenditures are being spent correctly and according to the wishes and dictates of the ballot question that went before the public.

The 85-page LCB audit has been discussed, and even though this is not as in depth of an audit as many people would have liked, this audit did require that the district set aside dozens of employees to spend hundreds of hours assisting the auditors, so that they could have access to the information and materials that they needed. We welcomed this audit and testified in favor of it during the last session. We believe that one of the biggest downfalls we have as a district is that the perception is out there that we mispend funds. I would love to learn the name of Assemblyman Conklin's neighbor, who was referred to in the anecdotal stories we heard earlier. There is no reason for a district car to be sitting in somebody's driveway.

We are continually tightening our practices on things like this with vehicles and other issues you may have heard stories about. When there are outstanding issues that need to be resolved, I would love to know about them. We can follow them to the sources and verify the validity of the claim. We welcome that kind of scrutiny. I can tell you that we do not want to waste your money any more than you do. In addition to that, we do have an internal audit department in the Clark County School District.

The audit that came from the Bond Oversight Committee takes four to six months to complete, and the cost is \$350,000. The LCB audit took six months to complete and it didn't cost us anything, because it came out of the last appropriation.

[Joyce Haldeman, continued.] Inside the school district, we have an internal audit department. We have approximately an \$820,000 budget on an annual basis to support that internal audit department. The ratio of auditors to units is approximately 35 units per auditor. Auditors are assigned to fiscal monitoring and compliance issues. Five auditors work in field audits of school bank accounts, central departments, and special assignments. Two auditors are assigned to contract compliance and school construction. Two auditors are specialists in fraud detection and investigatory reviews. On occasion, the district contracts with outside, independent, professional investigation services when criminal activity is suspected. You might have read some of those headlines in Clark County where, through an internal audit, we did find evidence of wrongdoing that we prosecuted to the fullest extent of the law. We neither allow nor endorse those kinds of things. These are some of the examples of the internal audits that we have.

We also have a number of federal audits. We have federal law that is related to the food services department and the E-Rate reimbursement program. I don't know if you have read some of the national headlines about the E-Rate program, but Congress put a hold on E-Rate funds being used by districts because of ongoing fraud and deception. Our audit came out absolutely clean. In fact, we received very high commendations for the methods and practices we were using involving the E-Rate funds from the federal government. Medicaid claims, federal handicap programs, public broadcasting, Title I and other title programs, grants, civil rights compliances, and ADA [Americans with Disabilities Act of 1990] compliance are all federal audits that we conduct on an annual basis. We also have a number of state audits, which include enrollment audits, state grants, Title I audits, and per system audits.

Another thing that we have done, without any kind of mandate or requirement, is we have entered into a program called ISO [International Organization for Standardization] 9001. It is a private business practice where you audit yourself and make recommendations for self-improvement. It is a very extensive process to get ISO certification. It takes a lot of self-adjustment and analytical reasoning so that you can make the changes you need. Then, an outside team comes in and reviews what you have done with your practices, and they either certify you or tell you that you need to keep going. So far, we have had a number of divisions receive their ISO certification. That is an ongoing self-directive audit, because we want to do the best that we can.

We also have one other legislative mandate oversight group, and we call it the A.B. 353 Committee, but the real name is the Oversight Panel for School Facilities. That oversight panel was required by the Legislature in 1997, when we passed the revenue sources for our building program. The feeling was that

the revenue sources provided an ambiguous amount of money, there was not a way to determine the real amount of money that they were going to produce, and that there should be an oversight panel that has the authority to tell the trustees that they cannot use that money if they didn't feel it was warranted. That group meets quarterly, and we have an annual report that comes from them that deals with the building program. In addition, we have the Debt Management Commission in Clark County that we have to go to.

[Joyce Haldeman, continued.] Finally, we do have the bond raters, who are probably the most important auditors that we deal with, because what we do makes a big difference with how our bonds are rated. Right now, we have an AA bond rating, which is extremely high. We feel that we do a lot of things that would warrant such a high rating. The reason I bring all of those things out is that I hope you will consider the areas already being audited, so that when the audit is being performed—particularly because Clark County is on the list to do it next—you will recall that all of these things have been done within the last 12 to 24 months. We do not require our district employees to duplicate those efforts for the things that we have just found. We hope we do not have to spend time going over these very same things, particularly in the parts of the audit for the LCB, or any other source, that came out favorably.

Chairwoman Parnell:

One thing that might be helpful is if we could get a list of all of the things you have been doing and when it was done. That may be interesting for everyone to see.

Anne K. Loring, Legislative Advocate, representing Washoe County School District:

I would briefly like to review the three amendments that you have in front of you ([Exhibit I](#)). The first one is in Section 3, and it relates to the issue of funding. It is our understanding that the intent is that they be fully funded by the Legislature, and we are simply recommending a little word switching so that is clear. We believe the issue of their being fully funded is a policy issue, but as Assemblyman Conklin pointed out, when it goes to Ways and Means, how much money is available will determine how many you get to do. That was our first recommended amendment.

I would also like to talk briefly about two amendments in Section 4, subsection 3 that we are recommending. By way of background, Washoe County School District has had three management audits of this type in the last nine years. During the last interim, 2004, we had the one done by LCB auditors that has been referenced. In 2002, as a result of the 2001 Session, we also had a smaller scope audit by LCB. In 1996, the Board of Trustees in the

Washoe County School District requested and paid for a management audit on their own. Interestingly enough, it did cost \$300,000. It is in line with what Assemblyman Conklin estimated for a district of our size. That is what was in our consciousness as we read Section 4, because the firm that did our audit, KPMG [Klynveld Peat Marwick Goerdler], would have fit the criteria as written in this bill. Actually, they fit at least one of the two amendments that we are proposing. KPMG is a national auditing firm. Previously, they had quite a bit of experience auditing school districts. They looked at peer districts—districts of comparable size to Washoe—and gave a multivolume summary report of their finding back in 1996 and 1997.

[Anne Loring, continued.] In subsection 3(a), we are recommending that you include that the firm must have previous experience auditing school districts; I believe Mr. Conklin stated that was really his intent here. We also added (d) because we hired KPMG. Part of the reason we chose them was because they had prior experience auditing school districts, but among the folks who came to audit us were people who had clearly never audited school districts. Many members of our staff had to spend a great deal of time explaining to them how school districts operate and getting them up to speed before they could proceed with the audit. That is the background for that part of the recommendation, based on our experience with KPMG.

Assemblyman Horne:

You stated that you support the bill. Wouldn't it be like the districts were buying into the success of the audit if they helped pay? I disagree with the statement that you still have independence if you pay. It is not independent if you pay. If your child gets in trouble with the law, and I am representing them as a client, even if your checks to me have your name on it, my representation of your child is independent of anything that you say. I think it could work the same way if the school district has bought into the audit as well.

Joyce Haldeman:

In the past when we have gone through and paid for this litany of audits members of the public, who do not feel we have good financial practices, believe that we somehow influenced that audit because we hired the auditors. I am just dealing with the perceptions we have dealt with in the past. I think the perception needs to be that it is completely independent. If you want us to oppose the bill so that it sounds like we are not in cahoots, perhaps that would be better. There always seems to be that feeling that if we weren't there influencing it, someone would find something.

[Joyce Haldeman, continued.] I have to tell you again that we welcome audits. We look for ways that we can improve everything that we do with the taxpayer's money. If there is anything we can do for the taxpayer, we are there for that.

Assemblyman Horne:

For the record, I did not ask her to oppose this bill. My second question on the amendment is in Section 4, subsection 3(d): "must include, among the review team, a former educator." Does that speak to the existing conflict between the previous review team?

Anne Loring:

I do not believe so, because we are not talking about a Washoe County School District employee being on the audit team. If it is a firm from Florida, maybe it is a Georgia educator; just someone who has experience in education. No, that is not the intention.

Assemblyman McCleary:

Do you get to pick who audits you?

Anne Loring:

No, I do not believe we do.

Assemblyman McCleary:

You were mentioning your preference about one of the vendors you worked with in the past.

Anne Loring:

In 1996, the school board of the Washoe County School District, on its own, requested a management audit of our own district. Then, we hired the vendor and paid for them, but that is not the intent of this bill.

Assemblyman McCleary:

I am not opposed to us paying for this. I think we should.

Assemblyman Holcomb:

What was the savings? Was there appreciable savings with all of the audits, Joyce?

Joyce Haldeman:

I would have to go back and ask my financial director to compare that for you. I can tell you that after every audit, with the finding that is given to us, we prepare a response with how we are going to come into compliance with

whatever the auditors have found. Putting a dollar amount to that is something I cannot do.

Assemblyman Holcomb:

Anne, you said that you had an auditing company that had not audited a school before. You said that you had to instruct them on the basics. How was that auditing company selected?

Anne Loring:

KPMG is a nationally renowned auditing firm, and we put out an RFP. They were one of several that applied. The firm had previous experience auditing school districts, but when the individuals came to the districts, they had no specific experience.

Randy Robison, Executive Director, Nevada Association of School Boards:

As you heard from a couple of our local school board members, one from Las Vegas, one from Nye County, they feel a sense of obligation—as you do—to ensure that school district finances are being spent in the most appropriate, effective, and efficient way possible. It is something that they often guarantee to their constituents through the campaign trail or other venues. We do not oppose or object to audits.

Let me share with you some concerns from past experiences with audits that we bring in front of this Committee for consideration. First, in terms of the policies of full funding, we will definitely be participating in the financial aspects of these audits, both in terms of personnel and resources on the front end—providing and reviewing information, giving information to the consultants—and on the back end, implementing the different recommendations that are made. We will definitely have a financial stake in this audit based on personnel and time; however, we are concerned, when we talk about full funding, particularly when you contract with an independent, out-of-state consultant, that the consultant is very comfortable traveling to Las Vegas, Reno, and Elko, but looks at Tonopah, Goldfield, or Hawthorne, and is not very comfortable traveling there. Often what will occur is that consultant will call the superintendent of that school district, who is already wearing several hats, and say, “I have been commissioned to do an audit and need you to send me this list of information by some date.” That superintendent ends up doing an audit that is merely a transfer of paperwork from one person to another. In the end, this is not an audit of any kind. When we talk about fully funding in regard to the out-of-state consultant, we want to be sure that they are fully aware of their task. They need to visit those sites that are on the rotation in order to understand what every district is going through.

[Randy Robison, continued.] Secondly, I would like to speak to some of the amendments that were offered, of which we are in support. It would be helpful to contract firms who have experience auditing school districts, particularly because this audit focuses on financial or fiscal management of school districts. The other amendment that was offered, either having someone on staff or a consultant with former experience in education, is critically important, as Anne Loring illustrated in the KPMG study. Having that expertise available helps that auditor understand the balance between efficiency and effectiveness, particularly in classroom measures. One of the components of the bill says that they will review the effective delivery of educational services and programs—Section 6, subsection 2(h). To have someone who is not familiar with those basic education services and how they are delivered in an effective way—not necessarily the efficient way—is critically important to getting accurate and reliable information about how we are doing in those areas.

Finally, let me address some of the comments that were made about the \$500 million that the Governor has recommended in this budget. It would be incorrect to characterize that as any kind of a solution, long-term or short-term, to any sort of problem that has or will be defined. In fact, that money, nearly entirely, is comprised of growth plus CPI [Consumer Price Index] money to keep pace with our student population and the quota for our employees. Those are the same principles that are underlined in some of the property tax discussions that you are having now, and some of the proposals that have yet to come forth based your oncoming budgets on growth and CPI. That is what that money is for. To characterize it as a solution in any way is simply inaccurate. However, that being said, I think it illustrates the difference between what the audit aims to do and what we have yet to do. This will certainly focus on the fiscal management of local school districts. I guarantee you will find areas where we can improve, and we want to know those as much as you do.

It will not address the system. It won't do an audit of standards, curriculum, or systems. It will not help us better understand what our primary purpose of education is. We will get the money side fixed, but we will still be left with the question of what we actually have to do. The challenge in education is not a challenge of money; it is a challenge of mission. It is not an issue of funding; it is an issue of focus, particularly in light of No Child Left Behind and the Nevada Education Reform Act of 1997. I would encourage you to have an appropriate understanding of what this audit will do and will not do. We must find out where the gap is and what we can do to fill the gap. I would like to again acknowledge the support of the Nevada Association of School Boards for this bill.

**Doug Thunder, Deputy Superintendent, Administrative and Fiscal Services,
Department of Education, State of Nevada:**

[Distributed [Exhibit J](#).] I tend to be a bit more cynical than a lot of the presenters you have heard. You have heard about all of the audits that are done regularly. To me, that is not enough. No matter how many audits are done and how many reviews are done, you get the impression that it will still not be enough. I understand that everybody has to be accountable to the taxpayers and the elected leaders. Every government agency, from the dog catcher to municipal government to the Legislature and to administrative functions, needs to be held accountable for their spending. I think school districts are probably audited more than any other government agency. It is unfortunate that the people do not know about a lot of the audits, and perhaps there should be more focus on that.

Technically, I have several concerns with the bill. First, we have been throwing the word "audit" around all afternoon. I think the only time audit is referred to in the bill is when it refers to the Legislative Auditor. The rest of the time, it is a review that they are looking at. I think there is a difference between an audit and a review. One of my concerns is that the bill increases the responsibility placed upon the Legislative Auditor, who is given the responsibility of determining the school districts to be audited, issuing the requests for proposal, and ranking the responses. Are those duties involving school districts within the purview of the statutory duties of the Legislative Auditor as described in NRS 218.737? There appears to be a conflict between the legislative and executive branches of government. Attached to the Legislature, the Legislative Auditor would issue the RFP, and the State Board of Education—part of the Executive Branch—would make the selection based upon ranking provided by the Legislative Auditor.

After the selection is made, a contract would have to be provided. Would that contract be provided according to the legislative policies and procedures or the Executive Branch? They are not the same. I personally do not understand why out-of-state is necessary. I think that the auditor/monitor/reviewer should be competent. I think it would be wise if he belonged to the American Institute of Certified Public Accountants. The bill does not make it clear if one consultant would be engaged to undertake the reviews of all involved school districts, or would five separate consultants have to be selected?

The bill specifies that the State Board will be responsible for authorizing payments to the consultant. Will the funding for the consultant be in the Department of Education's account, or will it reside with the LCB account? If the latter, what would the process be in making those payments? Would the Interim Finance Committee have to rule on the payments as well? The bill

requires that each of the school districts involved have an oversight committee to oversee the operations of the consultant. The six-member committees will be appointed by various elected officials and by the president of the NSEA [Nevada State Education Association]. I heard earlier that it is envisioned for these to be all volunteers. I do not know how often we can ask people to keep volunteering, and it seems to me that it would be appropriate to make a payment to the people who are involved in these committees; at least the amount that a member of the State Board of Education, for example, would receive for a day's work. This would amount to about \$80 apiece per day.

[Doug Thunder, continued.] The bill calls for participation of the Department of Education to provide technical support and expertise to the consultant during the review. The Department is not currently sufficiently staffed to take on those added responsibilities, especially if you have five reviews going at the same time. We have prepared a fiscal note that would add two senior level auditors and one administrative support staffer to enable the departments providing this service. Our projected cost is \$610,000 in the upcoming biennium and about \$630,000 to \$640,000 in each subsequent biennium. It should also be noted that the Legislative staff has decided not to request a fiscal note from the school districts, and I am sure there will be cost involved by the districts even if it is fully paid for by the Legislature.

The bill calls for school districts to be evaluated on financial management principles, which the bill says are described in Section 6. Reading through those, I ask how those are different from what an organizationwide audit uses when doing an audit with generally accepted accounting practices (GAAP). I do not think there is much difference there. Was the bill written in light of the record retention requirement of the state, the State Library and Archives Division, and the federal program stipulations? In most cases, those records are required to be maintained for three years. In one case, it talks about going back with the previous six audits, that would be available, but if they had to look into the audits much of the paperwork would not be available. Who is to determine if the conclusions and finding reached by the consultant are reasonable? To whom can the school district appeal if there is a difference of opinion? What if there is a disagreement between what the consultant reports and what the district believes?

The whole tenure of the report is that the school districts are receiving more funding than is necessary to carry out their responsibilities, and that they are squandering those resources and not using them wisely or efficiently, in spite of the fact that Nevada still ranks forty-seventh in the country in per-student expenditures. There is no indication in the bill that would find the existing funding insufficient or that many needs are not being met. For these, and other

reasons that I think we have already heard, I believe if this bill goes forward, a considerable amount of work would have to be done to make it beneficial to the state.

Frank Brusa, Legislative Advocate, representing Nevada Association of School Administrators (NASA):

We are proposing a friendly amendment to A.B. 222 ([Exhibit K](#)), but I would like to state that principals have three critical constituencies: students, parents, and the teaching staff. When decisions are made, the decisions are made at the lowest common denominator in most organizations, and we represent the lowest common denominator. Therefore, for the amendment that we propose, on page 5, Section 5, we would add that one representative of the recognized employee organization representing administrators within the school district being reviewed is appointed by the President of the employee organization, or if no such organization exists, that NASA [Nevada Association of School Administrators] is appointed by the President of the Association. That is our amendment, and we feel we have a stake in everything that goes on in the school district. We are the people who represent the three most critical constituencies.

Curtis Jordan, Superintendent, Esmeralda County School District, Goldfield, Nevada:

I am here this afternoon to offer our support for the amendments proposed by Dotty Merrill and Anne Loring ([Exhibit I](#)). We feel that the fully funded concept is the only way that we can survive this type of audit. We do not have the finances, without it being fully funded, to accomplish this type of activity. As a matter of fact, we are really concerned about the amount of extra staff we will need to hire to do this audit. Since we are on the list for next year, we are concerned about being the guinea pigs in this.

We lost our finance person last August, and we could not find anybody with the qualifications to hire. We hired an accounting firm and brought them in to do our district finances for us. They are super people and they know the business world very well, but it took us a long time to get them to the point where they understood how a government entity and government school finance works. It took a long time to train them. That is one reason that "and must have previously audited school districts" is very important. Also, "and must include in the review team a former educator" is important because of that. Someone needs to guide these people and differentiate between the business world that accountants are used to working in and the government entity or school. Certainly, we look forward to this type of activity gaining us the money that Mr. Conklin promised. We would love to have the \$14 million that he mentioned.

Chairwoman Parnell:

I will close the hearing on A.B. 222. I will open the hearing on Assemblywoman Gansert's bill, A.B. 85.

Assembly Bill 85: Revises provisions governing eligibility for millennium scholarship. (BDR 34-804)

Assemblywoman Heidi Gansert, Assembly District No. 25, Washoe County:

Assembly Bill 85 proposes to require that to be eligible to receive a Millennium Scholarship, a high school student must perform at least 20 hours of community service for the State, a political subdivision of the State, or a charitable service organization. The service must be performed during the two years before the student receives the scholarship. The University of Nevada Board of Regents would be required to adopt the criteria for the performance of the community service by January 1, 2006. The community service requirement would apply to the graduating class of 2008.

I believe A.B. 85 will help strengthen our future leaders. The Millennium Scholarship was founded to help support our Nevada students and this bill will expose these students—our top students—to volunteerism at an early age. I suggest everybody in this room is here because of the influence of their parents, their families, their teachers, and their friends. We are here because we learned, most likely early on, that each of us makes a difference through volunteerism. Our students deserve to see that they can make a difference as individuals, too—to see that their service to their communities is important. I am confident that having high school students step up to volunteer for their respective communities can do nothing but strengthen our future leaders. They will learn how they can make a difference.

Our schools will also benefit. When adults in the community see young people engaged in productive and ongoing service, the public perception of the school and its students improves. The school comes to be viewed as a source of pride. This requirement will also provide an opportunity for districts and schools to partner with local organizations, develop a shared vision with their communities, align projects with school efforts—such as tutoring—and foster a senior or high school culmination project for academic credit.

In conclusion, volunteerism by our scholars shows a commitment to Nevada and to our communities. The 20-hour service requirement is reasonable for our students, given the size of the reward. Again, it is 20 hours over the last two years of their high school education. I believe providing service to the

communities will benefit the students, as individuals, beyond the financial assistance of the scholarship. I ask you to embrace volunteerism and to encourage it in your children, grandchildren, and throughout your community. Each of you has provided extraordinary service to your district and to our state by being here. Please help support service by our youth. They are our future leaders. Let us open their eyes to the difference they can make through community service.

Assemblyman McCleary:

Would an Eagle Scout project count toward this requirement?

Assemblywoman Gansert:

Yes. In my mind, it would. The original concept was created by Dr. Hardy, so he will have some additional input. Any way we can get our youth to get a taste of what community service is.

Assemblyman Joe Hardy, Assembly District No. 20, Clark County:

My son Jack goes to the University of Arizona in Tucson. He has 20 hours of service requirement every year during college. As I am aware, Boulder City High School and other high schools in Clark County have requirements to do something for extra credit in government class. One of the things we hear about is that we need to have a well-rounded education. In that educational process, I think we need to teach our children the art and act of giving and being able to help others. That whole process of education needs to be geared towards the concept of not only helping others, but teaching others. Everything that we learn, we want to impart to someone else: reading to someone who can't read, tutoring, the Eagle Scout project, all of those things that are not limited by an organization. If a student wants to volunteer in any way, shape, or form to help anybody, I think we would be amenable to counting that towards their service hours.

Chairwoman Parnell:

In 1998, I was fortunate to teach an eighth grade government leadership class. Needless to say, it was one of those classes that I will always remember. Because these were the kind of students where academics came fairly easily, I recognized that they were not in touch with people who were a little different than they were. At that time, I did 20 hours per semester as part of that leadership grade, and they also had to work with seniors or people in hospitals or convalescent homes.

One girl decided to work at the Advocates to End Domestic Violence. She would baby-sit on a Thursday evening to allow the moms to do a counseling program while she watched the children. She now wants to be a child

psychologist. Another one of my girls decided she was old enough to be selected as a candy striper as an eighth grader. She became a candy striper that year and is now a student at Gonzaga University, and she's still working in the hospital. She has done so every year since she entered the business as an eighth grader. If kids have trouble with transportation, I would say, find an elderly person on their street and rake their leaves or shovel their driveway. It was one of the most gratifying projects I ever did as a teacher, where the students could do that outside of the classroom. They could really think of the world as a whole and all populations. I applaud you both on a personal note for bringing this to us.

Andrew Heilman, Event Coordinator, Nevada Commission for National and Community Service, Fallon, Nevada:

The Nevada Commission for National and Community Service fully supports the goals and intention of A.B. 85. However, based on the research and program experience that exists in the field, the Commission respectfully requests minimum requirements of 40 hours of community service over the high school junior and senior years, as well as continuing community service requirements of 20 hours for each of the freshman, sophomore, and junior years of post-secondary education.

The Commission recognizes the potential unpopularity of this proposal, mostly from students, but believes it to be a bare minimum to achieve the results that Assemblywoman Gansert and Assemblyman Hardy intend. Various research and program experience in the field suggests that between 20 and 40 hours of community service per school year, or 10 to 20 hours per semester, is the minimum necessary to yield positive results for both the student and the community. Our suggested minimums are at the lowest level of those identified.

Opponents, as has been pointed out already, cite the excessive burden placed on students who already have exceptional workloads and numerous extracurricular activities. They may also cite the availability of volunteer opportunities or the potential barriers of transportation to getting to said opportunities. The service and education fields, along with legislators like yourselves, considering similar measures in states throughout the country, have often heard these common criticisms no matter the minimum requirements. I am here to submit to you what we, the Nevada Commission for National and Community Service, as well as the supported research in the field, believe to be an honest view of the opportunities and challenges of A.B. 85.

You all should have received about four pages of research statistics, as well as some of my testimony ([Exhibit L](#)). Volunteerism by young people in our country is an activity that is widely heralded, but not fully measured or understood.

Tens, if not hundreds, of studies demonstrate that community service is a common part of the American young adult experience. Two of the most comprehensive studies in the past decade show that at least two-thirds of young adults between the ages of 16 and 26 have volunteered. For our purposes, we consider young adults ages 16 to 25 because there are still students in college at age 25. That is the demographic that we choose to identify as young adults when we discuss young adults who volunteer.

[Andrew Heilman, continued.] The Nevada Commission, since its inception in 1994, has been promoting volunteerism and service to Nevadans of all ages, especially young people. We have always maintained that there is a strong tie between a state with institutions that promote and encourage volunteerism and a citizenry willing to respond when called to serve. We also believe there is no better time to instill this ethic than during a child's school-aged years.

Encouraging young adults to volunteer and serve in their community is widely viewed as beneficial to both the individual and to society. Through volunteerism, individuals learn to take responsibility for their community. They better understand the conditions and root causes of difficulties others face, and individuals appreciate the value of community participation and the real impact that one person can have when serving their community. Past research has found that students who participate in programs that promote—and in some cases, require—student community service tend to have stronger ties towards school, peers, and the community, as well as a higher exhibition of other positive social behaviors.

I believe the research that is presented here will paint a vivid picture of volunteerism among young people. I will say there is, to our knowledge, no specific study of volunteers among students in Nevada, specifically. That is why I present to you the nationwide studies. I will go through three studies from 1996, 1999, and 2001, that put the percentage of teens who volunteer at 59 percent, 53 percent, and 56 percent, respectively. A 1997 study of nearly 350,000 college freshmen determined that 73 percent of students surveyed performed voluntary work during their last year of high school. You will notice later on in this statistic that only 19 percent of those college freshmen went on to volunteer their freshman year of college.

In terms of organizations being receptive to young adults, we find that this is overwhelmingly true. Eighty-six percent of organizations from a 1998 survey actually have volunteers in their teens and twenties. Specifically, the last two cite leadership positions among young people in volunteer organizations. You will notice that the primary organizations through which teens first get involved in volunteer service are religious institutions and schools. Teens were nearly

four times more likely to volunteer if they were asked than if they were not asked; this is either by peers, teachers, school administrators, or parents. It relies on whether students are asked to volunteer. Among 51 percent of teens who were asked to volunteer, 93 percent actually did. When you compare that to 49 percent who are not asked, only 24 percent of those actually volunteered.

[Andrew Heilman, continued.] In a survey of students, 88 percent of teens believe an important factor in getting students involved in community activity is the encouragement of teachers, parents, and other adults. A 1996 survey found that service participants exhibit a greater sense of civic responsibility, higher levels of academic achievement, and more growth in life skills than non-participants. In the most comprehensive study of volunteerism among young people, which was a longitudinal study done by the United States Department of Education from 1988 to 2000, shows that 54 percent of teens who perform volunteer service in high school did volunteer again two years later. Only 20 percent of those who did not volunteer in high school volunteered two years later. Also, 42 percent of teens who perform volunteer service in high school volunteered again eight years later, whereas, only 26 percent of those who did not volunteer in high school, volunteered eight years later. There is a lot of other information in this research, and I will let you take a look at it yourself.

In regard to those last two points, the overall general decrease in volunteerism has not been identified concretely. It may result from any number of factors. The possible causes include the weakening of incentive for service, such as school credit or approval from post-secondary schools after high school, a reduced number of visible and easily accessible volunteer opportunities in the lives of college students and young working adults, or a simple change in priorities or reduction in free time after leaving high school.

The Commission believes that all of the above research shows that students who volunteer in high school are more likely to volunteer after high school than those who are not engaged in a volunteer service at all. We believe that a majority of students already volunteer their time and do so because they were asked by someone else. We also believe that schools are our primary link between service organizations and students, who are a large workforce for volunteer organizations.

We certainly acknowledge that there is a potential weak point in the legislation, and that is helping students find volunteer opportunities or get to their volunteer opportunities. I will note that there are a number of community resources available, although I could see that being a potential downfall for school districts. I do think they need to be reminded that there are community organizations willing to pick up that slack for them. I would be remiss if I did not

take the opportunity to highlight what the Nevada Commission for National and Community Service believes is the most effective use of volunteer service among young people: the intentional connection between service being performed and the classroom curriculum. This marrying of service with curriculum is referred to as "service learning." Service learning takes community service one step further by incorporating the service experience of students directly into their school work. Service learning has long been viewed as a possible means for improving education, with roots stretching back to the late nineteenth and early twentieth century. For example, John Dewey believed that students would learn more effectively and become better citizens if they engaged in service to the community and had the service incorporated into their academic curriculum.

[Andrew Heilman, continued.] Much like the bill that sits before you, legislative reform over the past 10 years has set in motion a growing national emphasis on increasing student involvement with their local communities, linking the service to academic study, and encouraging and enabling civic participation among a generation that is increasingly disengaged in our nation's most valuable civic processes. The Commission believes that while A.B. 85 begins to address the issue of civic responsibility and community involvement with young people, only a systemic implementation of civic education, community action or service, and invaluable recognition of the impact youth volunteers have in their community and themselves will truly achieve the goals of this legislation. I admit this is slightly beyond the scope of A.B. 85, but we believe in this bill and support it thoroughly. We believe the bill is only the beginning of what should be a cornerstone of public education to create a more engaged citizenry.

Assemblyman McCleary:

Did you bring your concerns and proposals to Mrs. Gansert?

Andrew Heilman:

No. I am afraid I have not had the time to discuss that with them. I had discussed our interest in the bill initially with Mrs. Gansert and Dr. Hardy, but I have not had the opportunity to express the concerns.

Assemblyman McCleary:

As far as increasing the requirements, you have not had a chance to discuss that with them.

**Dr. Dotty Merrill, Assistant Superintendent, Washoe County School District,
Reno, Nevada:**

Assembly Bill 85 presents a number of opportunities for our high school students to engage in community service. The Washoe County School District

has a long established community service program, and even without earning credit in the existing program, we have a number of our teachers who have done as the Chair has done: incorporate or weave community service into the class requirements. It has certainly always been something that has greatly benefited the students. Perhaps it is unrelated to the standards and unrelated to assessment, but it certainly has benefited their life experience and their world view. We provided you a proposed friendly amendment and we would like to change it a bit ([Exhibit M](#)). We would like to strike through the second part of the amendment in the lower portion of the page. Then I would like to present the first amendment, and we can provide this to your staff and the Committee a few moments after the meeting ends.

[Dotty Merrill, continued.] Our intention, and our first suggestion, is to reduce the necessity for the school or school district to process paperwork related to this requirement. We simply suggest that in Section 1, subsection e, on page 2, the language be amended to state, "Submits a statement signed by his parent or legal guardian ... that he has performed." Scratch through the rest of that amendment. The only amendment that we are suggesting is that the statement be signed by the parent or guardian, and not an application. Students, at present, do not submit an application for the Millennium Scholarship. School districts compile all of the information and provide that to the Millennium Scholarship office. That information goes to the office, and then paperwork goes from the office to that student. There is no application. We believe that having the student provide this statement and submit it with his other material when applying to the university this should be a cleaner way of handling the process. We would ask that you ignore our other proposal there, and we could focus on the statement being signed by the parent.

Dr. Craig Kadlub, Director, Government Affairs, Clark County School District (CCSD), Las Vegas, Nevada:

I would like to add our support to this bill and also our support to the amendment expressed by the Washoe County School District. We believe that the responsibility of administration for this requirement appropriately resides with the Board of Regents. We support the bill and the Washoe County amendment.

Assemblywoman Gansert:

I wanted to make an amendment about the language, as far as clarification, that the statement signed by parent or legal guardian would be submitted before June 1, 2008, for students graduating in 2008 or later, and on or before June 1 of subsequent years to clarify that this starts for the graduating class of 2008. Their statement would be due June 1, and so forth, for the following years.

Chairwoman Parnell:

I will close the hearing on A.B. 85 and open the hearing on A.B. 134.

**Assembly Bill 134: Makes various changes relating to treatment of pupils.
(BDR 34-210)**

Assemblywoman Sharron Angle, Assembly District No. 26, Washoe County:

I bring to you A.B. 134. It is a mirror of the federal legislation on mandatory medication. The secretary is going to be passing out three exhibits ([Exhibit N](#), [Exhibit O](#), and [Exhibit P](#)) and I would like to introduce to you my intern, Jonathan Reynolds. Jonathan Reynolds is a high school teacher who teaches part-time at Sparks High School. He taught French and government, and he asked to have this experience because he would like to know exactly what it involves to present legislation and watch legislation go through the process. He has prepared a PowerPoint ([Exhibit N](#)) to present A.B. 134.

Jonathan Reynolds, Intern to Assemblywoman Angle:

I am going to present to you A.B. 134. It is a prohibition of a mandatory medication amendment, which, in fact, mirrors federal law. The following is a summary that you all have in the packet we have given you ([Exhibit N](#)). Assembly Bill 134 prohibits employees of the Department of Education from mandating that a pupil, or guardian of a pupil, obtain a prescription of a controlled substance before the pupil may enter the classroom or receive special education services. This bill specifically mirrors the federal law, which I will explain to you in a moment.

Federal legislation—H.R. 1350—was recently signed into law by President Bush on December 2, 2004. It is the reauthorization of the Individuals with Disabilities Education Act (IDEA) ([Exhibit O](#) and [Exhibit P](#)). It specifically states that a state educational agency must develop and implement policies and procedures prohibiting school personnel from requiring a child to obtain a prescription for a controlled substance, as a condition of attending school or receiving services. It also states that if states are in compliance with this law, then they will not be in jeopardy of losing IDEA funding.

Chairwoman Parnell:

What is the definition of compliance there?

Assemblywoman Angle:

They have not been real specific about this except in the two paragraphs. I think if you allow Jonathan to continue the presentation, you will see what

compliance means. It means that we are agreeing to the condition that we will not mandate medication. As we go through the presentation, you will see how this applies.

Jonathan Reynolds:

Why A.B. 134? The federal government has mandated that states be in compliance. As of now, no compliance law exists in Nevada; A.B. 134 mirrors federal law and is in direct accordance. The next slide we have is entitled, "Better Safe than Sorry?" If a state employee requires a student to take a psychotropic drug, or Schedule 2 narcotics listed under the Controlled Substance Act, as a prerequisite for class attendance, they would be in direct violation of the law and in risk of lawsuit and a loss of IDEA funding. Continuing through, one might ask what the loss would be. Here is a brief breakdown: Nevada, in its entirety, receives close to \$63 million in IDEA funding. Washoe County School District receives just over \$9 million.

In 1999, Colorado addressed questions on psychotropic drugs and mandating students to take them before entering classrooms. The National Black Caucus made resolutions on this matter. In 2000, state studies were conducted in Georgia and Washington. In 2001, state laws in Connecticut, Minnesota, North Carolina, and Utah were passed. In 2002, state laws in Illinois and Virginia were passed. Federal H.R. 1170 in 2003 paved the way for H.R. 1350, which we have discussed already. In 2003, state laws in Colorado, Hawaii, Indiana, Kentucky, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Oregon, Vermont, Texas, and West Virginia passed laws that are almost identical to A.B. 134.

The question is whether or not A.B. 134 is necessary. Other states recognize that, although federal law supercedes state law, it is necessary to mirror the law in the state statute. You asked what "compliance" meant. We have a compliance application as of now. In fact, it specifically mentions this law, and you will see it in your packet ([Exhibit O](#)). It is number 26 in the compliance form. However, we would like to mention that this does not create state law; it is a compliance form.

Chairwoman Parnell:

Could you restate that last sentence?

Jonathan Reynolds:

The compliance form that we have is not state law; it is simply a compliance form. In order to secure IDEA funding and federal funding, we think it would be necessary to put this into state law to show we are in compliance. Compliance form 26 is a mirror of state law.

Chairwoman Parnell:

Are we currently in compliance?

Jonathan Reynolds:

From what I understand, we are currently in compliance. I have not heard of any specific cases where we were out of compliance.

Assemblywoman Angle:

I do not know of any instances where we have been out of compliance. As far as I know, the State Department of Education has submitted this compliance form and the application for IDEA funding. I suppose the whole reason for this being brought at this time is because this law is so new at the federal level that we wanted to get it on the books in Nevada so everyone knows about it. This way, we would never be in violation.

Jonathan Reynolds:

We have titled the presentation "Better Safe than Sorry." A small quote from a friend of mine, who is a Washoe County School District special education teacher: "We need to educate, not medicate." That is the idea behind A.B. 134. It is federal law, and we wanted to get it put into state law so that we are not in direct violation of this.

Janine Hansen, President, Nevada Eagle Forum, Sparks, Nevada:

We have long supported this kind of protection for our students in Nevada. In fact, the first time I testified for a bill similar to this was back in 1991. One of the reasons for this is because of personal experience with those I know who have had problems with Ritalin [methylphenidate hydrochloride] and other psychotropic drugs.

My sister-in-law's brother was on Ritalin for many years. She always felt that as a result of that, he became addicted to other drugs because he was used to solving his problems through the use of Ritalin. Since that time, he has been in the state penitentiary for drug abuse and other problems. My computer assistant in my office has a brother who was on Ritalin for many years, and he is now serving a sentence in the Washoe County jail. He also was caught breaking into school and taking equipment to feed his drug habit by pawning those items.

One of the things you will find in the information I sent out to you was the information from Texas on the ban of the use of psychotropic drugs in the schools ([Exhibit Q](#)). Another one shows that Ritalin is becoming a drug that is abused: children who are in high school and college are selling their prescriptions and being approached to give them to other people, because they are similar to amphetamines ([Exhibit R](#)). From the *Educational Reporter*, you will

find a tragic story by Joy and Kenny Johnson of West Virginia ([Exhibit S](#)). They spent seven years trying to rescue their child from drug-induced psychosis. By the time he was out of that, they had to get a court order to release him from a mental institution. He now has lifelong problems induced by those drugs. They said they would not allow him to be in school without being medicated. There are a lot of tragic stories, and I realize I missed the one about the 14-year-old in California, who was riding his skateboard and dropped over dead. The coroner said he died from the use of Ritalin. He had been on it since he was five years old. It acts the same as a powerful stimulant that I have mentioned.

[Janine Hansen, continued.] I also handed out to you a copy of Lynn Chapman's testimony; she is our state vice president. She has been a homeschool consultant for many years. It was testified to earlier that we are in compliance in the state of Nevada. However, Lynn continues to receive calls from parents who say they want to take their children out of schools, even in Washoe County, because they are being pressured to put them on Ritalin. Although this may not be an official problem, she is dealing with parents taking their children out of schools because of the reasons said before. She has included several pieces of information ([Exhibit T](#), [Exhibit U](#), and [Exhibit V](#)); one is from Dr. Breggin ([Exhibit W](#)). He is the doctor who rescued the child I spoke of who had battled seven years to get off those drugs. He was the doctor who intervened in that case and rescued the little boy.

We are certainly pleased that this has come forward. We think it is high time that we protect our children from abuse. You have noticed that recently numerous crimes have been committed by children who are on drugs. At Columbine, both of those children were on mind-altering drugs. We noticed the same thing these last few weeks with the young man who shot his grandparents and the children at the school. He, too, was on mind-altering drugs. Many of these have long-term and dangerous side effects, so I encourage you to protect our children and their parents from being pressured into using these kinds of drugs in our state. Please protect their health, their education, and their future.

John Wagner, President, The Burke Consortium of Carson City:

I support [A.B. 134](#), but I am coming from another direction. Who determines whether a child needs to be medicated or not? Are the school district personnel capable of doing that? We have two doctors on this Committee who might be capable of doing that. I take as little medication as possible, but when you get older, you will take a little more than you want. I am very cautious of medication because of what it can do to the child. I support [A.B. 134](#).

Deidre Hammond, Private Citizen, Reno, Nevada :

I am in support of the bill. I have been an advocate for children with disabilities for the last 20 years. Just to clarify on the Department of Education issue: the compliance form that you have would be with the state plan that is coming up. The eligibility documents will be filed soon. I do not believe they have been filed yet. It is something that the State Department of Education will go through, and they will fill in a box next to that, saying they have a state law. We have put it into administrative code. Districts have policies where we require those somehow. That will be coming. There were eligibility documents going to the Department of Education saying that we are in compliance.

I am in favor of the bill, because school districts do a good job, come October, of going through and providing parents with information on the laws that have been passed here and what those laws mean for their kids. This would be a law where parents would be able to find out that there is not a requirement. Carson City has a policy that prohibits district staff from suggesting medication, and Washoe County used to have one, but I have been unable to find it in the policy documents recently. I think it got lost in the mix somewhere. It does still happen. Teachers get misinformed like anybody else, and it does occasionally happen.

Ricci Rodriguez-Elkins, Executive Director, Center for Charter School Development, Sparks, Nevada:

I am happy to see this. I wish the wording said, "Prohibited from strongly suggesting." My son is now a senior and will be graduating this year, but in 1994, I left medical school to homeschool my son. We were so unduly pressured, even to the point where one of the Washoe County special education people told me that we were sabotaging my son's education career by refusing to medicate him. We did try medicating him, and he had all kinds of effects, like hitting his head against the wall. My normally lovable, sweet son had become a crying and anxious child. It frightened us, so I chose to leave medical school to homeschool him and work with him myself. We then discovered charter school, and I have pursued this to help others like my son. What I am trying to say is that undue pressure does occur, and I am aware of people in the district today who I provide advice for. They are constantly feeling pressured to medicate their children. I think this is a big step towards helping teachers and district staff to understand that they need to look at other avenues of advising parents rather than making parents feel like they have no other choice.

Don Calley, Member, Citizens Commission on Human Rights, Las Vegas, Nevada:

Assembly Bill 134 is of interest to our organization because it does preserve the parental right to properly care for their children. It gives parents, not educators,

the ability to decide the best method for bringing their children to order. It is a basic human right that should not be taken lightly. Requiring children to be placed on a controlled substance to continue their rightful education is insanity, at best. Similar legislation has been passed into law, as we heard earlier.

[Don Calley, continued.] In our last legislative session, we had a similar bill that did not make it out of committee. The only detractor who spoke out against it stated that we didn't need the legislation. I have heard that this time also. She spoke not long after we had heard from our own state legislator, who testified that he pulled his own son out of public school because he was being forced to put him on medication. There is a problem here. If we continue on the same path, we will be dictating who goes to school based on their DNA. It is not right.

There are solutions available other than ignoring the parental rights and ignoring the real trouble the child is having that may cause him to act up. We pick the easy way by giving him a pill, and it is not correct. This problem has been in the media a lot lately; the worst case scenarios are the school shootings. We all know about the Minnesota shooting that occurred recently. He was on Prozac [fluoxetine hydrochloride] and under the care of a psychiatrist. He was a student. If this is something that you feel will not happen here, I urge you to think back to the school shooting we had at Valley High, or the shooting at Albertsons at Valley View Boulevard and Sahara Avenue. That was Zoloft [setraline hydrochloride]. A Las Vegas family recently lost their son to suicide one week after being placed on a psychotropic drug.

I personally interviewed relatives of some of the victims. I spoke with a father of a bright 18-year-old girl who had her dreams slashed. She was on medication that was cut short due to lack of insurance. She was then prescribed Prozac, and within one week, she had shot her boyfriend without reason or warning. I also counseled a mother who went upstairs to see what the loud popping sounds were that she heard. She found her son's brains lying across the bedroom wall.

Chairwoman Parnell:

We all have our own concerns about Prozac and antidepressants, and actions of suicide after taking them. This bill is particularly about Ritalin and what a school employee might be suggesting.

Don Calley:

Those kids were actually told to take drugs so that they could stay in school. That is a case that did occur because of that. The fact is that there are other remedies that we should be looking at instead of trying to medicate. I do not

see anything that has gone through in regard to other ways of helping the children. Bright children who are bored stiff in class, or show a lack of interest, have been shown to be misdiagnosed with ADHD [Attention Deficit Hyperactivity Disorder]. One website has found that Thomas Edison and Albert Einstein had ADHD. They would not have made it to where they did had they been drugged.

[Don Calley, continued.] I refused to put a friend's child on drugs. He was wild, and I wouldn't let the kid in my own house, but we continued without labeling him. He ended up becoming a millionaire by the time he was 20. Now he is the founder of the largest internet service provider in the world. I totally changed my viewpoint at that moment. I believe we need to confront this bill on its merit.

Duncan Guertin, Private Citizen, Las Vegas, Nevada:

I have supported my city of Las Vegas, and I have also supported Citizens for Commission on Human Rights for more than 22 years now. I probably have paid more in property taxes than 30 normal folks, because I am a real estate investor. We all know that children are our future.

The reason I want to speak on this subject is that my mother wrote phrases in my baby book that said I was an excited and active child. In today's school systems, I would be labeled with the disorder of ADD [Attention Deficit Disorder], and probably put on Ritalin. That is not acceptable. Children who are intelligent and creative have trouble concentrating in school because they are so goal oriented that they have a rough time focusing unless someone puts a specific goal-oriented outline in front of them that they can follow. They feel a pain that is associated with boredom. By the way, that came from a clinical psychologist by the name of Ty Colbert, Ph.D., author of *Rape of the Soul*. Another famous psychiatrist and neurologist, author of the book *The Hyperactivity Hoax*, Dr. Sydney Walker, talks about a couple of symptoms. Behaviors that are associated with giftedness: poor attention, boredom, daydreaming in specific situations, low tolerance for persistence on tasks that seem irrelevant, judgment lags behind development of intellect, intensity may lead to power struggles with authorities, high activity level, may need less sleep, questions rules, and questions traditions. Let us put someone on Ritalin: poorly sustained attention in almost all situations, diminished persistence on tasks, not having immediate consequences, impulsivity, poor delay of gratification, impaired adherence to commands to regulate or prohibit behavior in a social context, more active than normal children, and difficulty adhering to rules and regulations. There are a few similarities there.

[Duncan Guertin, continued.] That is all I have to say. I believe that my mom believed me to be a creative child. I am pleased that she never had me go on any kind of medication whatsoever.

Caroline Calley, Member, Citizens Commission on Human Rights, Las Vegas, Nevada:

I grew up in a small town, so I never saw this dilemma. I support A.B. 134. My problem is that with children, or even adults, drugging is not the answer. The point of this bill is that school district personnel should not require children to be prescribed controlled substances. It should simply be education for the child, and not medication. My support of this has to do with the fact that there have been many families in the Las Vegas area who have lost their children. Sometimes the parent feels badly about it and keeps it from publication. Within a week, the parent comes home and the child has hanged himself. We have customers at my business who bring up the fact that their child died. We knew them over the years. One doctor in fact, lost his son to suicide at their home. One son went home, rented some comedy movies and proceeded to shoot himself. These are things that we know about, but I feel this bill should be supported. Our children are our future. Drugging is not the answer. There are a lot of other medical reasons.

One child was found to have a blockage in his intestine. When the parents said they did not want to medicate their child, they found he had this blockage at birth. They had it removed, and he turned out to be an easy to get along with kid after that point. We are just saying that the doctor should be involved. You cannot just say the problem is based on something that is not checked into first. I feel the teachers do well at their job of educating, and that is what they should do. I am sure this is not pleasant for them. I have had parents cry on my shoulder, and I know this is becoming a problem across the United States. We need to educate, not medicate.

Larry Perna, Private Citizen, Las Vegas, Nevada:

I have performed hundreds of hours of volunteer work in the public school system. I would like to say that we should empower the state education employees in the area where they have been trained: academics. I would not want them to diagnose my children, or my friend's children. If the federal law does mandate that we adopt and develop policies and programs in support of the federal law, there is not much of a debate. Let us just be proactive on this and get it done.

Keith W. Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, State of Nevada:

I think I am the only person who signed up in opposition to the bill. I am in opposition, not for the content, but because there is no choice. The federal government says that it is important. You had this under discussion over the last three or four sessions. You chose not to do a state law like some of the others. Federal law recognized that it was an important issue, and they put it in the new reauthorization of IDEA. The reason there is no implication yet is that it is only a part of the assurances we will sign when we submit for federal fiscal year 2005, which is the next school year; this is our fiscal year 2006.

I think you all have a copy of the assurances ([Exhibit X](#)). It is number 26, and it was on the slide, but it does not say that there is no choice in the state not passing the law. The federal requirement would supercede whatever changes you made. If you look at number 26, it says, "The State education agency shall prohibit." That is the Department of Education. We have the full authority. What will happen is that when we send in our revised application for the special educational changes, that will be a signed assurance that the state will prohibit it and that any applications to the local education agencies will have that assurance. If there is some monitoring that shows it is not happening, we would investigate, do a corrective action plan, and, subject to whatever they would do, we would clean it up that way.

My contention is that in cases where the statutes mimic federal law and the law changes, we have to go back and redo the statutes. If you look at the special educational statutes currently on the books, there are three pages. Two of those pages have to do with the due process hearing that we have some say in, and the other has to do with the IEP [Individual Education Plan] that we have some say in. That is it, and there are thousands of pages of special education regulations from the federal government. If we had mimicked all of the regulations of federal government in special education, we would have hundreds of pages to be revising, because it just got redone under this new authorization. It is not a hill to die on if you pass it, because it will still be required by law, but it will mean, down the road, if they make amendments or add things to this, we will have to come back and do it in statute. It really doesn't make any difference, because the federal law is the federal law and that is what we are going to enforce in the state of Nevada.

Assemblywoman Smith:

It seems like the real issue here is enforcement?

Keith Rheault:

It is really enforcement. There had been no requirement by the federal government up until the new application in 2006. Had the state passed the law similar to other ones that were shown, we would be enforcing it now, but the state did not require that. Local districts probably could have done that, but there has been no requirement until now, when it was passed in the 2004 reauthorization of IDEA. Now it will be enforced as part of receiving special education funds.

Assemblywoman Smith:

Is there a particular process, or is there something we can do to enhance that enforcement and make people more aware of the enforcement?

Keith Rheault:

We are going to have to do a training program for all the changes in the special education law. This is going to be one piece of it that school district representatives will have to be well aware of what it entails. Before they apply to the Department of Education for funds, they will have to sign the same assurance I am going to send to the United States Department of Education. It is going to take a lot of training and information, but it would not be any different if it were in state law or federal law that we would have to train and get this information out. We have processes in place—there are probably 100 different changes in the special education law from before—and we are going to have to do training on all of the changes, including this one. It will just be a part of the training we need to do before next July.

Chairwoman Parnell:

I think Mrs. Angle might have mentioned this. I would like to see this included in the information that is sent out, following a legislative session, to the parents about legislation that impacts them. I find it appalling that any child in this state can be told not to come to school unless they are on medication. If that has happened, and you are aware of that, what happens to that teacher?

Keith Rheault:

I am not aware. We haven't had incidents reported to the Department of Education, probably because it wasn't against state or federal law at this point. It may not be right, but that was not part of the special education funding up to this point.

Chairwoman Parnell:

You are not aware of anything in a school district policy that has any language where, if they are overly active, they will not be admitted to a public school

unless they are in fact on medication? Is there any language of any kind that would promote that?

Keith Rheault:

I am not aware of it, but if they do have that and they have to sign this assurance to get the new special education funding, they would have to delete it or change it. Otherwise, they are not entitled to any of the special education money, and most districts rely quite heavily on the \$62 million that the State gets. I think they will abide by the assurance.

Chairwoman Parnell:

I will close the hearing on A.B. 134 and open the hearing on A.B. 199.

Assembly Bill 199: Revises requirements for courses in American history taught in public high schools. (BDR 34-1014)

Assemblyman Harvey Munford, Assembly District No. 6, Clark County:

This is the first time I have ever been before the Committee as a principal legislator, but this is something that is very special to me and this is a good way to start. Assembly Bill 199 is something that I discovered and felt necessary as a Clark County School District teacher for 36 years. I also taught for 25 years at the Community College of Southern Nevada. In those 25 years, and the 36 years in Clark County, my assignments were in political science, United States government, Nevada history, the *Nevada Constitution*, and so forth. In teaching in those areas, especially in high school, I discovered that so many young people lack so much knowledge and information about Nevada State government. This is not just at the state level, but at the city and local levels. They had no knowledge whatsoever. I was appalled and shocked at this, because I understood that these young people were seventeen and eighteen years old. They would soon be eligible to vote and they lacked that knowledge. They needed to be prepared to be able to cast an intelligent and competent vote. They need a sense of knowledge, background, and understanding about government itself, and especially at the state and local levels. As a teacher, I feel something should be done to implement something in the classroom. We should make it a mandate that the curriculum include something on Nevada government and Nevada history. That is my intent with this bill. I feel this is such a critical area that something needs to be addressed, and something should be done.

Assemblyman Mabey:

I agree, but what is going to have to be cut out in order to teach this?

Assemblyman Munford:

In our curriculum of government, and many others throughout Clark County, there was a United States government book that they used. That book is primarily broken down in trying to cover the three branches of the government; everything related to the *United States Constitution*. Over the course of the year, we are required to teach those three branches: Executive, Legislative, and Judicial. That will generally take approximately a semester and a half, and the remaining month or so, there are chapters that compare national governments or deal with civil liberties and civil rights. I feel, and I did it for many years, that it is very valuable to understand state government.

I was somehow able to find time, within my lesson plan, to include almost two weeks of subject matter relating to local government and state government. Personally, I found it to be very beneficial. Recently, when I was running for office, it was interesting trying to explain to my students what the duties of an Assemblyperson are. They did not have a clue. They did not know what the *Nevada Constitution* was, and these are students at the Community College level. They never knew the state of Nevada had a separate constitution. When I tried to explain to them that every state in the union possesses its own constitution, it was amazing to see the lack of information and knowledge in this area. They never had much of an introduction to anything within state government. If you were to ask some of the young interns who are working in the Legislative Building, I do not know if they would know the answer. If they graduated through the state educational system, you could approach them and ask them if they had been taught anything about Nevada state government. Most of them would tell you no.

I know they do a little bit at the elementary level, but it seems like when they get to the secondary level and high school level, it seems to fade away. Many government teachers have their own personal strengths and things that they tend to emphasize, while glossing over a lot of other areas. They have a tendency to think that state government is not vital. I think the biggest aspect related to it is the fact that these young people will be voting, and we need to prepare them to be intelligent, cognizant, wise, and understanding of the politics that govern this state. It would make them more productive when they get the opportunity to vote.

Assemblyman Holcomb:

Do you think it is strange that teachers are required to take a course in constitutional law, but they are not teaching that to students?

Assemblyman Munford:

Many of the students who are going to be graduating may not be going to college. I know, in the state of Nevada, the University System schools require that their students take Nevada history, but if some of these young people do not plan on attending college, this will be their last opportunity to get some information related to state and local government. I brought up a Nevada Legislative Guide. This book is very informative when it comes to information related to this state. Historically and governmentally, this book does a good job, and you could do this in two weeks. I would recommend this as a start-up textbook.

Assemblyman Manendo:

Speaking on how we have adults who are not familiar with how the Nevada process works, I had a constituent who emailed me over the weekend talking about the *Nevada Constitution*. His name is Jerry Ernst; he is in his sixties. He said the Supreme Court was the Legislature's court, and I was trying to explain to him the difference between the two branches of government. I think this is something we need to do around the community.

Janine Hansen, President, Nevada Eagle Forum, Sparks, Nevada:

I am here to support this bill. I am a native Nevadan, and one of my hobbies is Nevada history. I have for 30 years spoken at high schools in Washoe County and at Truckee Meadows Community College. I find that there is a grossly inadequate education there, in terms of what happens in the simplest processes of the Legislature.

One of the great opportunities I gave to my own children was that I had them in government school, private school, and homeschool. When they were in homeschool, I had the opportunity to bring them down here to experience this. Just being here a few times, they learned more than they could have ever learned in any other way. When my son was sixteen, he was very interested in a particular issue, and he came down and personally lobbied many of the legislators and spoke in the hearing. This is the way that children can learn how to be full participants in their government.

When I was in high school, I had the wonderful opportunity of having a teacher who taught Nevada history with great enthusiasm. I think that is where I gained my enthusiasm for Nevada history, and in college, I also took Nevada history at the University of Nevada, Reno (UNR). One of the things I find here at the Legislature is that I am one of the only people who quotes the *Nevada Constitution*. It is a wonderful document, and it has more protection for free speech and press than our *United States Constitution* does. It has protection for the right to keep and bear arms, the right to trial by jury, and for

the protection of freedom of conscience and religious freedom. We have a remarkable document in our *Nevada Constitution*, and we often do not realize that it is a great protector of our individual rights. For instance, it says that no law shall interfere with our freedom of speech, even stronger than the federal law. I am thrilled about this particular piece of legislation, and I support it fully. If they do as well as Mr. Munford did when he was teaching government, many more children will know how they can actually participate in their government. That would do all of us a world of good.

Dr. Craig Kadlub, Director, Government Affairs, Clark County School District (CCSD), Las Vegas, Nevada:

We appreciate Mr. Munford and his commitment to elevating the status of Nevada history and the *Nevada Constitution*. As a former teacher of the subject, probably no one knows better the level of exposure and understanding students have with respect to these studies than he. It is obvious that Assemblyman Munford can make a compelling case for increased attention in these areas.

I would like to make clear that the district does not object to the intent or merit of A.B. 199. Having acknowledged that, we believe that experts in all the disciplines—that is, teachers of math, English, science, and others—could make the same argument. Students need more time on task in order to master specific or additional material. We feel that the high school government curriculum is already very rigorous and includes a great deal of content that teachers are expected to cover. An additional requirement in this area may result in less instruction of other related material. With these thoughts in mind, the Clark County School District feels the issue might be better expressed as a resolution, which we could support, or we could approach it through the Council to Establish Academic Standards, where content and time can be balanced.

American history is already part of the eleventh grade curriculum in Nevada history and is already the curriculum in grades four and seven. Again, we do not object to the idea, but we feel that the Council is the appropriate place to add content.

Dr. Dotty Merrill, Assistant Superintendent, Washoe County School District (WCSD), Reno, Nevada:

Like the Clark County School District, the Washoe County School District certainly appreciates the intent and merit of Assemblyman Munford's proposal. When the Legislature established the Council to Establish Academic Standards in the 1997 Session, one of the primary goals was to have a group responsible for coordinating all of the standards and benchmarks for all of the content areas in the state. At the time that the social studies standards were written, Nevada

history was placed into the middle school so that seventh and eighth grade standards could be taught for Nevada history, thematically with United States and world history standards. American government teachers were charged for teaching the *Nevada Constitution*. In a sense, the approach was linked into those two areas. We would certainly support the statement that Craig Kadlub just presented to you about the matter being referred to the Council to Establish Academic Standards. We believe that is the process that would allow Assemblyman Munford and others to have the recommendation considered in the context of all of the existing standards put in place in our state.

[Dotty Merrill, continued.] It might be possible to consider a one-half social studies credit in Nevada history that might involve a much more in-depth study of Nevada history. There is certainly precedent for this in other states, where the state history is taught as a social studies credit. We join with the Clark County School District in voicing our appreciation for the comments, hoping Assemblyman Munford will approach the Council to Establish Academic Standards.

Keith W. Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, State of Nevada:

I was going to point out where the standards are in history, just in case the Committee wanted to look at what is currently in place. If you go to the Nevada Department of Education website, there is a "standards" link you can click on. It will list all of the academic standards that have been adopted by the Council on Academic Standards. If you are looking for the *Constitution* pieces, go to the "civic standards"—specifically, under "content standard 6"—and that standard is state and local government. Students know the structure and functions of state and local government. There are three or four substandards that are under there, which describe what teachers are supposed to be teaching by the end of twelfth grade.

If you are looking for Nevada history, all of it is in the "history standards," but it is spread out all over, and every one of the standards is tied to eighth grade. It would be a matter we would have to focus on, but that document is fairly helpful if you are looking at Nevada, specifically. On the far right of the document, there is a column that tells you if it is a Nevada history requirement, a United States requirement, or some other history requirement. There are Nevada requirements throughout the document. That is where you could find it if you wanted to look further into what is required in our social studies curriculum.

Assemblyman McCleary:

You say that is in the eighth grade curriculum already. What percentage of our high school population is from out of state, or is new to our system?

Keith Rheault:

It is probably a good percentage that move into the state.

Assemblyman McCleary:

That may be a reason that there is a need. If I understand your argument, you are saying that it is already taught in the eighth grade and we do not need it in high school. However, I would say that at least one-quarter, if not more, of our high school population are immigrants to Nevada. Maybe we need to consider that.

Keith Rheault:

I was not arguing for it. I was just saying that is where the Standards Council has put it. They are to be periodically reviewed and revised. I think it is scheduled for three or four years, and maybe that's too long to wait, but the Standards Council did science this year and cleaned up a lot of things. That could easily be done through the Standards Council, unless the Legislature directed something to happen. We would then have to go back and revise it to add Nevada information at the high school level.

Assemblywoman Smith:

I would be negligent if I did not say anything about this, since I do chair the Academic Standards Council. One of the things I would like to stress is that those standards are written by social studies teachers who have an absolute passion for history, civics, and service. Know that the people who craft those standards are very passionate about having that subject taught. We are faced with issues that sometimes only allow a limited amount of time. Now, with No Child Left Behind Act of 2001 (NCLB) and a lot of the assessment issues, sometimes social studies takes more of a backseat in the classroom, but I can assure you that in the eight years I have been chairing the Council, we constantly hear about the time to teach and the amount of things that have to be accomplished. Also, some of this could be done at the State Board level as far as the high school classes, or if there were to be a change in the classes that are required. It is a big issue, but the standards are there. The social studies teachers really believe in the standards they have developed and what the kids need to be taught. We are always faced with a lot of other issues that I think bring a lot of conflict in the classroom with what teachers can teach.

Chairwoman Parnell:

I will close the hearing on A.B. 199. We will go on with the work session and take up A.B. 109.

Assembly Bill 109: Makes various changes regarding provision of education and professional development for educational personnel and makes various appropriations and transfers of money. (BDR 34-479)

Carol Stonefield, Committee Policy Analyst, Legislative Counsel Bureau:

Assembly Bill 109 proposes to revise the date for submission of an annual report by the governing bodies of the regional training programs for the professional development of teachers and administrators. There are a number of appropriations included. Several of them are continuation of funding for the RPDPs [Regional Professional Development Programs]. There is evaluation through the Legislative Bureau for Educational Accountability and Program Evaluation. There is money for administrator and trustee training. There is a reimbursement for National Board certification.

Two new proposals are stipends for college students through WICHE [Western Interstate Commission for Higher Education], and \$2,600 per year and \$1,200 grants for costs associated with the TESL [Teaching English as a Second Language] endorsement. There was no opposition.

A couple of amendments were proposed from the RPDP statewide coordinating council, and they are provided in your work session document ([Exhibit Y](#)). The first one, in Section 5, proposes to designate a school district that receives an appropriation as acting as fiscal agents for the RPDP governing board. The second proposal would add NRS [*Nevada Revised Statutes*] 391.512 to the bill and change this section to delete the names of the school districts receiving the appropriation. It would insert, in lieu thereof, the names of the governing boards.

Chairwoman Parnell:

Kristin, would you mind referencing your concern about the term "fiscal agent?"

Kristin Roberts, Principal Deputy Legislative Counsel, Legislative Counsel Bureau:

For clarification, if the Committee decides to proceed with the amendment to clarify that the school district is the "fiscal agent," I think it would be useful to explain what that means. I would suggest something along the lines of, "the school district is responsible for the payment, collection, and holding of all

money received from the State for the support of the regional professional development program." I was a little concerned if we left it at "fiscal agent." There might be some question as to what that meant.

Chairwoman Parnell:

One amendment proposes to designate the school districts that receive the appropriations are acting as fiscal agents. I would like to reread the language that was just given: "as fiscal agent, the school district is responsible for the payment, collection, and holding of all money received from this date, for the support of the regional professional development program." The second amendment proposes to add NRS 391.512 to the bill and change the section to delete the names of the school districts receiving the appropriation and insert the names of the governing boards. My question would be whether staff recollects any discussion or opposition to these proposed amendments.

Assemblyman Horne:

I am inclined to take counsel's advice. If we deleted that amendment with the fiscal agent language, what is the effect on the bill? The concern is the language of "fiscal agent." Are you suggesting changing it to something else?

Kristin Roberts:

I think the point of the amendment and Bill, correct me if I am wrong, is that currently, the money goes to each of the school districts, and the districts distribute them to the RPDPs. I think what the bill is proposing is to make it clear that the district would act only as the fiscal agent.

Bill Hanlon, Regional Director, Southern Nevada Regional Professional Development Program (SNRPDP):

NRS 391, throughout the statute, delineates what the responsibilities of the governing boards are in overseeing the professional development programs. However, in the beginning of NRS 391, it would say, for instance, that the Clark County School District will continue to operate the RPDPs. The statute gives the governing board the authority to do the hiring, planning, evaluation, et cetera. What this does is make NRS 391 consistent all the way through. Right now the money does go through, as fiscal agents, Clark County, Washoe County, Elko County, and Douglas County, for the four separate developmental programs, but the initial language says that those counties will continue to run and operate when the governing boards will run and operate. It is just a matter of making it consistent.

Chairwoman Parnell:

I want to make sure there is no opposition from the school districts. There is none. If we were to do pass with these two amendments, we would direct

Legal to bring the "fiscal agent" language into the appropriate place within the bill.

ASSEMBLYMAN MABEY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 109.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Assembly Bill 76: Authorizes boards of trustees of school districts to accommodate medical absences in policy for attendance of pupils at school. (BDR 34-607)

Not heard.

Assembly Bill 180: Revises provisions governing charter schools. (BDR 34-1034)

Not heard.

Chairwoman Parnell:

[Adjourned the meeting at 7:24 p.m.].

RESPECTFULLY SUBMITTED:

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblywoman Bonnie Parnell, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Education

Date: March 28, 2005

Time of Meeting: 3:54 p.m.

Bill	Exhibit	Witness / Agency	Description
	A	*****	Agenda
<u>A.B.</u> <u>222</u>	B	Assemblyman Conklin	Presentation
<u>A.B.</u> <u>222</u>	C	Assemblyman Conklin	Cost-Benefit analysis
<u>A.B.</u> <u>222</u>	D	Assemblyman Conklin	Bill and Audits
<u>A.B.</u> <u>222</u>	E	Denise Brodsky / Clark County School Board	Testimony
<u>A.B.</u> <u>222</u>	F	Ken Lange / NSEA	PowerPoint presentation
<u>A.B.</u> <u>222</u>	G	Ken Lange / NSEA	Florida Performance Review
<u>A.B.</u> <u>222</u>	H	Ken Lange / NSEA	Testimony
<u>A.B.</u> <u>222</u>	I	Anne Loring / WCSD	Proposed amendments
<u>A.B.</u> <u>222</u>	J	Doug Thunder / NDOE	Testimony
<u>A.B.</u> <u>222</u>	K	Frank Brusa / NASA	Proposed amendment
<u>A.B.</u> <u>85</u>	L	Andrew Heilman / Nevada Commission for National and community Service	Volunteerism Among Young Adults
<u>A.B.</u> <u>85</u>	M	Dotty Merrill / WCSD	Proposed amendments
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