

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Seventh Session
June 3, 2013**

The Assembly Committee on Ways and Means was called to order by Chair Maggie Carlton at 11:41 a.m. on Monday, June 3, 2013, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman William C. Horne, Vice Chair
Assemblyman Paul Aizley
Assemblyman Paul Anderson
Assemblyman David P. Bobzien
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

GUEST LEGISLATORS PRESENT:

Assemblywoman Irene Bustamante Adams, Clark County
Assembly District No. 42

Minutes ID: 1364



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Michael J. Chapman, Principal Deputy Fiscal Analyst
Connie Davis, Committee Secretary
Cynthia Wyett, Committee Assistant
Patricia Adams, Committee Assistant

Chair Carlton opened the hearing on Senate Bill 522, which she advised was a priority for the Committee to move to the Assembly floor.

Senate Bill 522: Ensures sufficient funding for K-12 public education for the 2013-2015 biennium. (BDR S-1244)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that Senate Bill 522, which ensured sufficient funding for K-12 public education for the 2013-2015 biennium was the first of five major funding bills and was required by the provisions of the *Nevada Constitution* to be approved prior to the other bills.

Ms. Jones provided the following overview of the bill:

- Senate Bill 522 appropriated \$1,134,528,570 for fiscal year 2014 and \$1,110,133,915 for fiscal year 2015 from the State General Fund to the State Distributive School Account.
- The Department of Education was authorized to expend \$282,795,652 and \$294,230,734 from other revenue in the State Distributive School Account for the state support of public education in fiscal years 2014 and 2015 respectively. The other revenues included an annual excise tax on slot machines, sales tax collected on out-of-state sales, interest earned on the Permanent School Fund revenue, mineral leases on federal land, and room tax revenue from Initiative Petition No. 1 of the 75th Session (2009).
- The basic support guarantee for school districts for operating purposes increased over the 2013-2015 biennium from \$5,374 to \$5,590 in fiscal year 2014 and \$5,676 in fiscal year 2015. Enrollment was projected to increase slightly by 0.61 percent from a weighted enrollment of 429,718 pupils in fiscal year 2013 to 432,346 in fiscal year 2014 and further increase by 0.39 percent to 434,023 pupils in fiscal year 2015.

- State funding for special education would continue to be allocated based on special education units. Total funding for the units was \$126,862,792 for 3,049 units of \$41,608 in fiscal year 2014 and \$130,329,505 for 3,049 units of \$42,475 in fiscal year 2015. As in the past, 40 of the units would be reserved for the State Board of Education to assign to districts that had unexpected needs and for charter schools.
- A significant investment was provided in the bill for the continued reduction of pupil-to-teacher ratios for kindergarten classrooms.

In response to Chair Carlton who asked for comments from those in support of Senate Bill 522, Rorie Fitzpatrick, Interim Superintendent of Public Instruction, Department of Education, thanked the members of the Assembly who assisted in developing the bill.

Ms. Fitzpatrick expressed support for Senate Bill 522, which represented a 7.8 percent increase in education funding or \$489 million from the current biennium to the 2013-2015 biennium for which she thanked the Committee on behalf of Nevada's almost half million public education students. Ms. Fitzpatrick advised that basic support for the 2013-2015 biennium would rise by \$189 million, an increase of more than \$300 per student.

Ms. Fitzpatrick also reported that the bill included an increase of more than \$13.5 million over the biennium for state support of students with disabilities, the first time an increase in the value of a special education unit, she said, had been seen in many years. Ms. Fitzpatrick said the increase would help to mitigate the effects of federal sequestration [automatic, across-the-board cuts necessitated by the Budget Control Act of 2011] on the Individuals with Disabilities Education Act (IDEA).

Additionally, Ms. Fitzpatrick thanked the Committee for the commitment of \$1.5 million over the biennium for the Jobs for America's Graduates Program. The funding, she said, represented an important statement concerning the value of education in "spurring and sustaining a healthy economy," reducing dropout rates, increasing graduation rates, and assisting graduates in finding quality jobs.

As an early childhood educator and mother of a kindergartner, Ms. Fitzpatrick thanked the Committee for the commitment to full-day kindergarten and manageable class sizes in full- and half-day kindergarten, which she defined as a huge step forward for Nevada. Senate Bill 522, she said, committed \$30 million for expansion of full-day kindergarten from 124 to 201 schools and

committed more than \$50 million over the biennium for class-size reduction in kindergarten. Ms. Fitzpatrick defined the funding commitment as a strong statement in support of the value of early learning and recognition of the return on investment yielded by early learning programs. The focus on early learning, she said, had been a tremendous effort of collaboration led by Governor Sandoval and by Assembly and Senate majority and minority leadership.

In her closing comments, Ms. Fitzpatrick reiterated her thanks to the Committee and said that it was important that the increases did not come at the cost of decreases in the current system of categorical support.

Chair Carlton thanked Ms. Fitzpatrick for her comments in support of Senate Bill 522.

Craig M. Stevens, representing the Nevada State Education Association (NSEA), expressed support for Senate Bill 522. Additionally, on behalf of educators across the state, he thanked the Committee for the work that had gone into developing the bill and for the increase in the area of professional development, class-size reduction, and full-day kindergarten.

Mr. Stevens also expressed hope that, in the future, money from Initiative Petition No. 1 of the 75th Session would be distributed to schools from the State Distributive School Account as it was intended.

Lindsay Anderson, Government Affairs Director, Washoe County School District, spoke in support of Senate Bill 522 and expressed her appreciation for the opportunity to work on the bill with the Interim Superintendent of Public Instruction, Rorie Fitzpatrick. Ms. Anderson echoed Mr. Stevens' remarks concerning class-size reduction in kindergarten, which she defined as a signature piece of the legislation.

Mary Pierczynski, representing the Nevada Association of School Superintendents, spoke in support of Senate Bill 522 and expressed appreciation for the work of the Legislature, the Executive Branch, and staff in developing the bill.

Nicole Rourke, representing the Clark County School District (CCSD), spoke in support of Senate Bill 522 and thanked staff, the Department of Education, and all those involved in putting the package together. Ms. Rourke advised that the CCSD looked forward to reducing class size and further expanding full-day kindergarten.

Joyce Haldeman, representing the Clark County School District (CCSD), spoke in support of Senate Bill 522. Ms. Haldeman defined the enhancement to education programs as "startling," particularly the emphasis on early childhood education. The bill, she said would allow the districts to focus on providing a greater number of full-day kindergarten classes for more children and smaller class sizes. In closing, Ms. Haldeman expressed her appreciation for the opportunity to work with staff in preparing the bill.

Hearing no response to her requests for those in opposition to or neutral on the bill, Chair Carlton opened the hearing to public comment. There being no response to her request for public comment, Chair Carlton advised that she would entertain a motion to do pass Senate Bill 522.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DO PASS
SENATE BILL 522.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick voted no.
Assemblymen Eisen, Horne, and Kirner were not present for
the vote.)

Chair Carlton closed the hearing on Senate Bill 522 and opened the hearing on Senate Bill 293.

Senate Bill 293: Makes an appropriation to the Trust Account for the Education of Dependent Children. (BDR S-140)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that Senate Bill 293 would make an appropriation of \$20,000 in fiscal year 2014 and \$20,000 in fiscal year 2015 from the State General Fund to the Trust Account for the Education of Dependent Children. With passage, the act would become effective on July 1, 2013.

Chair Carlton asked Constance J. Brooks to provide a brief overview of who would benefit from the passage of Senate Bill 293.

Constance J. Brooks, Ph.D., Director, Government Relations, Nevada System of Higher Education (NSHE), reported that the appropriation to the Trust Account for the Education of Dependent Children would provide for the education of children of law enforcement officers killed in the line of duty. The funding for

higher education, she said, was offered to the children out of respect for their families' sacrifice.

In response to Chair Carlton's request for additional information concerning the need for the appropriation, Ms. Brooks advised that NSHE was appreciative of the legislation because it would be difficult for the System to support the Account in which only \$8,000 remained. Ms. Brooks reported that four students were currently supported by the Account, and if the legislation failed, NSHE was authorized to approach the Interim Finance Committee (IFC) to request funding from the IFC Contingency Account.

In response to Chair Carlton, who asked whether there was any possibility of the System absorbing the costs, Ms. Brooks advised that NSHE was unable to absorb the costs and reiterated that the System could request additional funds, if necessary, through the IFC.

Hearing no response to her request for those in support of, in opposition to, or neutral on the bill, Chair Carlton opened the hearing to public comment to which there was also no response.

Chair Carlton noted that the request for a \$40,000 appropriation from the State General Fund would depend on the availability of funding after passage of the major funding bills.

Chair Carlton recessed the meeting at 12:00 p.m.

Chair Carlton reconvened the meeting at 3:09 p.m. and opened the work session on Senate Bill 461.

Senate Bill 461: Makes an appropriation to the Division of State Lands of the State Department of Conservation and Natural Resources for the replacement of equipment beyond its normal scheduled replacement. (BDR S-1187)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 461 on May 23, 2013. Senate Bill 461, she said, would appropriate \$29,553 from the State General Fund to the Division of State Lands, State Department of Conservation and Natural Resources, for the replacement of equipment beyond repair. With passage, the act would become effective upon passage and approval.

There were no questions or comments from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 461.

ASSEMBLYMAN HORNE MOVED TO DO PASS SENATE BILL 461.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hickey and Kirkpatrick were not present for the vote.)

Chair Carlton closed the work session on Senate Bill 461 and opened the work session on Senate Bill 462.

Senate Bill 462: Makes an appropriation to the Central Repository for Nevada Records of Criminal History within the Department of Public Safety for the initial phase of the project to modernize the Nevada Criminal Justice Information System. (BDR S-1184)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 462 on May 23, 2013. Senate Bill 462, she said, made an appropriation of \$2,315,090 to the Central Repository for Nevada Records of Criminal History within the Department of Public Safety for the initial phase of the project to modernize the Nevada Criminal Justice Information System.

There were no questions or comments from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 462.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS
SENATE BILL 462.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hickey and Kirkpatrick were not present for the vote.)

Chair Carlton closed the work session on Senate Bill 462 and opened the work session on Senate Bill 480.

Senate Bill 480: Makes an appropriation to the State Gaming Control Board to change from a COBOL-based technology system to a modern technology system. (BDR S-1183)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 480 on May 23, 2013. Senate Bill 480, she said, made an appropriation of \$2,000,436 to the State Gaming Control Board to change from a Common Business Oriented Language (COBOL)-based technology system to a modern technology system. Additionally, Ms. Jones advised that any balance of the appropriation not used by the State Gaming Control Board would be reverted to the State General Fund, and the act would become effective upon passage and approval.

There were no questions or comments from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 480.

ASSEMBLYMAN HORNE MOVED TO DO PASS SENATE BILL 480.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hickey and Kirkpatrick were not present for the vote.)

Chair Carlton closed the work session on Senate Bill 480 and opened the work session on Senate Bill 484 (1st Reprint).

Senate Bill 484 (1st Reprint): Makes an appropriation to the Mental Health Information System Account of the Division of Mental Health and Developmental Services of the Department of Health and Human Services for new software to implement the Department's technology policies. (BDR S-1181)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 484 (1st Reprint) on May 29, 2013. Senate Bill 484 (1st Reprint) made an appropriation of \$126,000 to the Mental Health Information System Account of the Division of Mental Health and Developmental Services, Department of Health and Human Services, for new software to implement the Department's technology policies. Additionally, Ms. Jones advised that any remaining balance of the appropriation not used

would revert to the State General Fund. The act would become effective upon passage and approval.

There were no questions or comments from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 484 (1st Reprint).

ASSEMBLYMAN EISEN MOVED TO DO PASS SENATE BILL 484 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hickey and Kirkpatrick were not present for the vote.)

Chair Carlton closed the work session on Senate Bill 484 (1st Reprint) and opened the work session on Senate Bill 485.

Senate Bill 485: Appropriates to and authorizes the expenditure of money by the Division of Welfare and Supportive Services of the Department of Health and Human Services for the integration of eligibility rules for the Temporary Assistance for Needy Families program and the Supplemental Nutrition Assistance Program into the eligibility system. (BDR S-1180)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 485 on May 30, 2013. Senate Bill 485, she said, made an appropriation of \$452,100 from the State General Fund to the Division of Welfare and Supportive Services, Department of Health and Human Services, for the integration of eligibility rules for the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP) into the eligibility system.

Additionally, Ms. Jones advised that the act provided for an expenditure of \$10,547,900 by the Division of Welfare and Supportive Services, Department of Health and Human Services, for the integration of eligibility rules for the TANF program and SNAP into the eligibility system. Ms. Jones explained that the sum of \$10,547,900 was provided through federal funds that required \$452,100 as a part of the matching requirement. The act, she said, became effective upon passage and approval.

There were no questions from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 485.

ASSEMBLYMAN HORNE MOVED TO DO PASS SENATE BILL 485.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not present for the vote.)

Chair Carlton closed the work session on Senate Bill 485 and opened the work session on Senate Bill 486 (1st Reprint).

**Senate Bill 486 (1st Reprint): Makes appropriations relating to education.
(BDR S-1178)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 486 (1st Reprint) on June 2, 2013. Senate Bill 486 (1st Reprint) made an appropriation for a pilot program for the assessment of school readiness and for programs and projects for the coordination between early childhood education programs through college and workforce readiness. The bill appropriated \$1,500,000 from the State General Fund to the Department of Education for the cost of implementing a pilot program for the assessment of the school readiness of children in prekindergarten and kindergarten, including training and technical assistance, and the improvement of technology systems.

There were no questions from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 486 (1st Reprint).

ASSEMBLYMAN ANDERSON MOVED TO DO PASS
SENATE BILL 486 (1ST REPRINT).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not present for the vote.)

Chair Carlton closed the work session on Senate Bill 486 (1st Reprint) and opened the work session on Senate Bill 487.

Senate Bill 487: Makes an appropriation to the Office of the State Treasurer for the Governor Guinn Millennium Scholarship Program. (BDR S-1175)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Assembly Committee on Ways and Means considered Senate Bill 487 on May 31, 2013. Senate Bill 487 made a \$5 million appropriation to the Office of the State Treasurer for the Governor Guinn Millennium Scholarship Program. With the infusion of the appropriation, Ms. Jones said the Governor Guinn Millennium Scholarship Program should remain solvent through 2017.

There were no questions from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Senate Bill 487.

ASSEMBLYMAN HORNE MOVED TO DO PASS SENATE BILL 487.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not present for the vote.)

Chair Carlton closed the work session on Senate Bill 487 and opened the work session on Senate Bill 293, which the Committee had considered earlier in the day. Additionally, Chair Carlton advised that discussions had taken place with representatives of the Nevada System of Higher Education (NSHE), and even though the funding request was minimal, the System needed the appropriation to address the needs of dependent children of fallen officers.

Senate Bill 293: Makes an appropriation to the Trust Account for the Education of Dependent Children. (BDR S-140)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reiterated that Senate Bill 293 made an appropriation to the Trust Account for the Education of Dependent Children. With passage, the bill would make an appropriation of \$20,000 in each year of the 2013-2015 biennium from the State General Fund to the Trust Account for the Education of Dependent Children to support the education of children of fallen officers.

Chair Carlton commented that she was hopeful that in the future NSHE would include the funding for the Trust Account in its budget request.

ASSEMBLYMAN KIRNER MOVED TO DO PASS SENATE BILL 293.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not present for the vote.)

Chair Carlton closed the work session on Senate Bill 293 and opened the work session on Assembly Bill 308 (1st Reprint). An amendment ([Exhibit C](#)) proposed by Assemblywoman Dina Neal, Clark County Assembly District No. 7, removed the fiscal note. Chair Carlton advised that Assemblywoman Neal was unable to attend the meeting, and Assemblywoman Bustamante Adams would present the amendment.

Assembly Bill 308 (1st Reprint): Revises provisions relating to the Southern Nevada Enterprise Community. (BDR S-557)

Assemblywoman Irene Bustamante Adams, Clark County Assembly District No. 42, reported that Assembly Bill 308 (1st Reprint) was an act related to economic development and revised provisions related to the Southern Nevada Enterprise Community (SNEC) Board. The amendment ([Exhibit C](#)) proposed by Assemblywoman Neal, she explained, revised language in subsection 5 of section 3 by providing that administrative support for the SNEC Board must rotate between the local governments on a year-to-year basis.

Chair Carlton reiterated that the amendment removed the fiscal note and that Clark County, the City of Las Vegas, and the City of North Las Vegas, would each, on an annual rotating basis, provide administrative support for the Board.

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 308 (1ST REPRINT).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not present for the vote.)

Chair Carlton closed the work session on Assembly Bill 308 (1st Reprint) and opened the hearing on Senate Bill 475 (1st Reprint).

Senate Bill 475 (1st Reprint): Makes various changes concerning governmental financial administration. (BDR 32-1124)

Jeff Mohlenkamp, Director, Department of Administration, presented Senate Bill 475 (1st Reprint), also identified as the "sunset bill." Mr. Mohlenkamp advised that Senate Bill 475 (1st Reprint) provided for the extension of the Modified Business Tax (MBT) and the Local School Support Tax (LSST) tax rates. The bill also provided for the prepayment of the net proceeds of minerals, continuation of a limitation on deductions, and the continuation of a \$200 state business license fee.

Mr. Mohlenkamp reported that the bill was estimated to provide \$700 million in revenue that would go either directly to the General Fund or to the Distributive School Account that otherwise would have been backfilled with revenue from the General Fund.

Chair Carlton asked for additional information regarding the MBT, which she noted had changed from several past sunset iterations that the Legislature had processed.

Mr. Mohlenkamp explained that by extending the sunset on the payroll tax and certain other taxes and fees, the bill would increase revenues to the state during the 2013-2015 biennium. Additionally, he explained businesses would benefit because the rate would drop from 1.17 percent to 0.63 percent of the total wages that exceeded \$62,500 paid by a business, other than financial institutions, each calendar quarter beginning on July 1, 2015. The exemption for wages paid, he pointed out, was increased from \$62,500 per calendar quarter to \$85,000 per calendar quarter for the 2013-2015 biennium, which partially reduced the additional revenue to the state.

In response to Chair Carlton, who asked for a revenue estimate associated with the increased exemption, Mr. Mohlenkamp advised that while the initial estimate was a reduction of approximately \$25 million, a recalculation after the Economic Forum met on May 1, 2013, placed the revenue loss closer to \$31 million.

Hearing no response to her requests for questions or comments from Committee members or for those in support of, in opposition to, or neutral on the bill, Chair Carlton advised that she would entertain a motion to do pass Senate Bill 475 (1st Reprint).

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DO PASS
SENATE BILL 475 (1ST REPRINT).

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick voted no.)

Chair Carlton closed the hearing on Senate Bill 475 (1st Reprint) and opened the hearing on Assembly Bill 162 (1st Reprint), which she asked Cindy Jones to present.

Assembly Bill 162 (1st Reprint): Revises provisions governing class-size reduction. (BDR 34-724)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented Assembly Bill 162 (1st Reprint), which she said the Assembly Committee on Ways and Means had considered on May 20, 2013. Ms. Jones advised that there had been several iterations of the bill, and a new proposed amendment 8848 ([Exhibit D](#)) had been provided to the Committee.

Ms. Jones reported that the bill was originally related to the reduction of class sizes in K-12 education; however, a component for class-size reduction for kindergarten in the education bill, Senate Bill 522, passed earlier in the day, which removed the fiscal note from Assembly Bill 162 (1st Reprint). Ms. Jones advised that to align Assembly Bill 162 (1st Reprint) with Senate Bill 522, the following amendments to the bill were required:

In section 1, subsection 1 paragraph (a) the phrase *kindergarten and* would be eliminated because the reporting requirements differed for kindergarten as related to the full-day kindergarten included in Senate Bill 522.

Chair Carlton also pointed out the following change:

In section 2, subsection 1 of the bill, the phrase *after the last of the first month of the school year* had been changed to *for each school quarter of a school year*, which was more typical of the reporting mechanism.

Hearing no response to her requests for questions or comments from Committee members, or for those in support of, neutral on, or in opposition to

the bill, Chair Carlton advised that she would accept a motion to amend and do pass Assembly Bill 162 (1st Reprint).

ASSEMBLYMAN EISEN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 162 (1ST REPRINT).

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Carlton closed the hearing on Assembly Bill 162 (1st Reprint) and opened the hearing on Senate Bill 357 (1st Reprint), which she said had been amended to address concerns expressed by Committee members on a similar bill.

Senate Bill 357 (1st Reprint): Provides for tax credits for certain business entities. (BDR 18-478)

Morgan Baumgartner, representing Advantage Capital Partners, reported that a collaborative effort among persons with varied interests brought about significant changes to Senate Bill 357 (1st Reprint) that would provide a tax credits program for Nevada. The Nevada New Markets Jobs Act, she said, was modeled on successful programs in 12 other states with adjustments, provided through the amendment, to accommodate the uniqueness of Nevada. Ms. Baumgartner suggested that Ryan M. Brennan of Advantage Capital Partners be permitted to provide the Committee with information on the bill, and she would address the amendment.

Chair Carlton agreed and asked Mr. Brennan to provide a cursory overview of the components of the program.

Ryan M. Brennan, representing Advantage Capital Partners, advised that Senate Bill 357 (1st Reprint) would enact the Nevada New Markets Jobs Act modeled on the federal New Markets Tax Credit Program. The federal Program, created in 1999 and extended through the Bush and Obama Administrations, he explained, attempted to drive private capital to economically distressed urban and rural communities. Mr. Brennan said that in 2007 several states began to provide state tax credits that would attract new markets investment to their urban and rural areas. Twelve states currently used the same model, and 6 of the 12 states had added money to their programs after seeing effective investments in their economically distressed urban and rural areas.

Mr. Brennan explained that passage of Senate Bill 357 (1st Reprint) would provide tax credits for business entities that invested in eligible urban and rural

areas. The companies could not take the tax credits until the third year after investment, and studies of the programs in Missouri and Florida, he said, revealed a significant return on investment of new jobs and increased tax revenue. In Missouri, the return was \$1.53 for every \$1, and in Florida, the return was \$1.26 for every \$1.

In his closing remarks, Mr. Brennan reported that Advantage Capital was one of 300 eligible investors across the country, and Nevada, in the federal New Markets Tax Credit Program, was currently 50th of 50 states in attracting investment to eligible urban and rural areas. Other states, he said, with similar legislation had seen increases in their federal investments of up to 500 percent, as well as a return on investment using state tax credits.

Hearing no questions or comments from the members of the Committee, Chair Carlton asked Ms. Baumgartner to review the amendment to the bill.

Ms. Baumgartner advised that one primary change was that the program, initially located in the Governor's Office of Economic Development, was determined to be a better fit in the Department of Business and Industry. After discussions with Bruce Breslow, the Director of the Department of Business and Industry, Ms. Baumgartner said that Mr. Breslow had the resources to manage the program through the Department's small business assistance programs.

Additionally, Ms. Baumgartner advised that language in the bill as introduced required a certification of \$250 million in qualified equity investments while the amended version of the bill required a certification of \$200 million. The amended version of the bill further required a prioritization of investment by a qualified community development entity in severely distressed economic areas in an amount equal to at least 30 percent of the purchase price of all qualified equity investments issued by such entities. The Director of the Department of Business and Industry could reduce the 30 percent requirement, which the entity could not achieve because of varying dynamics in rural and urban economies, to 20 percent, if the qualified community development entity used reasonable good faith efforts investing in severely distressed areas.

Ms. Baumgartner also advised that the amended version of the bill provided clarification concerning the types of entities that were not qualified as active low-income community businesses including, for example, gaming entities, country clubs, and tanning salons. Additionally, she explained that small businesses would be prevented from receiving an investment if they had already received an abatement for economic development.

Continuing, Ms. Baumgartner advised that the amendment included language that the Department of Business and Industry must certify that any single community equity investment must be at least \$5 million and not more than \$50 million for any single applicant. That provision, she said, ensured the viability of the investment on the lower end, while the upper limit allowed multiple community development entities (CDEs) to participate in the program in a meaningful way.

The final substantive change, she said, was a legislative declaration in the bill that encouraged qualified community development entities that had entered into federal allocation agreements to work with all groups that were involved in community development in distressed areas. The entities included qualified minority-owned community development businesses and other Nevada-based business that engaged in community development.

In response to Chair Carlton's question concerning a problem the Division of Insurance had with the bill, Ms. Baumgartner advised that the Division had submitted an amendment that was incorporated into the bill's first reprint.

In response to Chair Carlton's question concerning whether the changes had eliminated the Department of Taxation's fiscal note, Ms. Baumgartner advised that she had not received a revised fiscal note.

Prior to processing the bill, Chair Carlton advised that staff would investigate whether the fiscal note had been eliminated.

Hearing no response to her requests for questions or comments from Committee members or for those in support of, neutral on, or in opposition to Senate Bill 357 (1st Reprint), Chair Carlton advised that she would not process the bill until elimination of the fiscal note could be verified, which would provide the Committee additional time to review the bill.

Chair Carlton closed the hearing on Senate Bill 357 (1st Reprint) and recessed the Committee meeting at 3:45 p.m.

Chair Carlton reconvened the meeting at 9:23 p.m. and reopened the hearing on Senate Bill 357 (1st Reprint), the Nevada New Markets Jobs Act, which the Committee had considered earlier in the day. The bill, she said was sponsored by Senators Roberson, Smith, and Atkinson and cosponsored by Assemblymen Neal, Stewart, and Hambrick.

After further review, Assemblyman Kirner said it appeared that Senate Bill 357 (1st Reprint), which would provide tax credits for certain business entities would, at the same time, provide the state with “great advantages.”

Hearing no other questions from the members of the Committee, Chair Carton advised that she would entertain a motion to do pass Senate Bill 357 (1st Reprint).

ASSEMBLYMAN KIRNER MOVED TO DO PASS SENATE BILL 357 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not present for the vote.)

Chair Carlton closed the hearing on Senate Bill 357 (1st Reprint) and opened the hearing on Senate Bill 504 (2nd Reprint).

Senate Bill 504 (2nd Reprint): Enacts provisions providing English Language Learning for Our Students. (BDR 34-1099)

Rorie Fitzpatrick, Interim Superintendent of Public Instruction, Department of Education, provided the Committee with the following overview of the bill.

Ms. Fitzpatrick advised that a strong collaborative effort was undertaken to bring Senate Bill 504 (2nd Reprint) forward. The bill, she said, articulated the reasoning concerning the best methods to support the state’s English language learner (ELL) students. She extended her appreciation to Governor Sandoval, legislators, school district experts, and Legislative Counsel Bureau staff for their assistance in developing the bill. For Clark and Washoe County school districts, Senate Bill 504 (2nd Reprint), she said, provided “a system of comprehensive support” for ELL students in the early grades that included prekindergarten programs provided free of charge, expansion of full-day kindergarten with class-size reduction, the operation of reading skill centers, and free-of-charge summer school and intersession programs.

Ms. Fitzpatrick reported that the schools supported through the system solution would be designated as Zoom schools and would be chosen based on ELL population and performance. For rural school districts, she said, the system offered a noncompetitive grant program to access funding that would provide targeted support for ELL students including assessment, technology, and other options such as building teacher capacity to meet the needs of ELL students.

Appropriations, which were based on ELL student enrollment in kindergarten through Grade 3, were as follows:

- Clark County - \$19,710,500 in each year of the biennium.
- Washoe County - \$3,742,500 in each year of the biennium.
- A distribution of not more than \$1,497,000 in each year of the biennium to provide grants to school districts other than those in Washoe and Clark Counties and to the State Public Charter School Authority.

Ms. Fitzpatrick advised that reporting requirements were in place for Zoom schools to ensure accountability and the return on investment from what she defined as an “unprecedented effort” that included \$50 million in state support. Additionally, she said the bill established the English Mastery Council that would provide guidance on policies regarding professional development, teacher licensure, and other programming needs for ELL students. Ms. Fitzpatrick reported that the Council, which was anticipated to become a relevant partner in moving forward the outcomes of the Zoom schools, would be appropriated \$100,000 for operating expenses and would be administered by the Department of Education.

In response to questions from members of the Committee who had the first but not the second reprint of the bill, Chair Carlton advised that the most current version of the bill could be read on the Nevada Electronic Legislative Information System (NELIS).

Assemblyman Grady, who noted that the request was not included in The Executive Budget, questioned the funding source.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that a portion of the funding was included in The Executive Budget, and the balance was derived from other savings found throughout the budget.

Assemblyman Eisen discussed working on the bill, which he said provided a statewide plan for ELL students that recognized the different needs of the larger urban school districts and rural school districts. Assemblyman Eisen extended his appreciation to staff, Ms. Fitzpatrick and other representatives of the Department of Education, the Clark County School District, and the Washoe County School District for their assistance in developing the bill.

Additionally, Assemblyman Eisen discussed the distribution of dollars, which he said paralleled to within several decimal points the percentage of ELL students in Clark County, Washoe County, the rural districts, and the Charter School Authority combined. He explained that the support created a comprehensive program within individual schools in large urban school districts that had a high percentage of ELL students and low academic performance. Assemblyman Eisen noted that the bill allowed flexibility for grant-based programs in the rural districts, and that aside from his dislike of the terminology "Zoom schools," the reporting requirements in the bill provided for the distribution of dollars and ELL student outcomes.

Hearing no response to her requests for additional questions, Chair Carlton advised that she would entertain a motion to do pass Senate Bill 504 (2nd Reprint).

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DO PASS
SENATE BILL 504 (2ND REPRINT).

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

There was no response to Chair Carlton's request for those in opposition to the bill to come forward.

THE MOTION PASSED UNANIMOUSLY.

Chair Carlton closed the hearing on Senate Bill 504 (2nd Reprint) and opened the hearing on Senate Bill 470.

Senate Bill 470: Revises certain fees collected by the Administrator of the Commission on Postsecondary Education. (BDR 34-1135)

In response to Chair Carlton's request, Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided the following overview of Senate Bill 470.

Ms. Jones reported that Senate Bill 470, which the Assembly Committee on Ways and Means considered on May 6, 2013, revised fees collected by the Administrator of the Commission on Postsecondary Education.

Ms. Jones explained that the bill revised certain fees, some of which were established in 1975, as well as fees added in the 1990s that had never been increased. Additionally, she said, a new fee for the approval of alcohol awareness training was also included in the bill.

Ms. Jones advised that passage of the bill would result in approximately \$40,000 of extra revenue that would be deposited into the General Fund each year.

There were no amendments to the bill and no questions from the members of the Committee.

Chair Carlton advised that she would accept a motion to do pass Senate Bill 470.

ASSEMBLYMAN HARDY MOVED TO DO PASS SENATE BILL 470.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick voted no.)

Chair Carlton closed the hearing on Senate Bill 470 and provided the following commentary on Assembly Bill 489.

Assembly Bill 489: Revises provisions governing the fees charged by state agencies for accepting payments by credit cards, debit cards and electronic transfers. (BDR 31-779)

Chair Carlton advised that the Assembly Committee on Ways and Means considered Assembly Bill 489 on June 2, 2013, during which discussion had taken place concerning the proposed \$2 convenience fee that state agencies could charge for credit card transactions via the Internet, kiosks, and mail. Conflicting opinions concerning the charge were received, which, she said, could not be resolved.

Chair Carlton explained that Assembly Bill 489 and the proposed amendment (Exhibit E) would have provided the Department of Motor Vehicles (DMV) the opportunity to recoup charges it was required to pay to credit card issuers and use that money to replenish the Highway Fund. Although the convenience fee was currently being litigated to determine the legality of the service charge, Chair Carlton said it appeared that processing the bill would place the DMV in an awkward position with its vendor and credit card services, which could ultimately create a larger problem.

Chair Carlton advised that perhaps the court case would be settled favorably, which would provide the Committee the opportunity during the 2015 Legislative Session to also address the \$4 million to \$6 million credit card service fees the state had to pay from the General Fund. For the

time being, however, Chair Carlton advised that the Committee would not process Assembly Bill 489.

Chair Carlton closed her commentary on Assembly Bill 489 and opened the hearing on Assembly Bill 247 (1st Reprint).

Assembly Bill 247 (1st Reprint): Enacts the Nevada Buy American Act.
(BDR 28-190)

Chair Carlton advised that the Assembly Committee on Ways and Means discussed Assembly Bill 247 (1st Reprint), also identified as the Nevada Buy American Act, on May 20, 2013. Chair Carlton reported that section 4, subsection 3, paragraph (c) of the proposed amendment (Exhibit F) provided that American-made products would increase the cost of projects by no more than 15 percent rather than the initial proposal of 25 percent.

Chair Carlton pointed out that on page 2 of the proposed amendment under section 4, subsection 5, the language "meet the requirements of Buy America" would replace the phrase "meet the requirements as defined in section 3" that related to provisions unique to the Nevada version of Buy America, which applied to all of the new provisions in the bill.

Chair Carlton asked Cindy Jones to discuss the fiscal note.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, discussed a fiscal note from the State Public Works Division, Department of Administration. Ms. Jones reported that initially the fiscal note was calculated at \$10 million, which was later reduced to \$300,000. The \$300,000 cost, she said, was based on a capital improvement project for the construction of a steel building for a Department of Motor Vehicles (DMV) license plate factory.

The bill, Ms. Jones advised, could affect the project during the 2013-2015 biennium if there were cost overruns. She advised that collectively a combination of \$400,000 in the Interim Finance Committee's Contingency Account on all highway-funded projects would adjust project costs to come within the 15 percent threshold for cost overruns. Ms. Jones noted, however, that an appropriation from the Highway Fund to the Interim Finance Committee's Contingency Account could also be made, if needed, to cover cost overruns.

Additionally, if the current amendment was accepted and the costs of buying specific iron or steel products caused the project to exceed the 15 percent cap, the costs of those products could be exempted under the provisions of the bill.

In response to Chair Carlton's request for questions or comments from the Committee, Assemblyman Grady said that while he liked the idea, he believed that the projects would encounter overruns and delays, and he would vote no on the bill.

Assemblyman Hardy expressed support for the bill, in concept, but he said he also would vote no because the state was continuing to recover from the economic downturn.

Hearing no further questions or comments, Chair Carlton advised that she would accept a motion on Assembly Bill 247 (1st Reprint).

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 247 (1ST REPRINT).

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Grady, Hambrick, Hardy,
and Kirner voted no.)

Chair Carlton closed the hearing on Assembly Bill 247 (1st Reprint) and opened the hearing on Senate Bill 517 (1st Reprint).

Cindy Jones provided the Committee with the following overview of the bill.

Senate Bill 517 (1st Reprint): Makes an appropriation to the Department of Administration for distribution to Teach for America, Inc. (BDR S-1233)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that Senate Bill 517 (1st Reprint) appropriated \$1 million in each year of the 2013-2015 biennium from the State General Fund to the Department of Administration for distribution to the nonprofit organization, Teach for America, Inc., to support education in Nevada. The legislation provided that Teach for America, Inc. would send annual reports over the 2013-2015 biennium to the Interim Finance Committee (IFC) describing how the General Fund appropriation was expended.

Chair Carlton recalled past discussions concerning the Teach for America, Inc. legislation and advised that she had proposed a compromise that she wanted to

share with the Committee. The conceptual amendment ([Exhibit G](#)) provided for an appropriation of \$1 million from the State General Fund to the Department of Administration's Special Appropriations Account for distribution to Teach for America, Inc. with an additional \$1 million to be distributed to the following entities:

- \$400,000 to Communities in Schools of Nevada, Inc.
- \$100,000 to Save the Children.
- \$500,000 to the Nevada State Museum at the Las Vegas Springs Preserve.

Chair Carlton advised that she had discussed the conceptual amendment with Senator Debbie Smith, Chairwoman of the Senate Committee on Finance as well as with a representative of the Department of Administration. Although the Committee members did not have a hard copy of the proposed amendment, Chair Carlton advised that they could view the mockup via the Nevada Electronic Legislative Information System (NELIS).

In response to Chair Carlton's request for questions or comments, Assemblywoman Flores expressed strong opposition to the proposal. She commented that if [Senate Bill 517 \(1st Reprint\)](#) did not pass, the other organizations slated for a distribution would not receive funding either.

Assemblywoman Flores said she had been clear, from the beginning, about where she stood concerning Teach for America, Inc., a nonprofit organization with \$350 million in assets and \$270 million in revenue. She disagreed with appropriating \$1 million in tax dollars to an organization with over \$270 million in revenue while the state struggled with funding for education.

Although the other organizations in the proposed amended version of the bill would receive no funding if the bill failed to pass, Assemblywoman Flores advised that she intended to vote no.

Assemblyman Sprinkle echoed Assemblywoman Flores' comments and said he also had made it clear on the record that he did not believe in the Teach for America, Inc. organization and did not believe the state should support it. He said, however, he did believe in the other organizations that would receive a financial benefit from passage of the bill. Although Assemblyman Sprinkle said he would most likely support the proposed amendment, he would do so reluctantly.

Assemblyman Eisen also expressed opposition to prioritizing Teach for America, Inc. through the proposed amendment. Although he had questions about the effectiveness the organization had in producing committed long-term career teachers, he recognized that Teach for America, Inc. placed participants in the classrooms.

Assemblyman Eisen said the problem was one of priorities and that the proposed amendment was disappointing because rather than bringing the Committee to a more secure decision, it did the opposite. He explained that his vote on the bill in its current form, a \$2 million appropriation for Teach for America, Inc. would have been a "confident and secure no" while the proposed amendment made the decision more difficult. He said, however, he did not want to lose the opportunity to restore a small amount of funding to the Nevada State Museum at the Las Vegas Springs Preserve and to support Communities in Schools of Nevada, Inc. and Save the Children.

Assemblyman Eisen said that while he would support the motion, he wanted to be clear that a \$1 million appropriation for Teach for America, Inc. was, he believed, a mistake because of the state's limited dollars for funding education.

Chair Carlton advised that after conferring with staff, the act would become effective upon passage and approval. There being no other questions or comments from the Committee, Chair Carlton asked members of the public to come forward to testify on Senate Bill 517 (1st Reprint).

Craig M. Stevens, representing the Nevada State Education Association (NSEA), spoke in opposition to Senate Bill 517 (1st Reprint). Mr. Stevens made it clear that the NSEA supported the organization and recognized the good work it accomplished in the Clark County School District. The NSEA, he said, opposed the \$1 million appropriation to Teach for America, Inc. for all the same reasons Assemblywoman Flores had stated.

Mr. Stevens said that currently 95 teachers in the Clark County School District were Teach for America, Inc. participants and with 27,000 educators in the state, those aligned with Teach for America, Inc. totaled one third of one percent of all educators in Nevada. The state, he said, could spend \$1 million more effectively on all educators.

Mr. Stevens pointed out that recently the governor of Minnesota vetoed a \$1.5 million appropriation for Teach for America, Inc. for the same reasons Assemblywoman Flores had discussed.

In his closing remarks, Mr. Stevens asked the Committee to reconsider the appropriation to Teach for America, Inc.

Chair Carlton recalled that Mr. Stevens had been in a neutral position when Teach for America, Inc. was first discussed at the budget level.

Mr. Stevens respectfully disagreed and said that the NSEA did not support funding Teach for America, Inc. at the budget level and opposed the current funding proposal.

Rose McKinney-James, representing Teach for America, Inc., was grateful to the Chair for the proposed amendment although Teach for America, Inc., she said, had hoped for the \$1 million appropriation in each year of the biennium.

Ms. McKinney-James pointed out that Teach for America, Inc. could provide a 4:1 leverage with a \$1 million legislative appropriation, and many of the foundations that supported the organization did so with the idea that others would also make an investment. Additionally, she pointed out that over time problems had occurred in recruiting teachers for the neediest schools, and while the organization attempted to address teacher vacancies, it was devoted to developing long-term leaders with a commitment to education.

As a resident of Clark County, a founding member of the Board for the Las Vegas Springs Preserve, and a supporter of Communities in Schools, Ms. McKinney-James said she believed that the Committee offered the amendment as an appropriate solution for which Teach for America, Inc. was again grateful.

Joyce Haldeman, representing the Clark County School District (CCSD), spoke in support of Senate Bill 517 (1st Reprint) and the proposed amendment.

Ms. Haldeman discussed CCSD's strong support for Teach for America, Inc. She reminded the Committee that the appropriation for Teach for America, Inc. would help to offset the high cost of recruiting teachers, and she reported that during the coming school year, Teach for America, Inc. would provide 12 math teachers for the CCSD. Math teacher positions, she pointed out, were one of the most difficult slots to fill, and the 12 would be placed in at-risk schools.

There was no additional testimony in support of, in opposition to, or neutral on the bill.

Hearing no response to her request for public comment, Chair Carlton advised that she would accept a motion on the bill.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS
SENATE BILL 517 (1ST REPRINT).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Flores voted no.)

Senate Bill 172 (1st Reprint): Provides a deduction from the payroll tax for newly hired full-time employees under certain circumstances. (BDR 32-537)

The Committee did not hear Senate Bill 172 (1st Reprint).

Senate Bill 204 (1st Reprint): Requires the Department of Motor Vehicles to establish a next-of-kin registry. (BDR 43-712)

The Committee did not hear Senate Bill 204 (1st Reprint).

Chair Carlton recessed the meeting at 10:48 p.m.

After determining that there was no further business for the Committee to consider, Chair Carlton adjourned the meeting at 11:55 p.m.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

**Date: June 3, 2013
3:09 p.m.; 9:23 p.m.**

Time of Meeting: 11:41 a.m.;

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 308 (R1)	C	Assemblywoman Bustamante Adams	Proposed Amendment
A.B. 162	D	Cindy Jones	Proposed Amendment 8848
A.B. 489	E	Assemblywoman Carlton	Proposed Amendment
A.B. 247 (R1)	F	Assemblywoman Carlton	Proposed Amendment
S.B. 517 (R1)	G	Assemblywoman Carlton	Proposed Amendment